

This document constitutes a base prospectus (the "**Base Prospectus**") for the purpose of Art. 5 (4) of the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") in connection with the Commission Regulation (EC) No 809/2004, as amended, relating to the Credit Linked Notes (the "**Notes**" or the "**Securities**") issued from time to time by UniCredit Bank AG ("**HVB**", "**UniCredit Bank**" or the "**Issuer**") under the Euro 7,000,000,000 Credit Linked Securities Programme (the "**Programme**").



## **UniCredit Bank AG**

**Munich, Federal Republic of Germany**

### **Base Prospectus**

**for the issuance of**

### **Credit Linked Notes**

**under the Euro 7,000,000,000 Credit Linked Securities Programme**

**17 January 2019**

In accordance with the Luxembourg law relating to securities prospectuses dated 10 July 2005 as amended (*loi relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Act**"), this Base Prospectus was approved by the Commission de Surveillance du Secteur Financier ("**CSSF**") as the competent authority in Luxembourg (the "**Competent Authority**") in accordance with the Luxembourg Prospectus Act. In accordance with Article 7 (7) of the Luxembourg Prospectus Act, by approving this Base Prospectus, the CSSF gives no assurances relating to the economic and financial suitability of the transaction and the quality or solvency of the Issuers. Under this Base Prospectus the Issuer may issue new Notes under the Programme, increase the issuing volume of Notes which have already been issued, and apply for the admission to trading of Notes on a regulated or other equivalent market.

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## 1. Summary

### 1. SUMMARY

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

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

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

#### A. INSTRUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information in order to aid investors when considering whether to invest in the Securities.</p>
A.2	Consent to the use of the base prospectus	<p>[Subject to the following paragraphs, the Issuer gives its [general] [individual] consent to the use of the Base Prospectus during the Offer Period for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer does not give its consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p>
	Indication of the offer period	<p>[Resale or final placement of the Securities by financial intermediaries can be made and consent to use the Base Prospectus is given [for the</p>

## 1. Summary

		<p>following offer period of the Securities: <i>[Insert offer period for which consent is given]</i> [during the period of the validity of the Base Prospectus].]</p> <p>[Not applicable. No consent is given.]</p>
	Other conditions attached to the consent	<p>[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the terms and conditions of the offer.]</p> <p>[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base 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.]</p> <p>[Not applicable. No consent is given.]</p>
	Provision of terms and conditions of the offer by financial intermediary	<p><b>[Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.]</b></p> <p>[Not applicable. No consent is given.]</p>

### B. ISSUER

B.1	Legal and commercial name	UniCredit Bank AG (together with its consolidated subsidiaries, the " <b>HVB Group</b> ") is the legal name. HypoVereinsbank is the commercial name.
B.2	Domicile / Legal form / Legislation / Country of incorporation	UniCredit Bank has its registered office at Arabellastraße 12, 81925 Munich, was incorporated in Germany and is registered with the Commercial Register at the Local Court (Amtsgericht) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of the Federal Republic of Germany.
B.4b	Known trends affecting the issuer and the industries in which it operates	The performance of HVB Group will also in 2019 depend on the future development on the financial and capital markets, and the real economy as well as on the imponderables related. In this environment, HVB Group reviews its business strategy on a regular as well as on an ad hoc basis and adopts it where necessary.



## 1. Summary

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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 AG has been an affiliated company of UniCredit S.p.A., Milan ("<b>UniCredit S.p.A.</b>", and together with its consolidated subsidiaries, "<b>UniCredit</b>") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.</p>																																	
B.9	Profit forecast or estimate	Not applicable; profit forecasts or estimates are not prepared by the Issuer.																																	
B.10	Nature of any qualifications in the audit report on historical financial information	<p>Not applicable;</p> <p>Deloitte GmbH Wirtschaftsprüfungsgesellschaft, the independent auditor (<i>Wirtschaftsprüfer</i>) of UniCredit Bank, has audited the consolidated financial statements (<i>Konzernabschluss</i>) of HVB Group for the financial year ended 31 December 2016 and for the financial year ended 31 December 2017 and the unconsolidated financial statement (<i>Einzelabschluss</i>) of UniCredit Bank for the financial year ended 31 December 2017 and has in each case issued an unqualified audit opinion thereon.</p>																																	
B.12	Selected historical key financial information	<p><b>Consolidated Financial Highlights as of 31 December 2017</b></p> <table border="1"> <thead> <tr> <th><b>Key performance indicators</b></th> <th><b>1/1/2017 – 31/12/2017*</b></th> <th><b>1/1/2016 – 31/12/2016†</b></th> </tr> </thead> <tbody> <tr> <td>Net operating profit<sup>1)</sup></td> <td>€1,517m</td> <td>€1,096m</td> </tr> <tr> <td>Profit before tax</td> <td>€1,597m</td> <td>€297m</td> </tr> <tr> <td>Consolidated profit</td> <td>€1,336m</td> <td>€157m</td> </tr> <tr> <td>Earnings per share</td> <td>€1.66</td> <td>€0.19</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Balance sheet figures</b></td> <td><b>31/12/2017</b></td> <td><b>31/12/2016</b></td> </tr> <tr> <td>Total assets</td> <td>€299,060m</td> <td>€302,090m</td> </tr> <tr> <td>Shareholders' equity</td> <td>€18,874m</td> <td>€20,420m</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Key capital ratios</b></td> <td><b>31/12/2017</b></td> <td><b>31/12/2016</b></td> </tr> </tbody> </table>	<b>Key performance indicators</b>	<b>1/1/2017 – 31/12/2017*</b>	<b>1/1/2016 – 31/12/2016†</b>	Net operating profit <sup>1)</sup>	€1,517m	€1,096m	Profit before tax	€1,597m	€297m	Consolidated profit	€1,336m	€157m	Earnings per share	€1.66	€0.19				<b>Balance sheet figures</b>	<b>31/12/2017</b>	<b>31/12/2016</b>	Total assets	€299,060m	€302,090m	Shareholders' equity	€18,874m	€20,420m				<b>Key capital ratios</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
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## 1. Summary

	Common Equity Tier 1 capital	€16,639m <sup>2)</sup>	€16,611m <sup>3)</sup>
	Core capital (Tier 1 capital)	€16,639m <sup>2)</sup>	€16,611m <sup>3)</sup>
	Risk-weighted assets (including equivalents for market risk and operational risk)	€78,711m	€81,575m
	Common Equity Tier 1 capital ratio <sup>4)</sup>	21.1% <sup>2)</sup>	20.4% <sup>3)</sup>
	Core capital ratio (Tier 1 ratio) <sup>4)</sup>	21.1% <sup>2)</sup>	20.4% <sup>3)</sup>
	<p>* Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2017.</p> <p>† Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2016.</p> <p>1) Net operating profit results from the P/L line items net interest, dividends and other income from equity investments, net fees and commissions, net trading income, net other expenses/income, operating costs and net write-downs of loans and provisions for guarantees and commitments.</p> <p>2) in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2017 approved by the Supervisory Board of UniCredit Bank AG.</p> <p>3) in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2016 approved by the Supervisory Board of UniCredit Bank AG.</p> <p>4) calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p>		
	<b>Consolidated Financial Highlights as of 30 June 2018*</b>		
	<b>Key performance indicators</b>	<b>1/1/2018 – 30/6/2018</b>	<b>1/1/2017 – 30/6/2017</b>
	Net operating profit <sup>1),2)</sup>	€914m	€942m
	Profit before tax	€602m	€933m

## 1. Summary

	Consolidated profit	€262m	€717m
	Earnings per share (full HVB Group)	€0.33	€0.89
	<b>Balance sheet figures</b>	<b>30/6/2018</b>	<b>31/12/2017</b>
	Total assets	€294,387m	€299,060m
	Shareholders' equity	€17,837m	€18,874m
	<b>Key capital ratios</b>	<b>30/6/2018</b>	<b>31/12/2017</b>
	Common Equity Tier 1 capital <sup>3)</sup>	€16,557m	€16,639m
	Core capital (Tier 1 capital) <sup>3)</sup>	€16,557m	€16,639m
	Risk-weighted assets (including equivalents for market risk and operational risk)	€79,903m	€78,711m
	Common Equity Tier 1 capital ratio <sup>3), 4)</sup>	20.7%	21.1%
Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial	<p>* Figures shown in this table are unaudited and taken from the Issuer's Half-yearly Financial report as of 30 June 2018.</p> <p>1) Net operating profit according to IAS 39 until 31 December 2017.</p> <p>2) Net operating profit according to IFRS 9 since 1 Januar 2018.</p> <p>3) 31 December 2017: in accordance with approved financial statements.</p> <p>4) Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p> <p>There has been no material adverse change in the prospects of HVB Group since 31 December 2017, the date of its last published audited financial statements.</p>		

## 1. Summary

	<p>statements or a description of any material adverse change</p> <p>Description of significant change in the financial position subsequent to the period covered by the historical financial information</p>	<p>There has been no significant change in the financial position of HVB Group which has occurred since 30 June 2018.</p>
B.13	Recent events	Not applicable. There are no recent events particular to UniCredit Bank which are to a material extent relevant to the evaluation of its solvency.
B.14	B.5 plus statement of dependency upon other entities within the group	<p>See B.5</p> <p>Not applicable. UniCredit Bank is not dependent on any entity within HVB Group.</p>
B.15	Principal activities	<p>UniCredit Bank offers a comprehensive range of banking and financial products and services to private, corporate and public sector customers, international companies and institutional customers.</p> <p>This range extends from mortgage loans, consumer loans, savings-and-loan and insurance products, and banking services for private customers through to business loans and foreign trade financing and investment banking products for corporate customers.</p> <p>In the private banking and wealth management customer segments, UniCredit Bank offers comprehensive financial and asset planning with needs-based advisory services by generalists and specialists.</p> <p>HVB Group continues to be the centre of competence for the international markets and investment banking operations of the entire UniCredit. In addition, the Corporate &amp; Investment Banking business segment acts as a product factory for customers in the Commercial Banking business segment.</p>
B.16	Direct or indi-	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capi-

## 1. Summary

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### C. SECURITIES

C.1	Type and class of the securities / security identification number	<p><b>Type and form of the Securities</b></p> <p>The Securities are bearer securities under German law pursuant to § 793 German Civil Code (<i>Bürgerliches Gesetzbuch</i>, "BGB") (the "<b>Securities</b>").</p> <p>The "<b>Nominal Amount</b>" is [●].</p> <p>The Securities are represented by a global note (the "<b>Global Note</b>") without interest coupons. The Global Note is held in custody by or on behalf of the clearing system. The security holder (the "<b>Security Holder</b>") are have no claim to receive Securities in definitive form.</p> <p><b>Securities Identification Numbers</b></p> <p>[ISIN: [●]]</p> <p>[WKN: [●]]</p> <p>[Common Code: [●]]</p>
C.2	Currency of the securities issue	[Euro] [●] (the " <b>Specified Currency</b> ").
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferrable under securities law.
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p><b>Rights associated with the Securities</b></p> <p>[[<i>In the case of Product Type 1, 2 and 3, insert:</i>]</p> <p><b><u>Interest during the term</u></b></p> <p>[[<i>Insert in the case of a fixed interest rate:</i>] The Securities certificate the right of the Security Holders to receive a fixed Interest Rate on the Nominal Amount on each Interest Payment Date, subject to an early termination as well as the following provisions.</p> <p>"<b>Interest Rate</b>" is [●] annually.</p> <p>"<b>Interest Payment Date</b>" is each of the following dates: [●].]</p> <p>[[<i>Insert in the case of step-up interest rates:</i>] The Securities certificate the right of the Security Holders to receive the respective Interest Rate on the Nominal Amount on each Interest Payment Date, subject to any early termination as well as the following provisions.</p>

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		<p>"Interest Payment Date" is:</p>	<p>"Interest Rate" annually is:</p>
		<p>[[●] [in each case [insert the Interest Payment Date], beginning with [insert date] and ending on [insert date]]]<sup>1</sup></p>	<p>[●%]<sup>2</sup></p>
<p>.]</p> <p><b><u>Interest after the occurrence of a Credit Event</u></b></p> <p>If the Requirements for the Occurrence of a Credit Event are fulfilled, the Securities</p> <p>[[insert in the case of only one Interest Period and no payment of accrued interest:] do not bear interest.]</p> <p>[[insert in the case of multiple Interest Periods and no payment of accrued interest:] do not bear interest from, and including, the Interest Payment Date which immediately precedes the Credit Event Effective Date or, if no Interest Payment Date has occurred yet, not bear interest.]</p> <p>[[insert in the case of payment of accrued interest:] cease to bear any further interest from, and including, the Credit Event Effective Date. Any payment of an outstanding amount of interest in this case will be made on the Settlement Date.]</p> <p><b><u>Redemption at maturity</u></b></p> <p>The Securities certificate the right of the Security Holders to receive the payment of the Nominal Amount from the Issuer for each Note on the Scheduled Maturity Date (as defined in element C.16), subject to any early termination as well as the following provisions.</p> <p><b><u>Redemption after the occurrence of a Credit Event</u></b></p> <p>If the Requirements for the Occurrence of a Credit Event are fulfilled, the Issuer is released from its obligation to redeem the Nominal Amount. Instead, you receive the Credit Event Redemption Amount on the Settlement Date.</p> <p><b><u>Deferred payment of interest or principal</u></b></p> <p>The Issuer can defer payment on the Securities. This requires that the Requirements for a Payment Deferral exist. The suspension of payments can last for up to one year and five Banking Days.</p> <p>[[Insert for Product Types 4, 5 and 6:]]</p> <p><b><u>Interest during the term</u></b></p>			

<sup>1</sup> This option may be applied several times.

<sup>2</sup> This option may be applied several times.

## 1. Summary

		<p>[[Insert in the case of a fixed interest rate:] The Securities certificate the right of the Security Holders to receive a fixed Interest Rate on the Nominal Amount on each Interest Payment Date, subject to any early termination as well as subject to the following provisions.</p> <p><b>"Interest Rate"</b> is [●] annually</p> <p><b>"Interest Payment Date"</b> is each of the following days: [●].]</p> <p>[[Insert in the case of a step-up interest rate:]</p> <p>The Securities certificate the right of the Security Holders to receive the respective Interest Rate on the Nominal Amount on each Interest Payment Date, subject to any early termination as well as subject to the following provisions.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>"Interest Payment Date"</b> is:</td> <td style="width: 50%;"><b>"Interest Rate"</b> is:</td> </tr> <tr> <td>[[●] [in each case [insert the respective Interest Payment Date], beginning with [insert date] and ending on [insert date]]]<sup>3</sup></td> <td>[●%]<sup>4</sup></td> </tr> </table> <p>]</p> <p>[[Insert in the case of a floating interest rate:]</p> <p><b>"Interest Payment Date"</b> is each of the following days: [●].]</p> <p><b>"Interest Rate"</b> for the respective Interest Period is [of the Interest Period[s] [●] [●%] [and thereafter] the Floating Interest Rate on the respective Interest Determination Date.</p> <p><b>"Floating Interest Rate"</b> means the [Reference Rate] [difference between the Reference Rate<sub>1</sub> [multiplied by the Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by the Factor<sub>2</sub>], as displayed on the [relevant] Screen Page on the relevant Interest Determination Date, [multiplied by the Factor] [[and] [plus] [minus] [insert Premium] [insert Discount].]</p> <p>[[Factor<sub>1</sub>] is [●]] [and] [Factor<sub>2</sub> is [●]].</p> <p><b>"Reference Rate<sub>1</sub>"</b> means [●] [month][year]-[EURIBOR (Euro Interbank Overnight Rate)] [[Insert Currency] [LIBOR (London Interbank Overnight Rate)]] (Screen Page: [Insert]).</p> <p><b>"Reference Rate<sub>2</sub>"</b> means [●] [month][year]-[EURIBOR (Euro Interbank Overnight Rate)] [[Insert Currency] [LIBOR (London Interbank Overnight Rate)]] (Screen Page: [Insert]).]</p>	<b>"Interest Payment Date"</b> is:	<b>"Interest Rate"</b> is:	[[●] [in each case [insert the respective Interest Payment Date], beginning with [insert date] and ending on [insert date]]] <sup>3</sup>	[●%] <sup>4</sup>
<b>"Interest Payment Date"</b> is:	<b>"Interest Rate"</b> is:					
[[●] [in each case [insert the respective Interest Payment Date], beginning with [insert date] and ending on [insert date]]] <sup>3</sup>	[●%] <sup>4</sup>					

<sup>3</sup> This option may be applied several times.

<sup>4</sup> This option may be applied several times.

## 1. Summary

[If the Floating Interest Rate determined for an Interest Period is higher than [•] (the "**Maximum Interest Rate**"), then the Floating Interest Rate for that Interest Period is the Maximum Interest Rate.]

[If the Floating Interest Rate determined for an Interest Period is lower than [•] (the "**Minimum Interest Rate**"), then the Floating Interest Rate for that Interest Period is the Minimum Interest Rate.]

### **Interest after the occurrence of a Credit Event**

If the Requirements for the Occurrence of a Credit Event are fulfilled for one or more Reference Entities, the Securities

*[[Insert only in the case of one interest period and no payment of accrued interest:] bear interest on the Reduced Nominal Amount.]*

*[[Insert in the case of multiple Interest Periods and no payment of accrued interest:] bear interest from, and including, the Interest Payment Date which immediately precedes the Credit Event Effective Date, or, if no Interest Payment Date has yet, from the Issue Date on the Reduced Nominal Amount.]*

*[[Insert in the case of payment of accrued interest:] bear interest from, and including, the Credit Event Effective Date on the Reduced Nominal Amount. Any payment of an outstanding amount of interest in this case will be on the Settlement Date.]*

### **Redemption at maturity**

The Securities certificate the right of the Security Holders to receive the payment of the Nominal Amount from the Issuer for each Note on the Scheduled Maturity Date (as defined in element C.16), subject to any early termination as well as subject to the following provisions.

### **Redemption after the Occurrence of a Credit Event**

If the Requirements for the Occurrence of a Credit Event are fulfilled for one or more Reference Entities, the Issuer is released from its obligation to redeem the Nominal Amount. Instead, you receive the Reduced Nominal Amount on the Scheduled Maturity Date and the relevant Credit Event Redemption Amount on the Settlement Date.

### **Deferred payment of interest or principal**

The Issuer can defer the payment on the Securities. This requires that the Requirements for a Payment Deferral exist. The suspension of payments can last up to one year and five Banking Days.

### **Important definitions in this context:**

**["Aggregate Reduction Amount"** is the sum of the Weighted Amounts of all Reference Entities with regard to which a Credit Event has occurred.]



## 1. Summary

		<p>"<b>Credit Event</b>" is each of the following events[, in each case separately for each Reference Entity [(and in the case of [(●)] [(Restructuring)] [(Repudiation/Moratorium)] [(Governmental Intervention)] [Potential Obligation Acceleration] [(Obligation Acceleration)] only for each Reference Entity under the Transaction Type (●)]<sup>5</sup>:</p> <ul style="list-style-type: none"><li>[(i)] [Bankruptcy] [,]</li><li>[(ii)] [Failure to Pay] [,]</li><li>[(iii)] [Restructuring] [,]</li><li>[(iv)] [Repudiation/Moratorium] [,]</li><li>[(v)] [Government Intervention] [,]</li><li>[(v)] [Potential Obligation Acceleration] [,]</li><li>[(vi)] [Obligation Acceleration].</li></ul> <p>These Credit Events describe the following circumstances:</p> <ul style="list-style-type: none"><li>● Bankruptcy includes all forms of insolvency or comparable proceedings. The Credit Event Insolvency can also occur in the case of liquidation or inability to meet ongoing payment obligations or over-indebtedness of the Reference Entity.]</li><li>● Failure to Pay occurs when the [respective] Reference Entity does not pay an Obligation or does not do so on time. However, certain threshold values must be taken into account.]</li><li>● Restructuring is a change in payment obligations. This includes, for example, reduction of amounts of interest or principal or the deferral of payments. A change in the ranking of an Obligation is also included.]</li><li>● Repudiation/Moratorium exists when the [respective] Reference Entity completely or partially disputes or repudiates one or more Obligations. This also applies if the Reference Entity announces a suspension of payments, an extension of payments or a deferral of payments.]</li><li>● Government Intervention includes governmental measures with regard to the [respective] Reference Entity which take place in accordance with a law governing recovery and resolutions. For example, this can be a reduction of payments of interest or principal or a deferral of such payments.]</li><li>● Potential Obligation Acceleration exists if one or more Obligations of the [respective] Reference Entity could be called due as a result of non-performance, a non-performance event or a comparable event.]</li></ul>
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<sup>5</sup> Diese Option kann mehrfach zur Anwendung kommen.

## 1. Summary

	<ul style="list-style-type: none"><li>● Obligation Acceleration exists if one or more Obligations of the [respective] Reference Entity has become due early as a result of a breach of contract, the occurrence of grounds for termination or a similar event.]</li></ul> <p><b>"Credit Event Effective Date"</b> is [the earlier of the two points in time:</p> <ul style="list-style-type: none"><li>(i) the date which immediately precedes the Credit Event Resolution Request (if there is one), or</li><li>(ii) the date which immediately precedes the date of notification of a Credit Event.] [the date which immediately precedes the Credit Event Resolution Request] [the date which immediately precedes the date of notification of a Credit Event].</li></ul> <p><b>"Credit Event Resolution Request Date"</b> is the day on which such a request is submitted to ISDA. The content of the request: A committee, the ISDA Determinations Committee is supposed to resolve whether an event has occurred at a Reference Entity which shall be considered to be a Credit Event.</p> <p><b>"ISDA"</b> is the International Swaps and Derivatives Association, Inc. (or a successor organization).</p> <p><b>"Observation Period"</b> is the period from and including the [<i>insert Issue Date</i>] until and including [●] as the Final Determination Date.</p> <p><b>"Reduced Nominal Amount"</b> is the Nominal Amount minus the Aggregate Reduction Amount.]</p> <p>The <b>"Requirements for the Occurrence of a Credit Event"</b> are fulfilled in the following situations:</p> <p><i>[[insert in the event that the Credit Event Repudiation/Moratorium does not apply or in the event of a Credit Event without Grace Period Deferral:]</i></p> <ul style="list-style-type: none"><li>(1) a Credit Event occurs during the Observation Period and a notification with regard to the Credit Event is made within the Observation Period, or</li><li>(2) additionally, if the basic situation in (1) does not exist with regard to the timing: a Credit Event occurs within the Observation Period and a notification with regard to this Credit Event is made within one year after the Credit Event Resolution Request Date with regard to the requested Credit Even (whereby such a notification can also take place after the Final Determination Date).]</li></ul> <p><i>[[insert if the Credit Event Repudiation/Moratorium and/or Failure to Pay with Grace Period Extension applies:]</i></p>
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## 1. Summary

	<p>(1) a Credit Event occurs within the Observation Period and a notification with regard to this Credit Event is issued within the Observation Period, or</p> <p>(2) in one of the two following additional situations, if the basic situation in (1) does not exist with regard to timing:</p> <p>(a) a Credit Event occurs within the Observation Period and a notification with regard to this Credit Event is issued within one year after the Credit Event Resolution Request Date with regard to the requested Credit Event (whereby such a notification can also be issued after the Final Determination Date), or</p> <p>[(b) the Credit Event Repudiation/Moratorium occurs after a notification about a potential Repudiation/Moratorium and a notification with regard to this Credit Event is issued within one year after the notification of a Potential Repudiation/Moratorium (whereby such a Credit Event and such a notification can also occur after the Final Determination Date)]</p> <p>[[c)] the Credit Event Failure to Pay occurs after a notification of a potential failure to pay and a notification with regard to this Credit Event is issued within one year after the notification of a potential Failure to Pay (whereby such a Credit Event and such a Credit Event Notification can also occur after the Final Determination Date)].</p> <p>The "<b>Requirements for a Payment Deferral</b>" exist in the following situations:</p> <p><i>[[in the event that the Credit Event Repudiation/Moratorium does not apply or in the event of the Credit Event without the Grace Period Extension:]</i></p> <p>a Credit Event Resolution Request Date occurs within the Observation Period.</p> <p>These requirements for a deferral of payments can be satisfied up to one year after the Credit Event Resolution Request Date. However, they end, in any event, if a notification is issued with regard to the relevant Credit Event.]</p> <p><i>[[insert in the event of the Credit Event Repudiation/Moratorium and/or the applicability of the Credit Event Failure to Pay with Grace Period Extension:]</i></p> <p>within the Observation Period either (i) a Credit Event Resolution</p>
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## 1. Summary

	<p>Request Date has occurred [or (ii) a notification of a potential repudiation/Moratorium has occurred] [or [(iii)] a notification of a potential Failure to Pay has been issued].</p> <p>These requirements for a deferral of payments can be satisfied up to one year after the Credit Event Resolution Request Date [or after notification of a potential Credit Event]. However, they end, in any event, if a notification is issued with regard to the relevant Credit Event.</p> <p><b>"Credit Event Redemption Amount"</b> is the [Nominal Amount] [Weighted Amount of the Reference Entity affected by the Credit Event] multiplied by the Final Price [and minus the Swap Unwind Amount].</p> <p><b>"Settlement Date"</b> is the 5<sup>th</sup> Banking Day after the first day of publication of the Auction Final Price by ISDA or, if no auction takes place, the 5<sup>th</sup> Banking Day after the Recovery Valuation Date. The Settlement Date can fall after the Scheduled Repayment Date.</p> <p><b>"Swap Unwind Amount"</b> means an amount which results from the termination of swaps or hedging transactions concluded by the Issuer in connection with the Securities.]</p> <p><b>"Weighted Amount"</b> is, with regard to a Reference Entity, the product of the Nominal Amount and the Weighting (as defined in table of contents point C.20) for the Reference Entity.]]</p> <p><b>Ranking / Status</b></p> <p>The Securities constitute direct, unsecured obligations of the Issuer which rank <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, except for those obligations which have a preference by law.</p> <p><b>Restrictions on the rights related to the Securities</b></p> <p>The Issuer is entitled to terminate the Securities early in accordance with the Terms and Conditions upon the occurrence of a call event. The termination will take place at the cancellation amount. You have the risk in this situation that you will not receive any or not fully receive a return of the invested principal. Call events can occur in case of succession in right with regard to the Reference Entity [or in case of: increased hedging costs of the Issuer, a hedging disruption or a change in law[, a disappearance of a Reference Rate]]. The cancellation amount corresponds to the fair market value of the Securities.</p> <p><i>[[In the case of a floating interest rate, the following applies:]</i></p> <p><b>Replacement of Reference Rate</b></p> <p>If [a][the] Reference Rate [(as defined in C.9)] is not provided or shall not be used anymore or [a][the] Reference Rate changes significantly,</p>
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## 1. Summary

		<p>the [relevant] Reference Rate shall be replaced by the Issuer in its reasonable discretion (§ 315 BGB).]</p> <p><b>Applicable law</b></p> <p>The form and content of the Securities as well as all rights and obligations of the Issuer and the Security Holders are governed by the law of the Federal Republic of Germany.</p>
C.11	Admission to trading on a regulated market	<p>[Application [has been] [will be] made to the [Luxembourg Stock Exchange] [<i>Insert relevant regulated or other equivalent market(s)</i>] for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] [<i>Insert relevant regulated or other equivalent market(s)</i>] [within [<i>Insert period of time</i>] from the Issue Date] [with effect from [<i>Insert expected date</i>]].]</p> <p>[Not applicable. No application for the Securities to be admitted to trading on a regulated or other equivalent market has been made and no such application is intended].]</p>
C.15	Effect of the underlying on the value of the securities	<p>The value of the Securities during the term and the interest and redemption of the Securities depend on the credit standing of the [Reference Entity] [Reference Entities]. If the credit risk of the [Reference Entity] [Reference Entities] increases, the value of the Securities can fall (leaving aside other value-affecting factors).</p>
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p><b>"Scheduled Repayment Date"</b> is [●].</p>
C.17	Settlement procedure of the securities	<p>All payments shall be made to [<i>insert</i>] (the "<b>Principal Paying Agent</b>"). The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred 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 a payment.</p>
C.18	Description of how any return on derivative securities takes place	<p>[[<i>In case of Product type 1, 2 and 3 insert:</i>]</p> <p>Payment of the Nominal Amount on the Scheduled Repayment Date (subject to a deferral). In the event of a Credit Event payment of the Credit Event Redemption Amount on the Settlement Date.]</p> <p>[[<i>In case of product type 4, 5 and 6 insert:</i>]</p>

## 1. Summary

		Payment of the Nominal Amount on the Scheduled Repayment Date (subject to a deferral). In the event of a Credit Event payment of the Reduced Nominal Amount on the Scheduled Repayment Date and of the (respective) Credit Event Redemption Amount on the Settlement Date.]						
C.19	Final reference price of the underlying	<p>In case of a Credit Event: the Final Price.</p> <p>The Final Price is a price determined in an auction process and published by ISDA (the "<b>Auction Final Price</b>") [in relation to the Credit Event specified in a notice]. In case that there is no auction or an ISDA auction proceedings does not take place, the Final Price is the market value of an obligation of the Reference Entity [which is affected by a notification of a Credit Event] selected for valuation, as determined by the Issuer in its reasonable discretion (§ 315 BGB). If there are more obligations available, the obligation of the [relevant] Reference Entity with the lowest price is the Valuation Obligation.</p>						
C.20	Type of the underlying and description where information on the underlying can be found	<p>[[<i>In case of one Reference Entity insert:</i>] "<b>Reference Entity</b>" is [•] or the Successor [or Successors].]</p> <p>[[<i>In case of more than one Reference Entities insert:</i>] "<b>Reference Entity</b>" are the Reference Entities set out in the column "Reference Entity" of the following table or the Successor or Successors:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>"Reference Entity"</th> <th>"Transaction Type"</th> <th>"Weighting" in %<sup>6</sup></th> </tr> </thead> <tbody> <tr> <td>[•]<sup>7</sup></td> <td>[• corporate]<sup>8</sup></td> <td>[•]<sup>9</sup></td> </tr> </tbody> </table> <p>]</p> <p>Subject to the type (company or country) and the region of origin, a Transaction Type is assigned to the [relevant] Reference Entity. The Transaction Type determines for example the applicable Credit Events within the scope of the Securities and other regulations.</p> <p>"<b>Transaction Type</b>" is [<i>insert applicable Transaction Type</i>] (for example: "<i>European corporate</i>", "<i>North American corporate</i>", "<i>Western European sovereign</i>", "<i>Emerging European &amp; Middle Eastern sovereign</i>", "<i>European financial corporate</i>", "<i>Australian financial corporate</i>").]</p>	"Reference Entity"	"Transaction Type"	"Weighting" in % <sup>6</sup>	[•] <sup>7</sup>	[• corporate] <sup>8</sup>	[•] <sup>9</sup>
"Reference Entity"	"Transaction Type"	"Weighting" in % <sup>6</sup>						
[•] <sup>7</sup>	[• corporate] <sup>8</sup>	[•] <sup>9</sup>						

<sup>6</sup> The weighting can be modified in the case of the replacement of the Reference Entity by a Successor.

<sup>7</sup> This option can come several times into effect.

<sup>8</sup> This option can come several times into effect.

<sup>9</sup> This option can come several times into effect.

**D. RISKS**

<p>D.2</p>	<p>Key information on the key risks that are specific to the Issuer</p>	<p><i>Potential investors should be aware that in the case of the occurrence of one of the below mentioned risk factors the securities may decline in value and that they may sustain a <b>total loss</b> of their investment.</i></p> <ul style="list-style-type: none"> <li>• <b>Macroeconomic risk</b> Risks from a deterioration in the macroeconomic development and/or the financial markets and from geopolitical uncertainties.</li> <li>• <b>Systemic risk</b> Risks from disruptions or the functional collapse of the financial system or parts of it.</li> <li>• <b>Credit risk</b> (i) Risks from changes in the credit rating of a contracting party (borrower, counterparty, issuer or country); (ii) Risks from a deterioration of the overall economic situation and negative effects on the demand for credit and the solvency of the borrowers of HVB Group; (iii) Risks from a decrease in value of credit collateral; (iv) Risks from derivative/trading business; (v) Risks from intra-group credit exposures; (vi) Risks from exposures to sovereigns / public sector.</li> <li>• <b>Market risk</b> (i) Risk of potential losses that can arise in response to adverse changes in market prices, other price-influencing parameters or trading-related events; (ii) Risk for trading and banking books from a deterioration in market conditions; (iii) Interest rate and foreign currency risk.</li> <li>• <b>Liquidity risk</b> (i) Risk that the HVB Group will not be able to meet its payment obligations on time or in full; (ii) Risks from the procurement of liquidity; (iii) Risks from intra-group liquidity transfers; (iv) Market liquidity risk.</li> <li>• <b>Operational risk</b> (i) Risk of losses resulting from inadequate or failed internal processes, systems, human errors or external events; (ii) IT risks; (iii) Legal and tax risks; (iv) Compliance risk (v) Business continuity management risk.</li> <li>• <b>Business risk</b> Risks of losses arising from unexpected negative changes in the business volume and/or margins.</li> <li>• <b>Real estate risk</b></li> </ul>
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## 1. Summary

		<p>Risk of losses resulting from changes in the market value of the real estate portfolio of HVB Group.</p> <ul style="list-style-type: none"> <li>• Financial investment risk</li> </ul> <p>Risk of losses resulting from fluctuations in the measurement of HVB Group's equity interest.</p> <ul style="list-style-type: none"> <li>• Reputational risk</li> </ul> <p>Risk of negative effects on the income statement caused by adverse reactions by stakeholders due to a changed perception of HVB Group.</p> <ul style="list-style-type: none"> <li>• Strategic risk</li> </ul> <p>(i) Risk that results from management either not recognising early enough or not correctly assessing significant developments or trends in the bank's environment; (ii) Risks arising from the strategic orientation of HVB Group's business model; (iii) Industry specific risk; (iv) Risks arising from a change in HVB's rating.</p> <ul style="list-style-type: none"> <li>• Regulatory risks</li> </ul> <p>(i) Risks arising from changes to the regulatory and statutory environment of HVB Group; (ii) Risks in connection with the International Financial Reporting Standards 9 (IFRS 9); (iii) Risks in connection with potential resolution measures or a reorganisation proceeding.</p> <ul style="list-style-type: none"> <li>• Pension risk</li> </ul> <p>Risk that the pension provider will have to provide additional capital to service the vested pension commitments.</p> <ul style="list-style-type: none"> <li>• Risks arising from outsourcing activities</li> </ul> <p>Cross-risk-type, which affects the following risk types in particular: operational risk, reputational risk, strategic risk, business risk, credit risk, market risk and liquidity risk.</p> <ul style="list-style-type: none"> <li>• Risks from concentrations of risk and earnings</li> </ul> <p>Risks from concentrations of risk and earnings indicate increased potential losses and represent a business-related strategy risk for HVB Group.</p> <ul style="list-style-type: none"> <li>• Risks from the stress testing measures imposed by ECB</li> </ul> <p>The business performance of HVB and HVB Group could be negatively affected in case of a poor stress test performance by HVB, HVB Group, UniCredit S.p.A. or one of the financial institutions with which they do business.</p> <ul style="list-style-type: none"> <li>• Risks from inadequate risk measurement models</li> </ul> <p>It is possible that the internal models of HVB and HVB Group could be rated as inadequate following investigations or verification through the regulatory authorities, or that they could underestimate existing</p>
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## 1. Summary

		<p>risks.</p> <ul style="list-style-type: none"> <li>• Unidentified/unexpected risks</li> </ul> <p>HVB and HVB Group could incur greater losses than those calculated with the current methods or losses previously left out of its calculations entirely.</p>
D.6	Key information on the key risks that are specific to the securities	<p>In the view of the Issuer, the following main risks can have an adverse effect for the Security Holders on the value of the Securities and/or the amounts to be paid under the Securities and/or the possibility for the Security Holders to sell the Securities for a reasonable price prior to redemption.</p> <p><b>An investment in the Securities involves the following material risks for you.</b> Upon the occurrence of a Credit Event, there is a substantial reduction in the redemption of the Securities. The amount which you will then receive will be substantially lower than the amount you paid to purchase the Securities. In addition, you can suffer a loss of interest upon the occurrence of a Credit Event. <b>Under certain circumstances, you might even incur a total loss.</b></p> <p><b>Risks with regard to the Reference Entity</b></p> <ul style="list-style-type: none"> <li>• As a Security Holder, you bear the credit risk of the Reference Entity.</li> <li>• The analysis of the risks related to the Securities is complex. It can especially be very difficult for you to assess the probability of an occurrence of a Credit Event..</li> <li>• [The content and scope of the applicable national legislation on recovery and resolutions of financial institutions can increase the probability of the occurrence of a Credit Event.]</li> <li>• [In the case of concentration of the Reference Entities in one industry, the risk of a deterioration of the credit standing of all Reference Entities increases.]</li> <li>• [Securities related to Reference Entities in emerging countries involve additional risks.]</li> <li>• You bear the risk that you will not be fully informed about the Reference Entity. Not all information about the Reference Entity is publicly available.</li> <li>• You bear the risk that the future economic development of the Reference Entity will deteriorate.</li> </ul> <p><b>Interest and redemption depend on a Credit Event</b></p> <ul style="list-style-type: none"> <li>• Upon acquiring the Securities, you bear the insolvency risk of the Issuer and the risk of the occurrence of a Credit Event at</li> </ul>

## 1. Summary

		<p>the Reference Entity. This can have an effect on the redemption and interest for the Securities.</p> <ul style="list-style-type: none"><li>• The Securities do not establish any legal relationship between you and the respective Reference Entity. The Securities are neither guaranteed nor otherwise secured by the respective Reference Entity.</li><li>• You bear the risk at the ratings of the Reference Entity will deteriorate.</li><li>• You bear the risk that the Reference Entity(ies) might change during the term of the Securities. The credit standing of a new Reference Entity can be worse than the credit standing of the original Reference Entity.</li><li>• Material decisions related to the Securities depend on the content of decisions of the ISDA Determination Committee. You have absolutely no influence on the resolutions of the ISDA Determination Committee.</li><li>• The Credit Event Redemption Amount is normally determined by reference to the results of an auction procedure conducted by ISDA. If there is no such auction, the Issuer will make the determination. When making this determination, the Issuer will choose the lowest auction result or an obligation to be valued that has the lowest price, as applicable in the individual case. Your loss of principal after a Credit Event depends on these determinations of the Credit Event Redemption Amount. There can be delays in the determination of the Credit Event Redemption Amount.</li><li>• It can take a long period of time until the Issuer has determined a Credit Event. Therefore, you bear the risk that payments on the Securities will be deferred by the Issuer. The deferred payment can last up to one year and five Banking Days.</li><li>• [You have the risk during the term of the Securities that the value of the Securities will fall in the case of increasing market interest rates.][You have the risk during the term of the Securities that levels of Reference Rates of the Securities fall or that Reference Rates change or disappear.]</li></ul> <p><b>General risks</b></p> <p>You also bear the risk that</p> <ul style="list-style-type: none"><li>• there will be no liquid market for trading the Securities,</li><li>• you will not be able to sell the Securities at a specific time or</li></ul>
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## 1. Summary

		<p>for a specific price,</p> <ul style="list-style-type: none"> <li>• transaction costs can substantially reduce any profits or substantially increase any losses,</li> <li>• commissions or other fees will substantially reduce the earnings capacity of your Securities,</li> <li>• the Securities are terminated early,</li> <li>• the exercise of discretion by the Issuer can have an adverse impact on the value of the Securities as well as the amount and/or time of payments[,</li> <li>• in the case of Securities certificated in foreign currencies, there is a foreign currency risk].</li> </ul>
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### E. OFFER

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	Not applicable; The Issuer is free in the use of the issue and offer proceeds.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer <i>[Insert]</i> (the "<b>Issue Date</b>").]</p> <p>[The Securities are [initially] offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: <i>[Insert start date of the subscription period]</i> to <i>[Insert end date of the subscription period]</i>[(both dates included)].]</p> <p>[Issue Price: <i>[Insert]</i>]</p> <p>[A public offer will be made in [Croatia][,] [and] [Luxembourg] [,] [and] [Poland].]</p> <p>[The smallest transferable [unit][lot][amount] is <i>[Insert]</i>.]</p> <p>[The smallest tradable [unit][lot][amount] is <i>[Insert]</i>.]</p> <p>[The Securities will be offered to [private investors] [and/or] [qualified investors][,] [and/or] [institutional investors] [by way of [a private placement] [a public offer]] [by financial intermediaries].]</p> <p>[As of the [day of the first public offer] [start of the new public offer] the Securities described in the Final Terms will be offered on a continuous basis up to its maximum issue size. The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities</p>

## 1. Summary

		<p>and therefore on the liquidity of a potential secondary market.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[No public offer occurs. [The Securities shall be admitted to trading on an organised market.]]</p> <p>[Application to listing [will be] [has been] made as of [<i>Insert expected date</i>] on the following markets: [<i>Insert relevant market(s)</i>].]</p> <p>[The Securities are already traded on the following markets: [<i>Insert relevant market(s)</i>].]</p>
E.4	Any interest that is material to the issue/offer including conflicting interest	<p>Any distribution partner and/or its affiliates can be customers or borrowers of 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 normal course of business.</p> <p>Besides, conflicts of interest in relation to the Issuer or the persons entrusted with the offer may arise for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Issuer specifies the Issue Price.</li> <li>• The Issuer and one of its affiliates act as Market Maker of the Securities (however, no such obligation exists).</li> <li>• Distributors may receive inducements from the Issuer.</li> <li>• The Issuer, any distributor and any of their affiliates act as Paying Agent in relation to the Securities.</li> <li>• From time to time, the Issuer, any distributor and any of their affiliates may be involved in transactions on their own account or on the account of their clients, which affect the Reference Entity.</li> <li>• The Issuer, any distributor and any of their affiliates may issue securities in relation to the Reference Entity on which already other securities have been issued.</li> <li>• The Issuer, any distributor and any of their affiliates may possess or obtain material information about the Reference Entity in connection with its business activities or otherwise.</li> <li>• The Issuer, any distributor and any of their affiliates may engage in business activities with the Reference Entity or its affiliates, competitors or guarantors.</li> </ul>

## 1. Summary

		<ul style="list-style-type: none"><li>The Issuer, any distributor and any of their affiliates may also act as a member of a syndicate of banks, as financial advisor or as bank of a Reference Entity.</li></ul>
E.7	Estimated expenses charged to the investor by the Issuer or the distributor	<p>[Selling Concession: [An upfront fee in the amount of <i>[Insert]</i> is included in the Issue Price.] <i>[Insert details]</i>]</p> <p>[Other Commissions: [A total commission and concession of up to <i>[●]</i>% may be received by the distributors] <i>[Insert details]</i>] [Not applicable. No such expenses will be charged to the investor by the Issuer or a distributor. However, other charges like custody fees or transaction fees might be charged.]</p>

## 2. RISK FACTORS

The purchase of Credit Linked Notes (hereinafter also referred to as the "**Securities**") described in this Base Prospectus involves risks.

Below you will find the risk factors which, in the view of the Issuer, are material when investing in the Securities. In addition, you should consider the risk factors described in the Registration Document dated 17 April 2018 (the "**Registration Document**") on pages 3 to 16, which are incorporated by reference herein. The risks can substantially reduce the value of the Securities. The risks can also make it difficult to sell the Securities.

The risks described below can occur individually or together. They can also amplify each other.

Negative effects on the value of the Securities are also possible:

- as a result of risks which are still unknown today,
- as a result of risks which are not considered material today.

The Securities are Credit Linked Notes. The payments of interest and redemption depend on a Credit Event not occurring at one or more Reference Entity(ies).

A Credit Event is only considered to occur in the following circumstances: the Issuer has knowledge about the occurrence of a Credit Event at a Reference Entity on the basis of publicly available information. All Requirements for the Occurrence of a Credit Event must be fulfilled in relation to the relevant Reference Entity(ies).

**Comment on this point:** When these risk factors refer to a Credit Event at a Reference Entity, the following applies: Only those Credit Events are meant for which all Requirements for the Occurrence of a Credit Event described in the Terms and Conditions are satisfied. This applies especially if the Credit Event triggers a reduction or deferral of the payments of interest and/or redemption of the Securities.

An investment in Credit Linked Notes involves substantial risks. **You bear the credit risk of the Issuer and the respective Reference Entity to which the Securities relate. Therefore, you can completely (total loss) or partially lose the amount you paid for the purchase.**

**Comment on this point:** The amount paid to purchase the Securities includes here and below all costs related to the purchase.

When deciding whether to purchase the Securities, you should consider all other information about the Securities and of the Issuer:

- Information in this Base Prospectus and in any supplement thereto.

## 2. Risk Factors

- Information in the Registration Document dated 17 April 2018, the information of which is incorporated into this Base Prospectus by reference.
- Information in the Final Terms of the Securities and the respectively attached summaries specific for the issue (together, the "**Final Terms**").

An investment in these Securities is only appropriate for you if you are experienced with Credit Linked Notes. Therefore, you should know all risks involved with purchasing the Securities. You should especially be aware of the risk of a potential loss up to and including a total loss.

### 2.1 Risks related to the Issuer

The risks related to the Issuer are described below. They can adversely affect the ability of the Issuer to fulfil its obligations under the Securities owed to you.

#### 2.1.1 Risks related to HVB as Issuer

The risk factors related to the Issuer included in the Registration Document of UniCredit Bank AG dated 17 April 2018 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided in Section "3.5 Information incorporated by reference in this Base Prospectus" below) on page 62 et seq.

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

#### 2.1.2 Risks under potential conflicts of interest

**The Issuer and its affiliated companies can pursue interests which do not take into account or are contrary to your interests. This can occur in the course of other transactions, business relationships with the respective Reference Entity or the exercise of other functions. Potential conflicts of interest can reduce the value of the Securities.**

**Comment on this point:** To the extent the Issuer is referred to below, this also means the Issuer and its affiliated companies.

##### *(a) Other transactions*

The Issuer is active on a daily basis in the international and German securities, currency, credit derivatives and commodities markets. The Issuer can accordingly conclude transactions for the own account or for the account of customers that directly or indirectly relate to the Securities. When concluding these transactions, the Issuer can act as if the Securities had not been issued.

## 2. Risk Factors

The Issuer can also conclude transactions with regard to the respective Reference Entity. Such transaction can have a negative effect on the value and/or the ability to trade the Securities. The Issuer can pursue economic interests which are contrary to your interests when doing so.

The Issuer can purchase and sell Securities for the own account or for the account of third parties and issue other Securities. These transactions can reduce the value of the Securities you have acquired. The introduction of other competing products in the market can adversely affect the value of the Securities.

### **(b) Business relations**

The Issuer can have a business relationship with the respective Reference Entity. Such a business relationship can, for example, be characterized by

- granting credit,
- providing support in financing in the capital market as a consortium bank or financial advisor or in a comparable function,
- custodian activities,
- business activities in connection with the management of risks, or
- consulting and trading activities.

This can reduce the value of the Securities you have acquired.

This means the following with regard to the Securities: The Issuer can take measures it considers reasonable for the purpose of preserving its own interests under these transactions. When doing so, the Issuer is not required to take into account the effects on the Securities and on you as a Security Holder.

The Issuer can carry out and enter into transactions or participate in transactions which influence the credit standing of the Reference Entity. Such business relationships with the Reference Entity can indirectly negatively influence the probability of the occurrence of a Credit Event and, thus, impair the value of the Securities. This can lead to a conflict of interests on the side of the Issuer.

The Issuer is not issuing the Securities in order to shift risks for its own benefit. This means that no risks from the granting of credit to the Reference Entity are transferred to you when the Securities are issued. The Issuer will conclude hedging transactions when issuing the Securities, in order to hedge against the risks from the issuing of the Securities.

You should accordingly be aware: Obligations of the Issuer under the Securities are independent from the existence or the amount of a credit engagement by the Issuer with the respective Reference Entity. It is especially not necessary that the Issuer suffers a loss upon the occurrence of a



Credit Event at a Reference Entity. Payments of interest and principal under the Securities can be reduced or not take place, even if the Issuer has not incurred any harm.

*(c) Issuer's functions*

The Issuer functions as the main paying agent with regard to the Securities. The Issuer can also make certain determinations in accordance with the Conditions:

- The Issuer can determine Credit Events.
- The Issuer can calculate the Final Price for the Credit Event Redemption Amount.
- The Issuer can determine Successors in right for the Reference Entity.
- The Issuer can make other calculations or adjustments.

The Issuer determines the occurrence of a Credit Event and, under certain circumstance, the Final Price. The Issuer can also choose a price for the Valuation Obligations of the relevant Reference Entity which are adverse for you. You should note that the exercise of these functions can impair the value of the Securities.

Furthermore, the Issuer can participate in ISDA auction proceedings after the occurrence of a Credit Event with regard to the Reference Entity. The value of the Reference Entity's Obligations is determined in this process. The Issuer can take actions in its own interest in accordance with the rules of the ISDA. The Issuer does not have to take into account the effects of these actions on the Securities and you as the Security Holder. You should be aware that the participation in ISDA auction proceedings can reduce the Credit Event Redemption Amount and, thus, the value of the Securities.

*(d) Information related to the Reference Entity*

The Issuer can possess material information about the respective Reference Entity which is not public. You may not know this information. The Issuer is not required to disclose such information about the respective Reference Entity. Therefore, you must rely on publically information when analysing the credit risk of the Reference Entity.

*(e) Determination of the Issue Price*

The Securities will be offered at a price set by the Issuer (the "**Issue Price**"). The Issue Price is based on internal pricing models of the Issuer. The Issue Price can be higher than the market value of the Securities. The Issue Price can additionally include issuing premiums, administration fees and other fees and a further premium which is not obvious for the Securities. This further premium depends on several factors, especially on the placed volume of the Notes as well as market circumstances and prospects in the market at the time the Securities are issued. The pre-

mium will be added to the original, mathematical value of the Securities. The premium can be different for each issue as well as for the premiums charged by other participants in the market.

### *(f) Pricing by the Issuer*

The Issuer or another company appointed by the Issuer can act as the Market Maker for the Securities.

The Market Maker (the "**Market Maker**") is responsible for setting the prices for the Securities; "**Market Making**" means that the Market Maker continuously sets bid and ask prices at which the Issuer is willing to trade the Securities in a certain volume. Market Making can have a material influence on the liquidity and/or the value of the Securities. The prices set by the Market Maker can, under certain circumstances, deviate substantially from the financial mathematical (intrinsic) value of the Securities to the detriment of the Security Holder and normally do not correspond to the prices which would develop in a liquid market without such Market Making.

### *(g) Distributors and inducements*

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

## **2.2 Risks directly related to the purchase of the Securities**

You will find below a description of the main risks which are involved in purchasing the Securities.

### **2.2.1 Risks with regard to the payment of interest and redemption of the Securities**

The specific risks with regard to the payment of interest and redemption of the Securities are described in this Section.

**An investment in the Securities involves substantial risks for you.** Upon the occurrence of a Credit Event, there is a substantial reduction in the redemption of the Securities. The amount which you then receive as redemption will be substantially lower than the amount you paid to purchase the Securities. Furthermore, you can suffer a loss of interest upon the occurrence of Credit Event.

The Final Terms of the Securities designate the Product Type to which the Securities relate.

- Reference Entity is an individual company (Product Type 1).

## 2. Risk Factors

In this situation, you bear the credit risk of the Issuer and the credit risk of the company.

The payments of interest and redemption of the Securities depend on this.

- Reference Entity is a single country (Product Type 2).

In this situation, you bear the credit risk of the Issuer and the credit risk of that country.

The payments of interest and redemption of the Securities depend on this.

- Reference Entity is a single financial institution (Product Type 3).

In this situation, you bear the credit risk of the Issuer and the credit risk of this financial institution.

The payments of interest and redemption of the Securities depend on this.

- The Reference Entities are multiple companies (Product Type 4).

In this situation, you bear the credit risk of the Issuer and the credit risk of each individual company.

The payments of interest and redemption of the Securities depend on this. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

- The Reference Entities are multiple countries (Product Type 5).

In this event, you bear the credit risk of the Issuer and the credit risk of each individual country.

The payments of interest and redemption of the Securities depend on this. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

- The Reference Entities are multiple financial institutions (Product Type 6).

In this situation, you bear the credit risk of the Issuer and the credit risk of each individual financial institution.

The payments of interest and redemption of the Securities depend on this. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

(see on this point in detail, Section 2.2.1(b)).

If it appears that a Credit Event will occur, payments on the Securities can also be deferred. Both the interest as well as the redemption payments can take place at a date which is later than you expect.

**Under certain circumstances, you can also suffer a total loss. This is e.g. the situation in the following circumstances.**

**The probability that the Reference Entity pays its Obligations is assessed by market participants to be zero (0). This means that also the value of the Reference Entity's bonds is valued at zero (0). The Credit Event Redemption Amount and, thus, the redemption of the Securities is then zero (0). You would suffer a complete loss of the purchase amount paid by you for the purchase of the Securities. If you have already received payments of interest, your total loss is reduced for the amount of these interest payments.**

***(a) Risks with regard to the Reference Entity***

**(A) Credit risk**

**As a Security Holder, you bear the credit risk of the Reference Entity.**

An investment in the Securities involves substantial risks. The reason: You **additionally** bear the credit risk of the Reference Entity(ies). The risk under the Securities is accordingly substantially higher than in the case of a comparable investment in fixed or floating interest securities. The interest and redemption of the Securities depends on whether a Credit Event occurs at one or more Reference Entity(ies).

Credit Events, from the point of view of the creditors of the respective Reference Entity, designate the occurrence or the threatening occurrence of various economically adverse circumstances. They are accordingly an expression of a material, negative development of the credit standing of the Reference Entity.

There are various Credit Events for the Reference Entity. They include:

- If a company is the Reference Entity:
  - the Insolvency of the Reference Entity,
  - the Failure to Pay an Obligation of the Reference Entity, or
  - the Restructuring of an Obligation.
  
- If a country is the Reference Entity:
  - the Failure to Pay an Obligation,
  - the Reputation/Moratorium of an Obligation, or

## 2. Risk Factors

- the Restructuring of an Obligation.
- If a financial institution is the Reference Entity:
  - the Insolvency of the Reference Entity,
  - the Failure to Pay and the Obligation by the Reference Entity,
  - the Restructuring of an Obligation, or
  - Governmental Intervention related to the substance of Obligations of the Reference Entity.

Please note that a change in currency or the exit from the Euro can constitute a Credit Event for a Reference Entity. That is the case if the change in currency reduces the duties of the Reference Entity under its Obligations.

A Credit Event is determinative with regard to the Securities if the Issuer publishes a corresponding Credit Event Notice. The Terms and Conditions establish the periods of time for the occurrence of a Credit Event and the publication of a Credit Event Notice by the Issuer.

After the occurrence of a Credit Event with regard to the Reference Entity, subsequent positive (economic) developments of the Reference Entity do not benefit you. Especially the consequences of the occurrence of a Credit Event cannot be reversed. You should accordingly assume the following: An investment in the Securities can involve a higher risk than e.g. a direct investment in bonds of the Reference Entity.

Furthermore, an event can occur which has a negative effect on the credit standing of the relevant Reference Entity. Even if this does not lead to the occurrence of a Credit Event, the price of the Securities can decrease. If you sell your Securities at this point in time in the secondary market, you can incur a substantial loss. The sales proceeds you realize can then be substantially lower than the amount you paid to purchase the Securities.

### (B) Complex analysis

**The analysis of the risks related to the Securities is complex. It can especially be difficult for you to assess the probability of the occurrence of a Credit Event.**

The risks related to the respective Reference Entity and the analysis of the probability of the occurrence of a Credit Event are complex. They are not equivalent with investment decisions in other Securities of the Issuer which are not Credit Linked or in other companies or financial institutions.

The trading and the pricing of the Securities depend on the trading and the pricing of the credit risks of the Reference Entity. Trading and pricing these credit risks occur in markets which are not very transparent and lie outside the exchanges.

## 2. Risk Factors

It is also possible that not all bonds or Obligations of the Reference Entity are traded on exchanges. This can make it difficult to analyse the probability of the occurrence of a Credit Event at the Reference Entity.

You should, therefore, consider that all information for analysing the credit risks may not be complete or publicly available on a specific date. In order to assess the credit risk of the respective Reference Entity, you should consider and analyse the following information. You should base your investment decision on the following:

- all available public information about the capacity and the financial situation of the Reference Entity, and
- the published financial information or the published government debt.

The probability that a Credit Event occurs with regard to one or more Reference Entities depends, among other aspects, on the following factors:

- the financial position and earning situation and other key data of the relevant Reference Entity,
- the general economy,
- the position in specific markets,
- political events, developments or tendencies in certain industries, or
- changes in the applicable interest rates.

You should, therefore, thoroughly examine the Reference Entity(ies). You should especially conduct your own research and make your own analyses with regard to the credit standing of the Reference Entity(ies). You should also analyze the probability of the occurrence of a Credit Event with regard to the Reference Entity(ies).

You should be aware that the financial and earnings position of Reference Entities or government debt by governmental Reference Entities can change. The other above mentioned parameters can also experience adverse changes during the term of the Securities. You should consider that information for analysing credit risks is not necessarily completely or publicly available on a specific date.

### **(C) Risks resulting from laws governing recovery and resolutions in the case of Product Type 3 and Product Type 6**

**The content and scope of the applicable national legislation on recovery and resolutions of financial institutions can increase the probability of the occurrence of a Credit Event.**

## 2. Risk Factors

The law applicable to a financial institution governing recovery and resolutions can permit substantial influence and impact on the Obligations of a financial institution. Measures including a reduction of debt are conceivable. All these measures can possibly occur in advance of any Insolvency. Especially measures can be carried out if the financial institution threatens to fail or, for example, if the loss of the banking license must be feared.

In the case of Securities related to financial institutions, you must accordingly particularly pay attention to the fact that they depend to a high degree on the content and scope of the applicable national legislation on recovery and resolutions.

### (D) Concentration risks in the case of Product Types 4, 5 and 6

**In the case of a concentration of the Reference Entities in one industry, the risk of a deterioration of the credit standing of all Reference Entities is increased.**

You should pay attention to the fact that in the case of Securities related to multiple Reference Entities that the credit standing of each Reference Entity can deteriorate. The deterioration of the credit standing of the Reference Entity leads to a decrease in the price for the affected Note. In the case of a concentration of the Reference Entities in one industry, the risk for a deterioration of the credit standing of all Reference Entities is higher. This is due to the fact that the credit standing of all Reference Entities can deteriorate if the parameters for the relevant industry deteriorate. This also applies if the Reference Entities are subject to similar financial risks or other similar risks.

### (E) Risks in the case of Reference Entities in emerging countries

**Securities which relate to Reference Entities in emerging countries involve additional risks.**

The Reference Entities under the Securities can also be an emerging country or a developing country or a company in such a country. Such Securities involve additional risks. They can be of a legal, political or economic nature (including a collapse of the currency).

There are substantial legal, economic and political risks in the case of emerging countries and developing countries. These risks can be greater than for EU Member States or other industrialized countries. The risks include the unstable political or economic situation, increased inflation as well as higher currency risks. There can also be less available public information about Reference Entities in emerging countries and developing countries. Securities markets in emerging countries can have a substantially lower trading volume than in developed markets. The securities markets may possibly be less liquid than developed securities markets in industrialized countries. Experience shows that the prices in such securities markets fluctuate more strongly.

### (F) No research and guarantees of the Issuer; no information by the Issuer

**You bear the risk that you will not be fully informed about the Reference Entity. Not all information about the Reference Entity is publicly available.**

## 2. Risk Factors

The Issuer does not conduct any research with regard to the respective Reference Entity. You cannot rely on events being published with regard to the Reference Entity. Especially events which have occurred (shortly) before issuing the Securities are not necessarily already published in publicly available sources.

The Issuer does not give any warranties or guarantees with regard to the credit standing of the Reference Entity. Therefore, please pay attention to the following: The selection of a Reference Entity for the Securities is not based on the assessments by the Issuer with regard to the future development of the credit standing of that Reference Entity.

The Issuer also may not have public information with regard to the respective Reference Entity during the term of the Securities. The Issuer is not required to disclose this information to you. This also applies if the Issuer is not required to treat the information as confidential. The Issuer is also not required to keep you continuously informed about the economic development of the Reference Entity. This also applies for information which indicates the occurrence of a Credit Event or a succession in right for the respective Reference Entity.

Therefore, there is a risk that the Issuer has better information than you with regard to the Reference Entity.

### **(G) Development of the credit standing of a Reference Entity**

**You bear the risk that the future economic development of the Reference Entity will deteriorate.**

Conclusions about the future (economic) development of the respective Reference Entity cannot be drawn from the past (economic) development of that Reference Entity. This also applies for the past development of comparable companies, financial institutions or countries. Therefore, you have uncertainty with regard to the future (economic) development of the respective Reference Entity. Statistics about failures in the past may not take into account the events which constitute Credit Events for your Securities.

### ***(b) Interest and Redemption depend on Credit Events***

**Upon acquiring the Securities, you bear the insolvency risk of the Issuer and the risk of the occurrence of a Credit Event at the Reference Entity. This can have an effect on the redemption and interest for the Securities. A total loss of the amount you paid for the purchase is possible.**

### **(A) Securities with one Reference Entity (Product Types 1, 2 and 3)**

Your risk with regard to the Securities does not only consist of the fact that the Issuer cannot make payments when the Securities become due.



## 2. Risk Factors

You also bear the risk that the credit standing of the Reference Entity deteriorates. This can have the result that the Reference Entity can no longer comply with its payment obligations. A so-called Credit Event can accordingly occur with regard to the Reference Entity. In this event, the redemption and the cessation of interest on the Securities can occur.

This means specifically the following:

### *Interest after the occurrence of a Credit Event*

The interest of the Securities stops upon the occurrence of the Credit Event starting with the point in time set forth in the Final Terms. If the Credit Event occurs prior to the first Interest Payment Date, you may even not receive any interest for your Securities.

### *Redemption after the occurrence of a Credit Event*

If a Credit Event has occurred at a Reference Entity, this also has substantial effects on the redemption of your Securities. After the publication of the Credit Event Notice, the Nominal Amount of the Securities will not be repaid on the Scheduled Maturity Date. Instead, you will receive the Credit Event Redemption Amount on the Settlement Date. The Credit Event Redemption Amount is normally well below of the Nominal Amount of the Securities. The Credit Event Redemption Amount can also be zero (0). You then do not receive any redemption. The Settlement Date can fall before or after the Scheduled Maturity Date.

The Credit Event Redemption Amount is determined according to how the Obligations of the Reference Entity are valued in ISDA auction proceedings or in the reasonable discretion of the Issuer.

#### Example:

Nominal Amount: EUR 10,000.

Assumption: ISDA auction proceedings take place.

The Credit Event Redemption Amount is determined on the basis of the Auction Final Price for the Obligations of the Reference Entity.

Auction Final Price: 8%

Credit Event Redemption Amount: EUR 800 (8% of EUR 10,000).

The Credit Event Redemption Amount (EUR 800) is paid to you as soon as it has been determined.

The Credit Event Redemption Amount can also be reduced as a result of deduction of a Swap Unwind Amount of the Issuer. The deduction of the Swap Unwind Amount can lead to a total

loss of the amount paid for the purchase, although, the Securities have a positive Credit Event Redemption Amount.

Upon the occurrence of a Credit Event, the probability is large that you will only receive a small portion of the amount you paid for the purchase. You will also incur losses of interest with regard to interest that has not yet been paid. This can lead to a **total loss** of the amount you paid for the purchase.

(B) Securities with **multiple Reference Entities (Product Types 4, 5 and 6)**

Your risk in the case of the Securities is not only the fact that the Issuer cannot make payments when they become due.

You also bear the risk that the credit standing of one or more Reference Entities deteriorate. This can have the result that the respective Reference Entity can no longer comply with its payment obligations. A so-called Credit Event can occur at the relevant Reference Entity. In this event, there can be a reduction of both the interest as well as the redemption of the Securities.

This means specifically the following:

*Weighted Amount and Reduced Nominal Amount*

In order to be able to evaluate the effective Credit Events in the case of Securities with multiple Reference Entities, you must pay attention to the following:

A Weighted Amount applies for each Reference Entity in the case of Securities with multiple Reference Entities. Since the weightings of the individual Reference Entities are equal, the Weighted Amount of the individual Reference Entity corresponds to the weighted share in the Nominal Amount.

Example:

Nominal Amount: EUR 10,000.

In the case of two Reference Entities, the Weighted Amount for each Reference Entity is EUR 5,000.

In the case of four Reference Entities, the Weighted Amount attributable to each Reference Entity is EUR 2,500.

The Credit Event Redemption Amount can also be reduced by deduction of a Swap Unwind Amount of the Issuer. The deduction of the Swap Unwind Amount can lead to a total loss of the amount paid for the purchase, although the Securities have a positive Credit Event Redemption Amount.

## 2. Risk Factors

After the occurrence of a Credit Event at one or more Reference Entities, the following applies: The Reduced Nominal Amount is the basis for calculating the future interest as well as all repayable amounts. The Reduced Nominal Amount corresponds to the Nominal Amount minus the Weighted Amounts for those Reference Entities where a Credit Event has occurred.

Example:

Nominal Amount: EUR 10,000.

Assumption: A Credit Event has occurred at one of four Reference Entities.

The Reduced Nominal Amount is EUR 7,500 (EUR 10,000-EUR 2,500).

*Interest after the occurrence of a Credit Event*

The interest on the Securities is reduced after the occurrence of a Credit Event starting at the point in time designated in the Final Terms.

Example:

Nominal Amount: EUR 10,000. Redemption and Interest Payments on the Securities depend on the credit standing of four Reference Entities. The Weighted Amount for each Reference Entity is then EUR 2,500.

Assumption: Occurrence of a Credit Event for one Reference Entity.

Initially the Reduced Nominal Amount is determined: EUR 10,000 minus Weighted Amount for the Reference Entity affected by the Credit Event (EUR 2,500). The Reduced Nominal Amount is EUR 7,500.

The interest payments on the Interest Payment Dates after the occurrence of the Credit Event are determined on the basis of the Reduced Nominal Amount (EUR 7,500). They are accordingly reduced by 25%.

If a Credit Event occurs for all Reference Entities prior to the first Interest Payment Date, you may even not receive any interest for your Securities.

*Redemption after the occurrence of a Credit Event*

If a Credit Event has occurred for one or more Reference Entities, this also has substantial effects on the redemption of your Securities. After the publication of the Credit Event Notice, the Nominal Amount of the Securities will no longer be repaid on the Scheduled Maturity Date. Instead, you will receive the following payments:

- You receive the Reduced Nominal Amount on the Scheduled Maturity Date.

## 2. Risk Factors

- You receive on the respective Settlement Date the Credit Event Redemption Amount for each Reference Entity affected by a Credit Event. The Credit Event Redemption Amount for the relevant Reference Entity is determined on the basis of its Weighted Amount. The respective Settlement Date can fall before or after the Scheduled Maturity Date. The Credit Event Redemption Amount is normally well below the Weighted Amount. It can even be valued at zero (0). The Credit Event Redemption Amount is determined according to how the Obligations of the Reference Entity are value in any ISDA auction proceedings or in the reasonable discretion of the Issuer.

### Example:

Nominal Amount: EUR 10,000. Redemption and Interest Payments on the Securities depend on the credit standing of four Reference Entities. The Weighted Amount for each Reference Entity is then EUR 2,500.

Assumption: Occurrence of a Credit Event for one Reference Entity. ISDA auction proceedings take place.

Initially the Reduced Nominal Amount is determined: EUR 10,000 minus Weighted Amount for the Reference Entity affected by the Credit Event (EUR 2,500). The Reduced Nominal Amount is EUR 7,500.

The Credit Event Redemption Amount for the Weighted Amount for this affected Reference Entity is then determined. The basis for this is the Auction Final Price.

Auction Final Price: 8%

Credit Event Redemption Amount: EUR 200 (8% of EUR 2,500).

The Credit Event Redemption Amount (EUR 200) is paid to you as soon as it has been determined. You receive the Reduced Nominal Amount (EUR 7,500) on the Scheduled Maturity Date.

The Interest Payments on the Interest Payment Dates after the occurrence of the Credit Event are determined on the basis of the Reduced Nominal Amount (EUR 7,500). They are accordingly reduced by 25%.

The Credit Event Redemption Amount can also be additionally reduced by deduction of a Swap Unwind Amount of the Issuer. The deduction of the Swap Unwind Amount can also lead to a total loss of the amount paid for the purchase, although the Securities have a positive Credit Event Redemption Amount.

- (C) If a Credit Event occurs, you will very probably only receive a fraction of the amount you paid for the purchase. You will also incur interest losses with regard to the inter-

est that has not yet been paid. This can lead to a **total loss** of the amount you paid for the purchase if a Credit Event occurs for all Reference Entities.

*(c) No recourse against the Reference Entity*

**The Securities do not establish any legal relationship between you and the respective Reference Entity. The Securities are neither guaranteed nor otherwise secured by the respective Reference Entity.**

If a Credit Event occurs, you have no claims for damages or other claims against the relevant Reference Entity. You also do not benefit from any positive developments at the relevant Reference Entity after the occurrence of a Credit Event. Especially the consequences from the occurrence of a Credit Event described in the Terms and Conditions cannot be reversed. In the case of a Restructuring, you do not participate in the restructuring process. You are especially not entitled to completely or partially challenge the restructuring process. An investment in the Securities possibly involves a higher risk than e.g. a direct investment in bonds of the Reference Entity.

*(d) Rating information about Reference Entities*

**You bear the risk that the ratings for the Reference Entity deteriorate.**

Ratings are produced by recognized rating agencies on the basis of public and non-public information about a Reference Entity. Published ratings about a Reference Entity, despite their widespread use, represent only a condensed variable for the valuation. A rating of a Reference Entity reflects the Reference Entity's credit standing. The rating constitutes an assessment of the possibilities for the Reference Entity to comply with its payment obligations in the future. Any change in the rating of a Reference Entity can have an adverse effect on the value of the Securities.

*(e) Changes with regard to the Reference Entities*

**You bear the risk that the Reference Entity(ies) might change during the term of the Securities. The credit standing of a new Reference Entity can be worse than the credit standing for the original Reference Entity.**

Der Reference Entity or the composition of the Reference Entities in the case of Product Type 4, 5 or 6 can change. This is especially the situation if a Reference Entity is replaced by a Successors. Such a replacement takes effect upon publication of a corresponding Succession Notice by the Issuer.

In the case of a Succession in right, you bear the risk that the credit standing of the new Reference Entity(ies) will be worse. Your Securities can, therefore, suffer a loss of value. The risk of the occurrence of a Credit Event by the new Reference Entity(ies) can also increase. You bear this risk as the Security Holder. Therefore, it is possible that you may suffer economic harm as a result of a change in the Reference Entity(ies).

*Specifically:*

(A) **Securities with one Reference Entity (Product Types 1, 2 and 3)**

In the case of Product Types 1, 2 or 3, the Issuer is entitled as follows:

- In the case of Securities with one Reference Entity, the Issuer can replace the Reference Entity in the case of a Succession in right by one or more Successors. The Final Terms contain provisions about selecting the Successor(s).

Or

- The Issuer can give extraordinary notice of termination of the Securities if there are more than one Successor. The Issuer can also give extraordinary notice of termination if the Transaction Type for the Reference Entity changes. This is the situation under the following conditions: The Successor has its corporate headquarters in a country which is different than for the original Reference Entity. Therefore, the Transaction Type for the new Reference Entity changes according to the trading standards of ISDA. Example: A German company becomes an American company as a result of a merger. See with regard to the risks in the case of an extraordinary notice of termination, Section 2.2.2 (f).

You now bear the risk that a Credit Event can occur in the future with regard to the Successor as the new Reference Entity. If the Issuer determines more than one Successor to the Reference Entity, each of the selected Successors becomes a Reference Entity. You now bear the risk that a Credit Event can occur in the future with regard to each Successor. The Securities now relate proportionately to each Successor.

(B) **Securities with multiple Reference Entities (Product Types 4, 5 and 6)**

In the case of Product Types 4, 5 and 6, the Issuer is entitled as follows:

- In the case of Securities with multiple Reference Entities, the Issuer can replace a Reference Entity in the case of a Succession in right by one or more Successors. The Final Terms contain provisions about selecting the Successor(s).

Or

- The Issuer can give extraordinary notice of termination of the Securities if there are more than one Successor. The Issuer can also give extraordinary notice of termination if the Transaction Type for the Reference Entity changes. This is the situation under the following conditions: The Successor has its corporate headquarters in a country which is different than for the original Reference Entity. Therefore, the Transaction Type for the new Reference Entity changes according to the trading standards of ISDA. Example: A German company becomes an American company as a result of a merger. See with regard to the risks in the case of an extraordinary notice of termination, Section 2.2.2 (f).

## 2. Risk Factors

You now bear the risk that a Credit Event can occur in the future with regard to the Successor as the new Reference Entity. If the Issuer determines more than one Successor for the Reference Entity, each of the selected Successors becomes a Reference Entity. The weighting of the original Reference Entity is allocated in accordance with the number of Successors. You now bear the risk that a Credit Event can occur in the future with regard to each Successor as a new Reference Entity.

Example:

Nominal Amount: EUR 10,000.

Assumption: One Reference Entity from among four Reference Entities is replaced by two Successors.

The Weighted Amount of the three original Reference Entities continues to be in each case EUR 2,500. The Weighted Amount for the two Successors is in each case EUR 1,250.

In the case of Product Types 4, 5 and 6, you bear an additional risk. The Successor of a Reference Entity can already be a Reference Entity. This has the result that the weighting of the affected Reference Entity increases compared to the other Reference Entities. Upon the occurrence of a Credit Event at that Reference Entity, therefore, there is a higher risk of loss than in the case prior to the succession.

Example:

Nominal Amount: EUR 10,000.

Assumption: There are four Reference Entities A, B, C and D. The Reference Entity A takes over the Reference Entity D.

A is, thus, the Successor of D. The Weighted Amount of A is increased to EUR 5,000. The Weighted Amounts of the Reference Entities B and C continue to be unchanged at EUR 2,500.

It is even possible that the number of Reference Entities can be reduced to one in the case of Securities with two Reference Entities. You then lose the benefit of risk diversification with two Reference Entities.

*(f) Consideration of the decisions by the ISDA Determination Committee*

**Material decisions in connection with the Securities depend on the content of the decisions of the ISDA Determination Committee. You have absolutely no influence on the resolutions of the ISDA Determination Committee.**

Events and sets of facts which play an important role for the interest and redemption of the Securities are defined in the Terms and Conditions. They are based on standard terms and conditions

## 2. Risk Factors

for financial instruments which depend on the occurrence of a Credit Event at one or more Reference Entities ("**Credit Derivatives**").

These standard terms and conditions are referred to as the "**ISDA Credit Derivatives Definitions**". They were published by the International Swaps and Derivatives Association, Inc. (**ISDA**) for its members in the year 2014 (the "**ISDA Terms**"). The ISDA Terms are applied by a committee established by ISDA. The members of the committee are traders and purchasers of Credit Derivatives. It has the name "**ISDA Determination Committee**".

You should know that material decisions in connection with the Securities depend on the content of the resolutions of the ISDA Determination Committee. **This is especially the case in decisions about whether a Credit Event at a Reference Entity exists or not.**

You should pay attention to the fact that the ISDA Terms, which form the basis for the decision by the ISDA Determination Committee, are not published in this Base Prospectus. The ISDA Terms are published on the website of ISDA. However, they are not visible there for everyone. They can only be obtained for a charge and in the English language.

There is also the risk that not all relevant provisions in the ISDA Terms can be viewed on the website of ISDA. In this situation, you cannot check and examine the resolutions of the ISDA Determination Committee.

As a Security Holder, you have no influence on the ISDA Determination Committee or its rules. You also cannot influence the selection of its members. The members of the ISDA Determination Committee have absolutely no obligations towards you. As a consequence, you have no right to assert claims against the members of the ISDA Determination Committee. The members of the ISDA Determination Committee are not required to check the accuracy of information in connection with a decision that is to be made. They are also not bound by previous resolutions. Therefore, different decisions can be made also in the case of comparable factual situations.

Publications, determinations or resolutions of ISDA and/or the ISDA Determination Committee are published on their internet page.<sup>10</sup> There is no duty of the Issuer to inform you about these publications, determinations or resolutions.

### ***(g) Risks in connection with the determination of the Credit Event Redemption Amount***

**The Credit Event Redemption Amount is normally determined by reference to the results of an auction procedure conducted by ISDA. If there is no such auction, the Issuer makes the determination. The Issuer will select the lower value of the result of an auction or an obligation to be valued which has the lowest price, as applicable in the individual case. Your loss of principal after a Credit Event depends on these determinations of the Credit Event Redemption Amount. There can be delays in determining the Credit Event Redemption Amount.**

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<sup>10</sup> <http://dc.isda.org/credit-default-swaps-management/> or [www.isda.org/credit](http://www.isda.org/credit)



## 2. Risk Factors

The calculation of the Credit Event Redemption Amount to be paid after a Credit Event at a Reference Entity is made at the so-called Final Price. This corresponds normally to the Auction Final Price determined in the context of ISDA auction proceedings. The Auction Final Price can be lower than the market value of bonds of the Reference Entity on the secondary market for such bonds.

ISDA can carry out multiple ISDA auction proceedings with regard to a Reference Entity which is not a country. If ISDA does so, there are multiple Auction Final Prices available for determining the Final Price. You must be aware that the lowest of these Auction Final Prices is the Final Price for the purposes of the Securities. As a Security Holder, you have no right to be involved in the ISDA auction proceedings.

You should also be aware that the Issuer itself determines the necessary Final Price if no ISDA auction proceedings take place. In these situations, the Issuer proceeds as follows: The Issuer chooses, in its discretion, an obligation of the relevant Reference Entity which is supposed to be used as a Valuation Obligation. The prerequisite is that this obligation satisfies the specific features for Valuation Obligations set forth in the Terms and Conditions. If multiple Obligations have these features, the obligation of the Reference Entity with the lowest price (*cheapest to deliver*) is the Valuation Obligation.

The Credit Event Redemption Amount can also be reduced additionally by the deduction of a Swap Unwind Amount of the Issuer. The deduction of the Swap Unwind Amount can lead to a total loss of the amount paid for the purchase, although the Securities have a positive Credit Event Redemption Amount.

Please, also be aware that Obligations of the Reference Entity are also most likely completely or partially lost after a Credit Event. This means: The Obligations of the Reference Entity are no longer paid by the Reference Entity. Under these circumstances, these "distressed" Obligations are traded and valued with corresponding deductions. This means that they are traded at a price which is very substantially below the price of the Obligations prior to the Credit Event.

This means with regard to the Credit Event Redemption Amount of the Securities which you receive on the Settlement Date the following in the case ISDA auction proceedings take place:

Assumption: The market participants submit ask and bid prices in the ISDA auction proceedings. This leads to a result in the auction of 8% of the nominal value of the Obligations of the Reference Entity. The Auction Final Price (and, thus, the Final Price for the calculation of the Credit Event Redemption Amount) is 8%.

This means that the Securities will no longer be redeemed at their Nominal Amount of EUR 10,000 and instead will only be redeemed at EUR 800.

Assumption: The participants in the ISDA auction proceedings value the probability that the Reference Entity will pay its Obligations at zero (0). In this event, the Credit Event Redemption Amount is EUR 0. You then retain only the interest that has been paid to you on

## 2. Risk Factors

the Interest Payment Dates. If no interest was paid on the Securities prior to the occurrence of the Credit Event, you even suffer a **total loss**.

**Therefore, you bear the following risk: After the occurrence of a Credit Event, you receive a Credit Event Redemption Amount. Experience shows that this is well below 100% of the Nominal Amount of your Note. In our example, this is EUR 800 instead of EUR 10,000. Under certain circumstances, you can even incur a total loss.**

Please also be aware that an obligation of the Reference Entity can exist in a currency other than the Euro. This currency risk can have a negative effect in ISDA auction proceedings or when the Issuer determines the Final Price.

In the case of a country or a financial institution as the Reference Entity, the Final Terms also provide as follows for determining the Credit Event Redemption Amount:

Assets will be used which replace Obligations of the Reference Entity after a restructuring or Governmental Intervention as a result of conversion or exchange. This also applies if the Credit Event mentioned in the Credit Event Notice is a different Credit Event, for example, a Failure to Pay. The value of these assets can be substantially below the value of other Obligations of the Reference Entity and can even be zero (0).

You should be aware that the date on which the Credit Event Redemption Amount is determined can be a long time after the Credit Event. This delay can even be months. The time of payment of the Credit Event Redemption Amount to you is accordingly deferred. The Issuer is not required to pay additional interest to you for the period of the delay.

### *(h) Deferral of payments upon suspicion of the occurrence of a Credit Event*

**It can take a long time until the Issuer has determined a Credit Event. Therefore, you bear the risk that payments on the Securities will be deferred by the Issuer. The deferral of payments can last up to one year and five Banking Days.**

This can affect both interest as well as the redemption of the Securities. Deferrals are possible if it is not clear at the time of payment whether the Requirements for the Occurrence of a Credit Event exist.

#### Example:

- The Issuer is waiting to see the resolution of the ISDA Determination Committee with regard to the existence of a Credit Event.
- Where the Credit Event Repudiation/Moratorium applies: A deferral in payment occurs when a Credit Event threatens on the basis of a corresponding announcement. The determinative, outstanding payment obligation of the Reference Entity, however, is not yet due and could still be fulfilled.

## 2. Risk Factors

- When considering a grace period in the case of a Credit Event Failure to Pay: A deferral of payment occurs when a Credit Event threatens on the basis of a corresponding failure to pay. The determinative, outstanding payment obligation of the Reference Entity is due, but it still could be fulfilled.

If the Requirements for a Payment Deferral exist, the Issuer has the following possibilities: The Issuer can pay the Interest Amount becoming due after the relevant Interest Payment Date, and the Issuer can defer the redemption of the Nominal Amount.

Deferred payments of interest occur at the latest on the Deferred Interest Payment Date or the Deferred Redemption Date. The deferred redemption of the Nominal Amount occurs at the latest on the Deferred Redemption Date. The Issuer is not required to pay to you interest or other amounts for the period of the deferral.

***(i) The ISDA Terms and their interpretation can change***

**You bear the risk that the ISDA Terms change in the future. The interpretation of the ISDA Terms can also change.**

These changes can be reflected in the decisions of the Issuer, for example, in the decision about whether a Credit Event has occurred with regard to a Reference Entity. Such changes can also have a negative effect on your Securities.

Although ISDA has published the ISDA Terms, in order to harmonise transactions in the credit derivatives market, these ISDA Terms can be interpreted differently. Such different interpretations of the terms can also have an adverse effect on the Securities.

***(j) Risk with regard to the scheduled interest payments when a Credit Event does not occur***

**You have the risk during the term of the Securities that the value of the Securities will fall when market interest rates increase.**

In the case of Securities with a fixed Interest Rate or a set-up Interest Rate, you bear the following risk: The value of the Securities can fall as a result of changes in the market interest rate. The current market interest rate in the capital market changes continuously. If the market interest rate in the capital market increases, the value of the Securities falls. If you sell the Securities in a phase of increasing market interest rates, the proceeds from the sale can be well below the Nominal Amount of the Securities. If the price at which you sell the Securities is below the amount you have paid for the purchase, you incur a loss.

**You have the risk during the term of the Securities that levels of Reference Rates of the Securities fall or that Reference Rates change or disappear.**

In the case of Securities with a floating Interest Rate linked to a Reference Rate you bear the following risks:

### *Fluctuations in level*

You are particularly exposed to the risk of fluctuating interest rates. Fluctuating interest rates make it impossible to determine in advance the return of Securities with floating Interest Rates. The performance of a Reference Rate is affected by supply and demand on the international money and capital markets. Other factors, such as economic influences, measures taken by national banks and governments as well as by politically motivated factors can impact the Reference Rate as well.

### *Events affecting the Reference Rate, Replacement*

During the term of the Securities it cannot be excluded that a Reference Rate

- will no longer be available,
- will no longer be available in the relevant form at the time of the issuance or,
- that in connection with the determination or publication of the Reference Rates it may come to inaccuracies or even manipulations, either 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 the regulation of so-called benchmarks) may entail special approval and registration obligations. Moreover, 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 apply. This may mean that the Reference Rates of the Securities, might not be available for the entire term 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.

If, during the term of the Securities, a Reference Rate is not provided or shall not be used anymore, such Reference Rate shall be replaced. The Issuer will apply this replacements in its reasonable discretion (§ 315 BGB). Such a replacement may have a significant negative impact on the value and the future performance of the Securities. Payments under the Securities may be substantially lower and the structure and risk profile of the Securities might change. If a replacement is not possible, the Issuer may be entitled to give extraordinary notice of termination. The Security Holder is in this case subject to the risks an early termination described in Section 2.2.2 (f).

### *Regulation of benchmarks*

The Reference Rate may qualify as a benchmark (the "**Benchmark Index**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016

on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). According to the Benchmark Regulation, a Benchmark Index could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. Consequently, it might not be possible to further utilise a Benchmark Index as Reference Rate. In such event, depending on the particular Benchmark Index and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any changes to a Benchmark Index as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark Index or the costs and risks of administering or otherwise participating in the setting of a Benchmark Index and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmark Indices, trigger changes in the rules or methodologies used in certain Benchmark Indices, adversely affect the performance of a Benchmark Index or lead to the disappearance of certain Benchmark Indices. Potential investors should be aware that they face the risk that any changes to the relevant Benchmark Index may have a material adverse effect on the value of and the amount payable under the Securities. Furthermore, the methodology of a Benchmark Index might be changed in order to comply with the terms of the Benchmark Regulation. Such changes could have an adverse effect on the Securities. This may include an unfavourable adjustment of the published price or its volatility. Consequently, it might become necessary to also adjust or even early terminate the Securities.

### 2.2.2 General risks in connection with the Securities

Furthermore, the following risks apply for all Securities issued under this Base Prospectus.

#### *(a) Market price risks*

**The development of the credit standing of the respective Reference Entity and, thus, the development of the value of the Securities during the term is not foreseeable when the Securities are purchased. The principal for the Securities is not protected.**

The market for the Securities can be volatile and is subject to influence from numerous factors. The credit standing of the respective Reference Entity can substantially deteriorate during the term of the Securities. Such a deterioration can occur without the occurrence of a Credit Event being directly pending or threatening. This can lead to the following result: The value of the Securities falls below the amount which you paid to purchase the Securities.

If you sell the Securities before they become due, the generated proceeds from the sale can be substantially below the Nominal Amount of the Securities. If the sales proceeds are below the amount you paid for the purchase, you will suffer a loss.

## 2. Risk Factors

Especially the following circumstances can have an effect on the market price for the Securities. Individual factors in the market can also occur simultaneously:

- the remaining term of the Securities,
  - change in the credit standing or the assessment of the credit standing with regard to the Issuer,
  - change in the credit standing or the assessment of the credit standing of the respective Reference Entity or the occurrence of a Credit Event or suspicion of a Credit Event, or
  - changes in the market interest rate.

Changes in the price of Obligations of the respective Reference Entity can also reduce the value of the Securities. This also applies if an expected change in the price of the Obligations occurs. Changes in the price of Obligations of the Respective Entity and, thus, the Securities can be based on the following, among other reasons: The Issuer engages in hedging transactions or other transactions with regard to the respective Reference Entity.

The market value of the Securities is also dependent on the development of the market prices of other credit derivatives related to the respective Reference Entity. These credit derivatives are also subject to fluctuations in price.

The development of the market price for credit derivatives is also not just dependent on the expected credit standing related to the respective Reference Entity. The development depends, for example, also on the expectation in the market with regard to the probability of a failure of debtors in general. This can have the consequence that the market value of the Securities decreases due to changes in the price in the overall credit derivatives market. This phenomenon can also occur if the expectation for the credit standing with regard to the Reference Entity for the Securities has not changed.

**The principal of the Securities is not protected and there is no minimum redemption amount.** Thus, you have a substantial risk of loss. Even a total loss of the amount paid for the purchase of the Securities is possible.

### ***(b) Liquidity risk***

**You bear the risk that there is no liquid market for trading the Securities.**

An application can be submitted to admit the Securities under this Base Prospectus to trading on a securities exchange and/or in an equivalent trading system. After the Securities have been admitted to trading, the Securities are listed on the corresponding exchange/trading system (listing). However, in the case of a listing, there is no guarantee that this listing will be maintained permanently. If there is no longer a listing, the purchase and the sale of the Securities is substantially

impeded or in fact impossible. Even in the event of a continuing listing, this does not necessarily mean that there will be high sales of the Securities on the relevant exchange. Low sales on an exchange make it more difficult to sell Securities at a favourable price. This is referred to as an illiquid market for the Securities.

***(c) Determination of the prices for the Securities in the secondary market / risks in the pricing***

**You bear the risk that you cannot sell the Securities at a specific time or for a specific price.**

The Issuer (the Market Maker) regularly determines purchase and selling prices for the Securities (Market Making) under normal market conditions. The Market Maker can also be a company affiliated with the Issuer or another financial institution. The Market Maker, however, does not guarantee that the prices stated by the Market Maker are reasonable. The Market Maker also does not guarantee that prices for the Securities are available at all times during the entire term.

The Market Maker can also change the methodology used to determine the posted prices in the Market Maker's own discretion at any time. For example, the Market Maker can change its calculation model and/or increase or decrease the range between the purchase and selling prices. In the case of a market disruption or technical problems, the availability of the used electronic trading system can also be restricted or shut down. In the case of extraordinary conditions in the market or extreme fluctuations in price in the securities markets, the Market Maker will normally not post any purchase or selling prices. You accordingly bear the risk that you will not obtain a price for your Securities under certain conditions. This means that you cannot sell your Securities in the market for a reasonable price in every situation.

***(d) Effects of transaction costs***

**You bear the risk that transaction costs can substantially reduce any profits or substantially increase any losses.**

Costs which are charged to you by the bank where you maintain your securities account when purchasing, selling or redeeming the Securities reduce any profits. Transaction costs can also increase any losses. This also applies for costs which you incur when purchasing or selling the Securities on an exchange. Transaction and consequential costs for the purchase can only be offset by an increased development in the value of the Securities. Transaction costs and costs following the acquisition especially have an effect of reducing the value and the earnings from your investment in the Securities in the case of a small transaction volume.

***(e) Influence of commissions and other fees***

**You bear the risk that commissions or other fees substantially reduce the possibilities for earnings with your Securities.**

## 2. Risk Factors

The issue price and the selling price in the secondary market for the Securities can contain the following: issuing premiums, commissions, management fees or other fees.

The Issuer can charge commissions and completely or partially pass them on to third parties (distribution partners or investment advisers). Alternatively, the Issuer can grant a distribution partner or investment adviser a discount on the issue price or the selling price offered in the secondary market.

If the above-mentioned fees are incurred, the mathematical value of your Securities (the so-called fair value) will be different from the issue price or the selling price. The fair value of the Securities is then below the issue price or the selling price. These fees included in the issue price or the selling price are normally higher at the commencement of trading of the Securities. They decrease over the term of the Securities. The fees reduce your possibilities for earnings.

### *(f) Risk of early termination*

#### **You bear the risk that the Securities are terminated early.**

The Terms and Conditions for the Securities provide for an extraordinary right of termination for the Issuer. Certain special Call Events for termination are defined in the Terms and Conditions which establish the right to give extraordinary notice of termination.

#### Example:

The Reference Entity originally domiciled in Germany is taken over by another company.

This Successor has its headquarters in Asia. It is, thus, subject to another Transaction Type than the Transaction Type determined in the Terms and Conditions in accordance with the trading standards of ISDA.

The Securities are terminated.

The Cancellation Amount which is paid by the Issuer upon extraordinary termination of the Securities is very low under certain circumstances. It can especially be lower than the amount which you would have received if no extraordinary termination of the Securities had occurred. You then incur a loss if the Cancellation Amount is below the amount paid for the purchase of the Securities. A **total loss** is also possible.

You also bear the risk that the Issuer issues a notice of termination at a point in time which is not favourable for you. This can be the case if you have expected a further increase in the price for the Securities specifically just at the time of termination. The time can be unfavourable for you for the following reason: You can only reinvest the Cancellation Amount for a return which is below the expected return on the terminated Securities. Under certain circumstances, the termination deprives you of the possibility of collecting interest for your Securities. This is the case when the Issuer terminates the Securities before the Interest Payment Date.



The development of the respective Reference Entity after a termination has an adverse impact on the amount of the Cancellation Amount under the following conditions: The expectation for the credit standing of the Reference Entity falls between the point in time of the extraordinary notice of termination and the point in time when the Cancellation Amount is determined.

**(g) *Risks in connection with determinations by the Issuer***

**Discretion on the part of the Issuer can have an adverse impact on the value of the Securities as well as the amount and/or the timing of the payments.**

The Terms and Conditions provide that the Issuer will make certain determinations with regard to the Securities. The Issuer has, for example, discretion in the following areas:

- There is discretion when choosing the Valuation Obligation and fixing the Credit Event Redemption Amount.
- There is discretion in selecting a Successor.
- There is discretion in the case of an ISDA Statements or ISDA announcement which is not appropriate for determining a result that is fair for the economic substance of the Securities due to differences between the Terms and Conditions and the ISDA Terms or for other reasons.
- There is discretion when determining the Cancellation Amount after an extraordinary notice of termination as a result of a special Call Event for termination.

The Issuer makes such determinations in its reasonable discretion (§ 315 BGB). The Issuer will comply with the applicable ISDA Statements and resolutions of the ISDA Determination Committee.

Please, be aware that a determination made by the Issuer can reduce the value of the Securities. The amounts payable under the Securities are then also affected by the adverse impact of such a determination by the Issuer. The adverse impact can also affect the point in time of a payment.

**(h) *Risks of hedging transactions of Security Holders***

**You may possibly not be able to hedge your risks arising under the Securities with other transactions.**

You cannot rely on being able to conclude transactions which hedge the risks under the Securities (hedging transactions). Hedging transactions cause additional costs and can, for their part, lead to substantial losses.

**(i) Risks with regard to taxes**

**You bear the risk that the tax treatment of the Securities can change. This can reduce the value of the Securities.**

Tax law and practice are subject to changes, possibly with retroactive effect. This can reduce the value of the Securities and/or the market price for the Securities. In the first place, the tax treatment of the Securities can change compared to your opinion at the time of purchasing the Securities. In the second place, the discussion in this Base Prospectus about the relevant tax law and tax practice can become incorrect. Furthermore, material aspects of amended tax law in the case of a change in tax law are not contained in this Base Prospectus. You accordingly bear the risk that you might possibly incorrectly evaluate the taxation of the income from purchasing the Securities. However, it is also possible that the taxation of income from the purchase of the Securities changes to your detriment.

**(j) Risks of using debt financing**

**Your risk increases if you have used a loan to finance the purchase of the Securities.**

If you finance the purchase of the Securities with a loan, you should be clear about the following: If your expectations with regard to the development of value of the Securities are not fulfilled, you incur a loss not only with regard to the paid purchase price. You must continue to pay interest and repay the loan taken out for the financing. This substantially increases the risk of loss. Prior to purchasing Securities with a loan, you must accordingly examine the following: Can you pay the interest for the loan and repay the loan if you incur losses or a total loss with regard to the Securities?

**(k) Foreign currency risk**

**In the case of Securities issued in foreign currencies, there is a foreign currency risk.**

Currency exchange rates in the international currency markets are determined by supply and demand. Supply and demand can be influenced by the following factors, among others: macroeconomic factors, political factors (including currency controls and restrictions), actions by central banks and governmental agencies as well as speculation by the participants in the market.

If the Securities have been issued in foreign currencies, you are subject to the risk of strongly fluctuating currency exchange rates, in addition to the other risks. This applies both during the term of the Securities as well as at the end of the term.

The foreign currency risk exists especially in the following situation: Your account to which the amounts of money paid under the Securities are credited is maintained in a currency that is different from the currency of the Securities. The conversion of the relevant amount into the currency of the account can be at a disadvantageous currency exchange rate at the relevant point in time.

## 2. Risk Factors

Currencies can also be devalued or replaced by another currency, the development of which cannot be foreseen.

### 3. General Description of the Base Prospectus

#### 3.1 Scope of the Base Prospectus

Under this Base Prospectus, together with any supplements thereto (the "**Supplements**") and the respective final terms (the "**Final Terms**"), (the "**Base Prospectus**" or "**Prospectus**") UniCredit Bank AG (the "**Issuer** ")

- may issue new Credit Linked Notes (the "**Notes**") under the Programme,
- increase the issuing volume of Securities which have already been issued, and
- apply for the admission to trading of Securities on a regulated or other equivalent market.

The Securities will be issued as debt instruments in bearer form (Inhaberschuldverschreibungen) pursuant to § 793 BGB.

Individual, final terms of the offer (the "**Final Terms**") will be prepared for the Securities. They will contain the information which can first be determined as of the point in time of the respective issuance of Securities under this Base Prospectus.

This Base Prospectus is to be read together with the information provided in

- the registration document of UniCredit Bank AG dated 17 April 2018 (the "**Registration Document**"), whose information is incorporated herein by reference,
- the supplements to this Base Prospectus, if any,
- all other documents whose information is incorporated herein by reference (see "3.5 Information incorporated by reference in this Base Prospectus" below) as well as
- the respective Final Terms.

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

The Issuer does not intend to provide information following an issuance of Securities, unless either required by any applicable laws and regulations or the Terms and Conditions provide for an obligation to publish notices in certain cases. In such cases, a publication will be made on the website(s) as specified in the Final Terms in accordance with § 12. The Issuer may replace these website(s) by any successor website(s) which again will be published by notice in accordance with § 12.

#### 3.2 Approval of Base Prospectus and Notification

In accordance with the Luxembourg Prospectus Act, this Base Prospectus was approved by the CSSF as the Competent Authority in accordance with the Luxembourg Prospectus Act. In accordance with Article 7 (7) of the Luxembourg Prospectus Act, by approving this Base Prospectus, the CSSF gives no assurances relating to the economic and financial suitability of the transaction and the quality or solvency of the Issuers.

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

#### 3.3 Responsibility Statement

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

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 Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes a recommendation, an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Securities.

#### 3.4 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.

To the extent additional information is included in the Final Terms (for example, with regard to information about the Reference Entities), the respective source for the corresponding information is stated at the relevant place.

Reference may also be made to websites for information about the Reference Entities and the respective Final Terms. These websites can be used as a source of information for the description of the Reference Entities. The Issuer assumes no warranty for the accuracy of the content and the completeness of the data shown on the websites.

### 3.5 Information incorporated by reference into this Base Prospectus

The following information shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus. Parts of such documents, including documents incorporated by reference into these documents, whose information is not incorporated by express reference are not relevant for potential investors.

(1) **Registration Document<sup>1)</sup> of the Issuer dated 17. April 2018:**

<b>Section</b>	<b>Pages of the document where the information is set out:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Risk Factors</b>		
- Risks relating to the business activity of HVB Group	p. 3 to 15	p. 31
- Statutory Auditors	p. 16	p. 31
<b>UniCredit Bank AG</b>		p. 376
- Information about HVB, the parent company of HVB Group	p. 17	p. 376
- Programme Transform 2019	p.17	p. 376
<b>Business Overview</b>		p. 376
- Principal Activities	p. 17	p. 376
- Business segments of HVB Group	p. 17 to 20	p. 376
- Principal Markets	p. 20	p. 376
<b>Management and Supervisory Bodies</b>	p. 17 to 21	p. 376
<b>Major Shareholders</b>	p. 22	p. 376
<b>Auditors</b>	p. 22	p. 376
Legal and Arbitration Proceedings (with the exception of section "Financial sanctions matters")	p. 22 to 24	p. 376
Proceedings Related to Actions by the Regulatory Authorities	p. 24	p. 376

### 3. General Description of the Base Prospectus

**(2) Supplement dated 8 November 2018 to the Registration Document of UniCredit Bank AG dated 17 April 2018<sup>1)</sup>:**

Section	Pages of the document where the incorporated information is set out:	Incorporation of information in this Base Prospectus on the following pages:
- Financial sanctions matters	p. 3	p. 376

**(3) Audited financial statements of HVB Group for the fiscal year ended 31 December 2016 (Annual Report HVB Group 2016)<sup>2)</sup>:**

Section	Pages of the document where the incorporated information is set out:	Incorporation of information in this Base Prospectus on the following pages:
- Consolidated Income Statement	p. 94 to 95	p. 376
- Consolidated Balance Sheet	p. 96 to 97	p. 376
- Statement of Changes in Consolidated Shareholders' Equity	p. 98 to 99	p. 376
- Consolidated Cash Flow Statement	p. 100 to 101	p. 376
- Notes	p. 102 to 238	p. 376
- Independent Auditors' Report	p. 239	p. 376

**(4) Audited financial statements of HVB Group for the fiscal year ended 31 December 2017 (Annual Report HVB Group 2017)<sup>2)</sup>:**

Section	Pages of the document where the incorporated information is set out:	Incorporation of information in this Base Prospectus on the following pages:
- Consolidated Income Statement	p. 88 to 89	p. 376

### 3. General Description of the Base Prospectus

- Consolidated Balance Sheet	p. 90 to 91	p. 376
- Statement of Changes in Consolidated Shareholders' Equity	p. 92 to 93	p. 376
- Consolidated Cash Flow Statement	p. 94 to 95	p. 376
- Notes	p. 96 to 229	p. 376
- Auditors' Report	p. 230 to 235	p. 376

**(5) Audited unconsolidated financial statements (Jahresabschluss) of UniCredit Bank AG for the fiscal year ended 31 December 2017 (Annual Report UniCredit Bank AG (HVB) 2017)<sup>2)</sup>:**

<b>Section</b>	<b>Pages of the document where the incorporated information is set out:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
- Income Statement of UniCredit Bank AG	p. 76 to 77	p. 376
- Balance Sheet of UniCredit Bank AG	p. 78 to 83	p. 376
- Notes	p. 84 to 142	p. 376
- Auditors' Report	p. 143 to 148	p. 376

**(6) Unaudited Consolidated Results of HVB Group as of 30 June 2018)<sup>2)</sup>:**

<b>Section</b>	<b>Pages of the document where the incorporated information is set out:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
- Financial Highlights	p. 3	p. 376
- Consolidated Income Statement	p. 48 to 49	p. 376



### 3. General Description of the Base Prospectus

- Statement of Changes in Shareholders' Equity	p. 52 to 54	p. 376
- Consolidated Cash Flow Statement (abridged version)	p. 55	p. 376
- Consolidated Accounts (selected Notes)	p. 56 to 115	p. 376

<sup>1)</sup> The document is published on the following website of the Issuer:

[http:// www.onemarkets.de/de/rechtliches/registrierungsdokumente-uvp.html](http://www.onemarkets.de/de/rechtliches/registrierungsdokumente-uvp.html)

<sup>2)</sup> The document is published on the following website of the Issuer:

<http://investors.hypovereinsbank.de/cms/english/investorrelations/index.html>

Parts of such documents whose information is not incorporated by express reference are set out in other Sections of the Base Prospectus or are not relevant for potential investors.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

### **3.6 Available Documents**

Copies of the following documents be available for collection in the English language, free of charge, during usual business hours on any weekday (except Saturdays and public holidays) at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich).

- (1) the articles of association of the Issuer,
- (2) the consolidated annual reports in respect of the fiscal years ended 31 December 2016 and 2017 of the Issuer,
- (3) the unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2017 prepared in accordance with the German Commercial Code (Handelsgesetzbuch),
- (4) the unaudited consolidated results of HVB Group as of 30 June 2018,
- (5) the forms of the Global Notes,
- (6) the relevant Final Terms and
- (7) the Agency Agreement, as amended and restated.

#### 4. CONSENT TO THE USE OF THE BASE PROSPECTUS

If the Issuer consents to the use of the Base Prospectus, consent shall be given to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 9 of the Prospectus Directive. The Issuer reserves the right not give its consent.

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

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

Such consent can be given in relation to the following Member States, in which the Base Prospectus is valid or into which it has been notified as specified in the Final Terms:

Croatia, Luxemburg and Poland.

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

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

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

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

#### 4. Consent to the use of the Base Prospectus

**New information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms, as the case may, will be published and will be found on the website of the Issuer ([www.onemarkets.de](http://www.onemarkets.de)) under "Rechtliches", "Zustimmung zur Prospektnutzung" (or any successor website which the Issuer will publish in accordance with § 12 of the Conditions).**

## 5. GENERAL INFORMATION ON THE SECURITIES

### 5.1 Category of investors and minimum units in the offering of Credit Linked Notes

The offering of Credit Linked Notes by the Issuer (hereinafter: the "Notes") to private investors is based on this Base Prospectus. It takes into account the general principles recommended by the German Derivatives Association (*Deutscher Derivate Verband*, "DDV") and by the German Credit Industry (*Deutsche Kreditwirtschaft*, "DK") – other than in relation to Notes with floating rate features.<sup>11</sup> The Notes offered to private investors are in denominations of at least EUR 10,000. In the case of a foreign currency, the denomination must correspond to the value of EUR 10,000. See on this point the restrictions described in Section "10. Selling Restrictions" in the Base Prospectus.

### 5.2 Information about the Securities

The Issuer has the following possibilities under this Base Prospectus:

- The Issuer can issue new Securities.
- The Issuer can increase the issuing volume of Securities that have already been issued.
- The Issuer can apply for admission of the Securities to trading on a regulated market or other equivalent market.

#### 5.2.1 General

##### (a) *Type of offered securities and/or securities admitted to trading*

The Securities are each bearer Securities under German law within the meaning of § 793 German Civil Code (*Bürgerliches Gesetzbuch*, "BGB").

The form and content of the Securities is governed by the laws of the Federal Republic of Germany. The Securities, as bearer securities, are transferrable in accordance with the provisions in German securities law.

The Securities can be structured pursuant to different product types. How the different products types constituting the Securities function is explained in Section "6. Description of the Securities". That Section especially describes how the occurrence of a Credit Event at a Reference Entity influences the value of the Securities. A differentiation is made between six different types of products. Product types 1, 2, and 3 relate to one Reference Entity. Product Types 4, 5 and 6 relate to multiple Reference Entities. You will find further details about the Product Types in Section 6.1.1.

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<sup>11</sup> *Grundsätze für die Emission von „bonitätsabhängigen SCHULDVERSCHREIBUNGEN“ zum Vertrieb an Privatkunden.*

## 5. General Information on the Securities

The description and features of the Securities as well as other details can first be determined shortly prior to publication of the Final Terms. These aspects will be published in the Final Terms.

They involve, e.g. the following information:

- International Security Identification Number (ISIN),
- German Securities Identification Number (*Wertpapierkennnummer*, "WKN"),
- Issue Date,
- Maturity Date,
- the issuing currency,
- any rating of the Securities, and
- the Reference Entity(ies).

You can find a form of the Final Terms in Section "9 Form of Final Terms".

### **(b) Form of the Securities / transferability**

The Securities are certificated in a bearer global note (the "**Global Note**") without interest coupons.

The Global Note will either be deposited

- with Clearstream Banking AG, Frankfurt, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany, or with
- Clearstream Banking S.A., Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg, and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium (in each case, the "**Clearing System**").

Notes in definitive form will not be issued. The Final Terms will determine at which Clearing System the Global Note is deposited.

The Securities are transferrable as co-ownership interest in the Global Note pursuant to the relevant regulations of the respective Clearing System.

### **(c) Status of the Securities**

The Securities constitute direct and unsecured obligations of the Issuer. The Securities rank pari passu with all other unsecured and unsubordinated obligations of the Issuer. Exception: obligations which have a preference under the law.

**(d) *Payments under the Securities***

Payment under the Securities is made on the relevant maturity date through the Clearing System specified in the Final Terms. You can find details of the payments in the description of the Securities in Section "6. Description of the Securities".

Any taxes or public levies incurred in connection with payments under the Securities must be borne by you. The Issuer is released from its obligation under the Terms and Conditions upon rendering payment to the Clearing System.

**(e) *Paying Agent***

All payments under the Securities will be made by the Principal Paying Agent in accordance with the Terms and Conditions. The Principal Paying Agent and any other Paying Agents are specified in the Final Terms.

**5.2.2 Further Features**

The term of the Securities is fixed. It ends on the Scheduled Maturity Date. This date is set in the relevant Final Terms when the Securities are issued. Exemption:

- A Credit Event occurs with regard to a Reference Entity. In this situation, the Settlement Date can fall before or after the Scheduled Maturity Date. You receive the Credit Event Redemption Amount on the Settlement Date. You can find details in Sections 6.2.5, 6.3.5, 6.4.5, 6.5.6, 6.6.6 and 6.7.6.
- The Requirements for a Payment Deferral are satisfied. In this situation, interest payments can be deferred until the Deferred Interest Payment Date. The redemption can also be deferred until the Deferred Redemption Date. You can find details in Sections 6.2.3, 6.2.6, 6.2.8, 6.3.3, 6.3.6, 6.3.8, 6.4.3, 6.4.6, 6.4.8, 6.5.3, 6.5.7, 6.5.9, 6.6.4, 6.6.7, 6.6.9, 6.7.4, 6.7.7 and 6.7.9.
- The Issuer issues an extraordinary notice of termination for the Securities in accordance with the Terms and Conditions (for details, see Section 1.2.3). The Cancellation Amount is paid on the date after the announcement of the notice of termination designated in the Final Terms.

**5.2.3 Description of the rights under the Securities**

Your rights under the individual product types for the Securities are described in Section 6. Descriptions of the Securities.

In the case of so-called Call Events, the Issuer is entitled to give an extraordinary notice of termination of the Securities and redeem them with the Cancellation Amount. The Cancellation Amount corresponds to the market value of the Securities plus any interest accrued up to but ex-

cluding the date of redemption. The Termination Events are set forth in the respective Terms and Conditions. Examples of situations under which the extraordinary rights to give notice of termination can be exercised include the following:

- A Successor does not correspond to the Transaction Type of the original Reference Entity.
- In the case of Product Types 1, 2 or 3, there is more than one Successor with regard to the Reference Entity.
- The prerequisites for Increased Hedging Costs, a Hedging Disruption or a Change in Law exist, to the extent this is provided for the Final Terms.
- In case of a floating Interest Rate, the Reference Rate disappears.

In the case of an extraordinary notice of termination, you completely lose your rights under the Securities. The exception is your claim for payment of the Cancellation Amount. However, there is the risk that the Cancellation Amount is zero (0). In this situation, you incur a total loss of the amount paid by you to purchase the Securities.

**Comment on this point:** The purchase price paid for the Securities includes here and below all costs related to the purchase.

### 5.3 Interests of natural and legal persons involved in the issuance/offering of the Securities

Any distribution partner and/or its affiliates can be customers or borrower of the Issuer or its affiliates. Furthermore, these distribution partners and their affiliates may have engaged in investment banking and/or (commercial banking) transactions with the Issuer and its affiliates. The distribution partners and their affiliates may also engage in such transactions in the future and provide services for the Issuer and its affiliates in the normal course of business.

Distribution partners can receive from the Issuer certain inducements in the form of sales-based placement and/or volume commissions.

In addition, there can also be conflicts of interest of the Issuer or the persons involved in the offering for the reasons described in Section 2.1.2 "Risks under potential conflicts of interest".

### 5.4 Reasons for the offering of the Securities and the use of the proceeds

The Issuer is free in using the net proceeds from issuing the Securities.



## 5.5 Information about authorisations with regard to the Securities

The establishment of the program and the issuance of the Securities under the Programme were duly authorised by the management board of HVB in the year 2011.

## 5.6 Information about taxation in connection with the Securities

You can find general information about taxation in connection with the Securities in the Federal Republic of Germany, Croatia, Grand Duchy of Luxemburg and Poland in Section "11. Taxes".

## 5.7 Information about the Reference Entity

Reference entities can be companies, countries or financial institutions. You will find details about this in Section 6.1.3. Reference Entities must have stocks or bonds listed on an organized market within the meaning of § 2 para. 5 German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") as of the time the Securities are issued. This means that the Reference Entities are subject to extensive transparency duties under the law.

The Reference Entity(ies) are specified in the relevant Final Terms. Sources for additional information can also be found in these Final Terms.

The Issuer will not provide any further information about the Reference Entity(ies) after issuing the Securities.

In the case of a Successor, the adjustment rules for replacing the Reference Entity by a Successor set forth in the Terms and Conditions apply. You can find details in Section 6.1.4. The definitions and the threshold values for determining a Successor are set forth in the Terms and Conditions.

## 5.8 Conditions and requirements for the offering of the Securities

### 5.8.1 Conditions, offering statistics, expected timing and required measures for the application

The Securities can be offered to potential investors either with or without a subscription period.

#### (a) *Offers of the Securities without a subscription period*

If securities are offered without a subscription period, the respective issue date for the Securities is published as the commencement of sales in the Final Terms.

#### (b) *Offering of Securities with a subscription period*

If Securities are offered with a subscription period, the subscription period for the Securities is published in the Final Terms.

## 5. General Information on the Securities

In order to purchase Securities, you must issue a subscription order to be forwarded to the Issuer within the subscription period. If provided for in the Final Terms, the Securities can be continuously and freely offered thereafter.

During the subscription period, the Issuer reserves the right to terminate the subscription or other possibilities for subscription early. The Issuer also reserves the right to reduce the subscriptions you have made. The Issuer also reserves the right to only partially allocate Securities.

The Issuer furthermore reserves the right not to issue the Securities. This especially applies if the demand during the subscription period is too low. In this event, all offers to purchase the Securities (subscriptions by potential purchasers) that have already been submitted become invalid. A corresponding announcement will be published on the website at [www.onemarkets.de](http://www.onemarkets.de).

Furthermore, the Issuer can reserve the right in the Final Terms to extend the subscription period. The details concerning the subscription period will be published in the Final Terms. The modalities and the date for public announcement of the results of the offering will also be published there.

### **5.8.2 Additional information about the offering of the Securities**

The specific conditions and requirements for the offering of the Securities will first be fixed shortly before publication of the Final Terms. These conditions and requirements will be published in the Final Terms. Examples: commencement of sales, subscription period, minimum or maximum amount in connection with the offering of the Securities.

## **5.9 Plan for distribution of the Securities and allocation of Securities**

### **5.9.1 Potential investors, categories of investors**

The Securities are offered to private investors, institutional investors and/or other qualified investors. The restrictions described in Section 5.1 and in Section "11. Selling Restrictions" must be observed.

In which countries an offering of the Securities will be made will be published in the Final Terms. The potential, so-called offering countries for a public offering of the Securities are: Croatia, Grand Duchy of Luxembourg and Poland.

### **5.9.2 Notification process or the possibility of subscribing**

Securities can be offered with or without a subscription period. In the case of Securities without a subscription period, the notification process for the possibility to subscribe does not apply. In the case of Securities with a subscription period, the Securities allocated to you will be booked to your securities account at your securities account bank. There will be no separate notification in addition to the booking. You will accordingly expressly not be informed about the allocation.

### 5.9.3 Issue price for the Securities, pricing

**(a) *Information about the price at which the Securities are offered (Issue Price)***

If the Securities are offered to you without a subscription period, the following applies: The initial issue price for the Securities is normally published in the Final Terms. The initial offer price is the price at which you are publically offered the Securities for the first time. The selling price of the Securities is subsequently fixed afterwards on an ongoing basis.

If you are offered the Securities during a subscription period, the following applies: The initial issue price fixed by the Issuer applies for all Securities during the subscription period. The initial issue price is published in the Final Terms. It is possible to provide that the Securities will continue to be freely offered for purchase by the Issuer after the subscription period. The Issuer will then set the issue price on an ongoing basis.

The issue price for the Securities is based on internal pricing models of the Issuer. This also applies for bid and ask prices posted by the Issuer during the term. These prices can include, in addition to an issue premium and a placement commission, also an expected margin which you cannot identify. The Issuer will keep this margin. This margin can include costs which the Issuer has incurred or will still incur. For example: costs of the Issuer for the structuring of the Securities, for the Issuer's hedging of risks and for distribution.

A sales commission or other commissions can be charged. This will be set forth in the Final Terms.

**(b) *Method for setting the price and process for announcing the price***

If the Final Terms which must be published for the Securities do not contain the issue price, the following applies: The Final Terms described the method with which the issue price is fixed. The Final Terms also provide information about where the issue price is published.

**(c) *Information about any costs and taxes which are specifically charged to the subscriber or purchaser***

The Issuer will not charge any further costs to you other than the above-mentioned issue prices, subscription prices or selling prices. Please ask your direct bank, your main bank or your respective securities exchange about whether they charge other costs or taxes.

### 5.9.4 Delivery of the Securities

The Global Note for the Securities will be deposited with the Clearing System on the value date set forth in the respective Final Terms. The delivery will be made in exchange for payment or without payment or under some other delivery process as set forth in the Final Terms. When purchasing the Securities after the issue date, the delivery will be made in accordance with the applicable, local market practices.

### 5.9.5 Admission of the Securities to trading and trading rules

An application can be made to admit the Securities under this Base Prospectus to trading on an exchange, an equivalent market or trading system (listing). E.g. the listing of the Securities on the official list of the Luxembourg Stock Exchange and admission to trading of the Securities on the regulated market of the Luxembourg Stock Exchange.

However, the Securities can also be offered without a listing.

### 5.9.6 Admission to trading

If the Issuer intends to submit an application for listing, this will be set out in the Final Terms. This also applies for the earliest date on which the Securities will be admitted or are scheduled to be admitted to trading.

The Final Terms will also state all markets on which Securities in the same securities category are already admitted to trading. The Issuer, however, will only provide such information if the Issuer knows about such listings.

**Even if the Issuer submits such an application, there is no guarantee that the application will be granted. There is also no guarantee that active trading in the Securities will take place or develop.**

### 5.9.7 Name and address of the intermediaries in secondary trading

The Issuer or a third party appointed by the Issuer may act as the Market Maker for the Securities. In this situation, the Market Maker will act in accordance with the relevant rules of the respective trading locations. The Market Maker will regularly submit bid and ask prices (purchase and selling prices) during the normal trading hours for the Securities under normal market conditions. This takes place for the purpose of providing liquidity in the respective Securities. This has the effect that your Securities can again be sold at any time during the trading hours.

If the Issuer retains intermediaries in secondary trading, the names and addresses of these institutions will be set out in the Final Terms. This information will only be given if intermediaries engage in secondary trading on the basis of a binding commitment. The publication in the Final Terms then describes the main conditions for the intermediary's commitment.

### 5.9.8 Publications after completed issuance of the Securities

The Issuer will not publish any information about the Securities after issuing the Securities. The Terms and Conditions provide for the publication of a notification in certain situations. This is the situation, for example, upon a succession when the Successor Notice is published. In these situations, the publication will take place on the website set forth in the Final Terms or a corresponding successor site. You can find the corresponding rules in § 12 of the Terms and Conditions.

## **5. General Information on the Securities**

The Issuer will publish important new circumstances or material inaccuracies with regard to the information contained in the Base Prospectus. The publication will be made in a to this Base Prospectus.

## 6. DESCRIPTION OF THE SECURITIES

The Securities issued or offered under this Base Prospectus are described in Sections 6.1 to 6.8.

### 6.1 General information about the Securities

#### 6.1.1 Product Types

The Securities are issued with a fixed interest rate or with a step-up interest rate or a floating Interest Rate linked to a Reference Rate. The Securities refer to one or more Reference Entities.

There are six product variations for the Securities:

- Product Type 1: Securities which refer to a single company as the Reference Entity.
- Product Type 2: Securities which refer to a single country as the Reference Entity.
- Product Type 3: Securities which refer to a single financial institution as the Reference Entity.
- Product Type 4: Securities which refer to multiple companies as the Reference Entities.
- Product Type 5: Securities which refer to multiple countries as the Reference Entities.
- Product Type 6: Securities which refer to multiple financial institutions as the Reference Entities.

The following Sections explain exactly how the Securities function.

#### 6.1.2 Loss upon occurrence of a Credit Event

The Securities will be redeemed at the Nominal Amount and bear interest. However, this is only the case if no Credit Event has occurred with regard to the respective Reference Entity.

If a Credit Event occurs, you receive the following payments as a Security Holder:

- Under Product Types 1, 2 and 3, the Nominal Amount will not be redeemed. Instead, you will receive the Credit Event Redemption Amount. This is normally substantially lower than the Nominal Amount. The accrual of interest will cease.

## 6. Description of the Securities

### Example:

Nominal Amount: EUR 10,000. Redemption and interest payments of the Securities depends on the credit standing of the Reference Entity.

Assumption: A Credit Event occurs at the Reference Entity. ISDA auction proceedings are conducted.

The Credit Event Redemption Amount is fixed on the basis of the Auction Final Price for the Obligations of the Reference Entity.

Auction Final Price: 8%.

Credit Event Redemption Amount: EUR 800 (8% of EUR 10,000).

The Credit Event Redemption Amount (EUR 800) is paid to you as soon as the Credit Event Redemption Amount has been determined.

The interest payments on the Interest Payment Dates are no longer made after the occurrence of the Credit Event. If the Credit Event occurs prior to the first Interest Payment Date, you do not receive any interest for the Securities.

- In the case of Product Types 4, 5 and 6, the Reduced Nominal Amount as well as the Credit Event Redemption Amount of the Weighted Amount for the Reference Entity affected by a Credit Event is redeemed. The accrual of interest is reduced or ceases.

### Example:

Nominal Amount: EUR 10,000. Redemption and Interest Payments on the Securities depend on the credit standing of four Reference Entities. The Weighted Amount for each Reference Entity is then EUR 2,500.

Assumption: A Credit Event occurs at a Reference Entity. ISDA auction proceedings are conducted.

The Reduced Nominal Amount is first determined: EUR 10,000 minus the Weighted Amount for the Reference Entity affected by the Credit Event (EUR 2,500). The Reduced Nominal Amount is EUR 7,500.

The Credit Event Redemption Amount with regard to the Weighted Amount for the affected Reference Entity is then determined. The basis for this is the Auction Final Price.

Auction Final Price: 8%.

Credit Event Redemption Amount: EUR 200 (8% of EUR 2,500).

The Credit Event Redemption Amount (EUR 200) is paid to you as soon as the Credit Event Redemption Amount has been determined. You receive the Reduced Nominal Amount (EUR 7,500) on the Scheduled Maturity Date.

## 6. Description of the Securities

The interest payments on the Interest Payment Days after the occurrence of the Credit Event are determined then only on the basis of the Reduced Nominal Amount (EUR 7,500). They are accordingly reduced by 25%.

The Credit Event Redemption Amount can also be further reduced by deduction of a Swap Unwind Amount of the Issuer. The deduction of the Swap Unwind Amount can lead to a total loss of the amount paid for the purchase, although the Securities have a positive Credit Event Redemption Amount.

By purchasing the Securities, you assume additional risks in addition to the risks related to the ability of the Issuer to make payments. These risks result from the fact that a Credit Event can occur with regard to the Reference Entity(ies).

If that situation occurs, you receive an amount which is normally substantially lower than the Nominal Amount. Interest payments on Interest Payment Dates which fall after the occurrence of a Credit Event can also be lost. Under certain circumstances, you may even incur a total loss if the Credit Event Redemption Amount is zero (0).

The Securities provide for interest payments that are above the market interest rate as consideration for assuming this risk. The interest payments, namely, include a risk-based interest premium (risk premium) with regard to the Reference Entity(ies).

### 6.1.3 Reference Entities

A single Reference Entity will be specified in the Final Terms for Product Types 1, 2 and 3. Multiple Reference Entities will be specified for Product Types 4, 5 and 6. These Reference Entities are:

- in the case of Product Type 1, a company
- in the case of Product Type 2, a country, and
- in the case of Product Type 3, a financial institution.
- in the case of Product Type 4, multiple companies
- in the case of Product Type 5, multiple countries,
- in the case of Product Type 6, multiple financial institutions.

In the case of Product Types 4, 5 and 6, the weightings given to the individual Reference Entities are equal. Therefore, mathematically a Weighted Amount corresponding to the equally weighted portion of the Nominal Amount is attributed to each Reference Entity.

#### Example:

Nominal Amount: EUR 10,000.

Assumption: four Reference Entities

Weighted Amount for each Reference Entity: EUR 2,500.



## 6. Description of the Securities

A transaction type will be attributed in the Final Terms to each Reference Entity based on its type (company, country or financial institution) or its region of origin. For example: "European corporate", "North American corporate", "Western European sovereign", "Emerging European & Middle Eastern sovereign", "European financial corporate", "Australian financial corporate". Depending on the transaction type, the Final Terms will provide that certain provisions in the Terms and Conditions are applicable or not applicable.

Reference Entities can be replaced under the respective Final Terms upon the occurrence of a succession by one or more Successors. This can also lead to an adjustment of their weighting and the Weighted Amounts attributable to the Reference Entity(ies). You will find details about succession in Section 6.1.4.

The Issuer will assure the following when offering Securities to private investors: Companies, financial institutions or countries will be used as Reference Entities which satisfy the following criteria:

- official rating from the rating agencies Standard & Poor's or Fitch Ratings in the categories "AAA" to "BBB", or
- official rating by the rating agency Moody's in the categories "AAA" to "BBB3".

These criteria must be satisfied on the first day of the public offer of the respective Securities. It is sufficient if one of the designated rating agencies has classified the Reference Entity accordingly.

The Issuer can also orient itself on the criteria of the European Central Bank for the "Eurosysteem credit assessment framework ("ECAAF")".

If there is no official rating from a rating agency recognized by the European Central Bank, the Issuer will itself evaluate the Reference Entity(ies). The Issuer will then examine whether the credit standing of the respective Reference Entity corresponds to a rating in the above designated categories. The Issuer will apply comparable standards that are also applied by the rating agencies. The examination of the respective Reference Entity by the Issuer will be made through the own credit research. In the case of multiple Reference Entities, all Reference Entities must satisfy these criteria.

### 6.1.4 Successors

A Succession which is relevant for the Securities with regard to a Reference Entity can occur between the Issue Date and the Final Determination Date. A replacement of the Reference Entity by a Successor takes effect upon publication of a corresponding Succession Notice by the Issuer.

#### **(a) *Securities with one Reference Entity (Product Types 1, 2 and 3)***

In the case of Securities with one Reference Entity, the Issuer can replace the Reference Entity with one or more Successors in the case of succession. The respective Final Terms contained provisions about selecting the Successor(s). If the Issuer publishes a Credit Event Notice prior to the occurrence of succession, no Successor will be determined.

## 6. Description of the Securities

If the Issuer determines more than one Successor for the Reference Entity, the Securities relate proportionately to each of the Successors.

Example:

Nominal Amount: EUR 10,000.

Assumption: The Reference Entity is replaced by two Successors. Thus, EUR 5,000 are allocated to each Successor.

If a Credit Event occurs at one Successor, the amount which bears interest is reduced to EUR 5,000. You receive the Credit Event Redemption Amount on the Settlement Date. This Credit Event Redemption Amount is determined for the relevant Successor with regard to its portion in the Nominal Amount (EUR 5,000). You also receive an amount of EUR 5,000 on the Scheduled Maturity Date.

Special grounds for an early termination also exist in this situation. The Issuer is entitled to give extraordinary notice of termination of the Securities for the Cancellation Amount. If the Issuer does not issue an extraordinary notice of termination, a Credit Event can occur for each successor Reference Entity.

**(b) *Securities with multiple Reference Entities (Product Types 4, 5 and 6)***

In the case of Securities with multiple Reference Entities, the Issuer can replace the Reference Entity affected by a succession with one or more Successors. The respective Final Terms contain provisions about selecting the Successor(s).

A Reference Entity can also be a Successor of another Reference Entity if the prerequisites for selecting this Reference Entity as a Successor are satisfied.

In the case of replacement of a Reference Entity by only one Successor, the Weighted Amount for that Successor corresponds to the Weighted Amount of the replaced Reference Entity.

In the case of replacement of a Reference Entity by multiple Successors, the following applies: The Weighted Amount for each Successor corresponds to the Weighted Amount of the Reference Entity divided by the number of Successors.

Example:

Nominal Amount: EUR 10,000.

Assumption: From among four Reference Entities, one Reference Entity is replaced by two Successors.

The Weighted Amount of the three original Reference Entities continues to be EUR 2,500 each. The Weighted Amount for the two Successors is in each case EUR 1,250.

If a Successor is already a Reference Entity, the following applies: The Weighted Amount of this Reference Entity is increased, compared to the other Reference Entities, by this additional Weighted Amount.

### Example:

Nominal Amount: EUR 10,000.

Assumption: There are four Reference Entities A, B, C and D. The Reference Entity A takes over the Reference Entity D.

A is, thus, the Successor to D. The Weighted Amount of A is increased to EUR 5,000. The Weighted Amounts of the Reference Entities B and C continues to be EUR 2,500.

No Successor is determined for a Reference Entity for which the Issuer has published a Credit Event Notice prior to the occurrence of succession.

A Reference Entity for which the Issuer has published a Credit Event Notice can become the Successor of another Reference Entity. This possibility exists if the Issuer has still not published a Credit Event Notice for the "changed out" Reference Entity.

### **6.1.5 Credit Events**

Credit Events describe the occurrence or the threatening occurrence of various economically adverse circumstances from the point of view of the creditors of the respective Reference Entity. Credit Events are accordingly an expression of a material negative development in the credit standing of the Reference Entity.

However, a Credit Event can only be considered if the Issuer has learned about the occurrence of a Credit Event at a Reference Entity. The Issuer must have obtained this knowledge on the basis of publicly available information. All requirements for the occurrence of a Credit Event must be satisfied by the affected Reference Entity(ies). You will find the details for these requirements in Sections 6.2.7, 6.3.7, 6.4.7, 6.5.8, 6.6.8 and 6.7.8.

**Comment on this point:** If the descriptions of the Securities refer to a Credit Event at one Reference Entity, the following applies: Only those Credit Events are meant for which all Requirements for the Occurrence of a Credit Event described in the Terms and Conditions are satisfied. This applies especially if the Credit Event triggers a reduction or deferral of the payments of interest and/or redemption of the Securities.

The Final Terms can, depending on the Transaction Type of the Reference Entity, provide for one or more of the following Credit Events:

- Bankruptcy,
- Failure to Pay,
- Restructuring,
- Repudiation/Moratorium,
- Potential Obligation Acceleration,

## 6. Description of the Securities

- Obligation Acceleration,
- Governmental Intervention.

This means that the Securities, in addition to the credit standing of the Issuer, above all depend on the credit standing of the Reference Entity. You receive the payments contemplated in the Terms and Conditions in the intended amount if no Credit Event has occurred. Upon the occurrence of a Credit Event, you incur a partial or complete loss with regard to interest payments and redemption.

Various Credit Events are differentiated.

- (i) **Credit Event Bankruptcy:** The Credit Event Bankruptcy can occur at companies or financial institutions. The Credit Event exists, for example, if insolvency proceedings or comparable proceedings have been initiated with regard to the Reference Entity. The Credit Event Bankruptcy can also occur in the case of liquidation or inability of the Reference Entity to meet its ongoing payment obligations or over-indebtedness.
- (ii) **Credit Event Failure to Pay:** The Credit Event Failure to Pay can occur in all types of Reference Entities.

A Credit Event Failure to Pay occurs, for example, if the Reference Entity has not paid an Obligation or has not done so on time. However, certain threshold values must be taken into account for this purpose. The Failure to Pay must accordingly exist with regard to an amount having a specific volume (e.g. US Dollars 1 million). The Failure to Pay smaller amounts does not lead to the occurrence of the Credit Event Failure to Pay. You can find the threshold values in the Final Terms.

A Credit Event Failure to Pay can also occur due to a redenomination of a currency as a consequence of actions taken by a public authority. This applies in the following situation: The redenomination of the currency leads to a reduction in the interest payments, payments of principal or other payments for Obligations of the Reference Entity.

- (iii) **Credit Event Restructuring:** The Credit Event Restructuring can occur in all types of Reference Entities.

The Credit Event occurs, for example, in the following situations:

- The interest rate or the amount of principal of one or more Obligations of the Reference Entity are reduced or their due date is extended.
- The payments for one or more Obligations of the Reference Entity are deferred.
- The ranking of one or more Obligations of the Reference Entity are adversely changed, or there is a redenomination of a currency.

A prerequisite for one of the above-described Restructurings is that the credit standing or the financial situation of the relevant Reference Entity deteriorates.

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The restructuring must be made in a form which is binding for all creditors of the respective Obligation. In all situations, the threshold values described in the Final Terms with regard to the relevant Obligation must be taken into account.

A redenomination from Euro to another currency does not constitute a Restructuring under the following conditions:

- At the time of the currency redenomination, there is a freely available standard market conversion rate between the Euro and the other currency, and:
- Payments of interest, principal or other payments for Obligations of the Reference Entity are not reduced upon redenomination at this freely available standard market conversion rate.

- (iv) **Credit Event Repudiation/Moratorium:** The Credit Event Repudiation/Moratorium can occur for countries and certain companies.

This Credit Event occurs, for example, in the following situations:

- A Reference Entity or a public authority completely or partially disputes the existence of an Obligation. A Reference Entity or a public authority does not acknowledge an Obligation or rejects the Obligation or disputes its validity.
- A Reference Entity or a public authority declares or in fact or legally takes one of the following measures with regard to an Obligation: a moratorium, a standstill of payments, an extension of payments or a deferral of payments.

A prerequisite for the occurrence of this Credit Event is also that an Obligation is not paid at all or not paid within the stated time frame. This also applies if a restructuring of the Obligation takes place.

In all situations, the threshold values described in the Final Terms with regard to the relevant Obligation must be taken into account.

- (v) **Potential Obligation Acceleration:** The Credit Event Potential Obligation Acceleration can occur in all types of Reference Entities.

It occurs, for example, if one or more Obligations of a Reference Entity could be terminated or accelerated. Reason: non-performance of the Obligation or another breach of contract.

- (vi) **Credit Event Obligation Acceleration:** The Credit Event Obligation Acceleration can occur in all types of Reference Entities.

A Credit Event Obligation Acceleration occurs, for example, in the following situations:

One or more Obligations of a Reference Entity are accelerated. Reason: There is a breach of contract by the Reference Entity, or grounds for termination contained in the Terms and Conditions or a similar event occurs.

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In all cases, the threshold values described in the Final Terms with regard to the affected Obligation must be taken into account.

- (vii) **Credit Event Governmental Intervention:** The Credit Event Governmental Intervention can occur in the case of financial institutions.

There is a Governmental Intervention, for example, if the interest rate or the amount of principal is reduced for an unsubordinated Obligation of the Reference Entity. Governmental Intervention also exists if the due date is extended, payments are deferred or the ranking of the unsubordinated Obligation is adversely changed.

The Governmental Intervention occurs by means of a measure or announcement by a Governmental Authority which is binding for the Reference Entity. This can also occur on the basis of a provision in the law which involves the recovery or resolution of the Reference Entity (or a comparable legal provision).

Governmental Intervention exists, for example, also in the following situations: Claims of creditors under an unsubordinated Obligation are expropriated, transferred or terminated or are subject to a mandatory exchange.

It is irrelevant in this regard, whether the contracts about the relevant Obligations expressly provide for such Governmental Intervention. Therefore, you should pay attention to the following with regard to the application of this Credit Event in the case of a Reference Entity:

The applicable law governing recoveries and resolutions for a financial institution can authorise substantial impact and intervention in the Obligations of a financial institution. Measures up to and including a reduction of the debt are conceivable. These measures can already be taken in advance of insolvency. Such measures can especially be carried out if the financial institution threatens to fail or if there is reason to fear the cancellation of the banking license.

In the case of Securities which refer to **financial institutions**, the following must especially be considered: **They depend to a high degree on the content and scope of the applicable national legislation on recoveries and resolutions.**

A Credit Event which is relevant for the Securities must occur within the Observation Period set out in the Final Terms. In special situations, the Credit Event can also occur after the end of the Observation Period. This is the case if a notice of a potentially occurring Credit Event has been issued.

Furthermore, the Issuer must publish a Credit Event in the so-called Credit Event Notice within the Observation Period. In special situations, the Issuer can publish this notice also at the latest within one year after the end of the Observation Period.

You will find the further Requirements for the Occurrence of a Credit Event in Sections 6.2.7, 6.3.7, 6.4.7, 6.5.8, 6.6.8 and 6.7.8.

### 6.1.6 Deferral of payments

The Issuer can defer payments on the Securities. The Requirements for a Payment Deferral must be satisfied for this purpose.

The provision has the following background: In certain situations, the Issuer needs time in order to learn whether a Credit Event exists. The Issuer can especially wait to see what resolution the ISDA Determination Committee adopts. The ISDA Determination Committee examines the issue of whether a circumstance exists at the Reference Entity which can constitute a Credit Event.

In the case of the applicability of the Credit Event Repudiation/Moratorium, a deferral within the time periods set forth in the Terms and Conditions is permissible. This applies under two prerequisites: The Occurrence of this Credit Event threatens due to a corresponding announcement. The determinative, outstanding payment Obligation of the relevant Reference Entity, however, is not yet due and could still be fulfilled.

In the case of the Credit Event Failure to Pay, the Final Terms can provide that a grace period will be fully taken into account: A payment deferral occurs if a Credit Event threatens due to a corresponding payment which has not been made. The determinative, outstanding payment obligation of the Reference Entity is due, but could not yet be fulfilled.

The payment deferral can be for up to one year and five Banking Days. You will find details about this in the Sections 6.2.3, 6.2.6, 6.2.8,6.3.3, 6.3.6, 6.3.8, 6.4.3, 6.4.6, 6.4.8, 6.5.3, 6.5.7, 6.5.9, 6.6.4, 6.6.7, 6.6.9, 6.7.4, 6.7.7 and 6.7.9.

## 6.2 Product Type 1: Features of the Securities which refer to a single company

### 6.2.1 Interest during the term when a Credit Event has not occurred

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to the Reference Entity.

#### *(a) Fixed interest Securities*

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(b) Securities with step-up interest*

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(c) Securities with floating interest linked to a Reference Rate*

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.

The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("**EMMI**") and the ICE Benchmark Administration Limited ("**ICE**"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.



### 6.2.2 Interest after the occurrence of a Credit Event

If a Credit Event occurs at a Reference Entity, the interest accrual ceases early, or there is not even any interest. The Final Terms can provide that the interest accrual ceases on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. The Securities then no longer bear interest for the time between the previous Interest Payment Date and the Settlement Date.

If no Interest Payment Date precedes the Credit Event Notice, the Securities will not bear any interest in this situation.

The Final Terms can provide, in the alternative, that the interest accrual ceases on the corresponding Credit Event Effective Date. The Securities will then bear interest from the commencement of interest or the last Interest Payment Date until the corresponding Credit Event Effective Date. The payment of the Interest Amount is made on the Settlement Date.

### 6.2.3 Deferred payment of Interest Amounts

If the Requirements for a Payment Deferral exist, the Issuer can pay the Interest Amount that becomes due on the relevant Interest Payment Date. Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

### 6.2.4 Redemption upon maturity when a Credit Event does not occur

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to the Reference Entity.

### 6.2.5 Redemption after the occurrence of a Credit Event

If a Credit Event occurs at the Reference Entity, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the Credit Event Redemption Amount on the Settlement Date.

### 6.2.6 Deferred redemption at the Nominal Amount

If the Requirements for a Payment Deferral exist, the Issuer can defer the redemption of the Nominal Amount. The deferred redemption of the Nominal Amount is then made at the latest on the Deferred Redemption Date. The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### 6.2.7 Requirements for the Occurrence of a Credit Event

The Requirements for the Occurrence of a Credit Event are fulfilled in the following situations:

- (1) A Credit Event occurs within the Observation Period. The Issuer also issues a Credit Event Notice with regard to this Credit Event within the Observation Period. Or

## 6. Description of the Securities

- (2) in addition, if the basic situation (2) does not exist with regard to the timing:
- (a) A Credit Event occurs within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period. Or:
  - (b) In the event that the Final Terms provide for the Credit Event Repudiation/Moratorium for the Reference Entity, the following additionally applies:

A Potential Repudiation/Moratorium occurs within the Observation Period. The Issuer announces this in a Potential Repudiation/Moratorium Notice. The Credit Event then occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can be issued also after the Observation Period.
  - (c) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay, the following additionally applies:

A Potential Failure to Pay occurs within the Observation Period. The Issuer announces this in a Potential Failure to Pay Notice. The Credit Event occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

A Potential Repudiation/Moratorium Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Repudiation/Moratorium. This notice must refer to a Potential Repudiation/Moratorium which has occurred within the Observation Period.

A Potential Failure to Pay Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Failure to Pay. This notice must refer to a Potential Failure to Pay which occurs within the Observation Period.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.

### 6.2.8 Requirements for a Payment Deferral

It can take a long time until the Issuer has determined a Credit Event. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist in the following situations:

- (1) Credit Event Resolution Request Date occurs within the Observation Period. Or:
- (2) In the event that the Final Terms provide for a Credit Event Repudiation/Moratorium for the Reference Entity: The Issuer issues a Potential Repudiation/Moratorium Notice within the Observation Period. Or:
- (3) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay: The Issuer issues a Potential Failure to Pay a Notice within the Observation Period.

The payment deferral is permissible for a period of up to one year. The period begins with the Credit Event Resolution Request Date. In the alternative, it can also begin with the Potential Repudiation/Moratorium Notice or a Potential Failure to Pay Notice.

If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the Deferred Interest Payment Date or the Deferred Redemption Date.

The Deferred Interest Payment Date or the Deferred Redemption Date is the date which falls one year and five Banking Days

- after the Credit Event Resolution Request Date, or
- after the Potential Repudiation/Moratorium Notice, or
- after the Potential Failure to Pay Notice.

### 6.3 Product Type 2: Features of the Securities which refer to a single country

#### 6.3.1 Interest during the term when a Credit Event has not occurred

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to the Reference Entity.

##### *(a) Fixed interest Securities*

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The

## 6. Description of the Securities

Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(b) Securities with step-up interest*

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(c) Securities with floating interest linked to a Reference Rate*

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.

The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("EMMI") and the ICE Benchmark Administration Limited ("ICE"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provi-

sions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### **6.3.2 Interest after the occurrence of a Credit Event**

If a Credit Event occurs at a Reference Entity, the interest accrual ceases early, or there is not even any interest. The Final Terms can provide that the interest accrual ceases on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. The Securities then no longer bear interest for the time between the previous Interest Payment Date and the Settlement Date.

If no Interest Payment Date precedes the Credit Event Notice, the Securities will not bear any interest in this situation.

The Final Terms can provide, in the alternative, that the interest accrual ceases on the corresponding Credit Event Effective Date. The Securities will then bear interest from the commencement of interest or the last Interest Payment Date until the corresponding Credit Event Effective Date. The payment of the Interest Amount is made on the Settlement Date.

### **6.3.3 Deferred payment of Interest Amounts**

If the Requirements for a Payment Deferral exist, the Issuer can pay the Interest Amount that becomes due on the relevant Interest Payment Date. Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

### **6.3.4 Redemption upon maturity when a Credit Event does not occur**

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to the Reference Entity.

### **6.3.5 Redemption after the occurrence of a Credit Event**

If a Credit Event occurs at the Reference Entity, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the Credit Event Redemption Amount on the Settlement Date.

### **6.3.6 Deferred redemption at the Nominal Amount**

If the Requirements for a Payment Deferral exist, the Issuer can defer the redemption of the Nominal Amount. The deferred redemption of the Nominal Amount is then made at the latest on the Deferred Redemption Date. The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### **6.3.7 Requirements for the Occurrence of a Credit Event**

The Requirements for the Occurrence of a Credit Event are fulfilled in the following situations:

## 6. Description of the Securities

- (1) A Credit Event occurs within the Observation Period. The Issuer also issues a Credit Event Notice with regard to this Credit Event within the Observation Period. Or
- (2) in addition, if the basic situation (2) does not exist with regard to the timing:
  - (a) A Credit Event occurs within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period. Or:
  - (b) A Potential Repudiation/Moratorium occurs within the Observation Period. The Issuer announces this in a Potential Repudiation/Moratorium Notice. The Credit Event then occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can be issued also after the Observation Period.
  - (c) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay, the following additionally applies:

A Potential Failure to Pay occurs within the Observation Period. The Issuer announces this in a Potential Failure to Pay Notice. The Credit Event occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

A Potential Repudiation/Moratorium Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Repudiation/Moratorium. This notice must refer to a Potential Repudiation/Moratorium which has occurred within the Observation Period.

A Potential Failure to Pay Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Failure to Pay. This notice must refer to a Potential Failure to Pay which occurs within the Observation Period.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.

### 6.3.8 Requirements for a Payment Deferral

It can take a long time until the Issuer has determined a Credit Event. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist in the following situations:

- (1) Credit Event Resolution Request Date occurs within the Observation Period. Or:
- (2) The Issuer issues a Potential Repudiation/Moratorium Notice within the Observation Period. Or:
- (3) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay: The Issuer issues a Potential Failure to Pay a Notice within the Observation Period.

The payment deferral is permissible for a period of up to one year. The period begins with the Credit Event Resolution Request Date. In the alternative, it can also begin with the Potential Repudiation/Moratorium Notice or a Potential Failure to Pay Notice.

If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the Deferred Interest Payment Date or the Deferred Redemption Date.

The Deferred Interest Payment Date or the Deferred Redemption Date is the date which falls one year and five Banking Days

- after the Credit Event Resolution Request Date, or
- after the Potential Repudiation/Moratorium Notice, or
- after the Potential Failure to Pay Notice.

## 6.4 Product Type 3: Features of the Securities which refer to a single financial institution

### 6.4.1 Interest during the term when a Credit Event has not occurred

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to the Reference Entity.

#### (a) *Fixed interest Securities*

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The

## 6. Description of the Securities

Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(b) Securities with step-up interest*

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(c) Securities with floating interest linked to a Reference Rate*

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.

The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("EMMI") and the ICE Benchmark Administration Limited ("ICE"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provi-



sions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### **6.4.2 Interest after the occurrence of a Credit Event**

If a Credit Event occurs at a Reference Entity, the interest accrual ceases early, or there is not even any interest. The Final Terms can provide that the interest accrual ceases on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. The Securities then no longer bear interest for the time between the previous Interest Payment Date and the Settlement Date.

If no Interest Payment Date precedes the Credit Event Notice, the Securities will not bear any interest in this situation.

The Final Terms can provide, in the alternative, that the interest accrual ceases on the corresponding Credit Event Effective Date. The Securities will then bear interest from the commencement of interest or the last Interest Payment Date until the corresponding Credit Event Effective Date. The payment of the Interest Amount is made on the Settlement Date.

### **6.4.3 Deferred payment of Interest Amounts**

If the Requirements for a Payment Deferral exist, the Issuer can pay the Interest Amount that becomes due on the relevant Interest Payment Date. Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

### **6.4.4 Redemption upon maturity when a Credit Event does not occur**

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to the Reference Entity.

### **6.4.5 Redemption after the occurrence of a Credit Event**

If a Credit Event occurs at the Reference Entity, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the Credit Event Redemption Amount on the Settlement Date.

### **6.4.6 Deferred redemption at the Nominal Amount**

If the Requirements for a Payment Deferral exist, the Issuer can defer the redemption of the Nominal Amount. The deferred redemption of the Nominal Amount is then made at the latest on the Deferred Redemption Date. The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### **6.4.7 Requirements for the Occurrence of a Credit Event**

The Requirements for the Occurrence of a Credit Event are fulfilled in the following situations:

## 6. Description of the Securities

- (1) A Credit Event occurs within the Observation Period. The Issuer also issues a Credit Event Notice with regard to this Credit Event within the Observation Period. Or
- (2) in addition, if the basic situation (2) does not exist with regard to the timing:

A Credit Event occurs within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.

### 6.4.8 Requirements for a Payment Deferral

It can take a long time until the Issuer has determined a Credit Event. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist if a Credit Event Resolution Request Date occurs within the Observation Period.

The payment deferral is permissible for a period of up to one year after the Credit Event Resolution Request Date. If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the Deferred Interest Payment Date or the Deferred Redemption Date. The Deferred Interest Payment Date or the Deferred Redemption Date is the date which falls one year and five Banking Days after the Credit Event Resolution Request Date.

## 6.5 Product Type 4: Features of the Securities which refer to multiple companies as the Reference Entities

### 6.5.1 Weighted Amounts

In the case of Securities with multiple Reference Entities, a mathematical portion of the Nominal Amount of the Note is attributed to each Reference Entity. The amount of the portion corresponds to the weighting of the Reference Entity (the "**Weighted Amount**"). The weighting of the Reference Entities is the same. The respective Weighted Amount is the relevant portion of the Nominal Amount which can be affected by a Credit Event at the respective Reference Entity.

Example:

Nominal Amount: EUR 10,000.

Number of Reference Entities: 4.

Weighted Amount for each Reference Entity: EUR 2,500.

If a Credit Event occurs at one or more Reference Entity(ies), the interest payments and redemption are subsequently based on the Reduced Nominal Amount.

The Reduced Nominal Amount is determined as follows: Nominal Amount minus the sum of the Weighted Amounts of those Reference Entities for which a Credit Event has occurred.

Example:

Nominal Amount: EUR 10,000.

Number of Reference Entities: 4.

Credit Event occurs at one Reference Entity.

Reduced Nominal Amount: 7,500.

You should pay attention that a Credit Event can occur with regard to all Reference Entities in this Product Type. This then leads to continuing reductions or even to a complete elimination of interest. Furthermore, the Reduced Nominal Amount is continuously reduced. It can even decrease to zero (0). This is the case if a Credit Event occurs at all Reference Entities. The further details of how these Securities function are described below.

### **6.5.2 Interest during the term when a Credit Event has not occurred**

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to one or more Reference Entities.

**(a) Fixed interest Securities**

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

## 6. Description of the Securities

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(b) Securities with step-up interest*

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### *(c) Securities with floating interest linked to a Reference Rate*

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.

The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("EMMI") and the ICE Benchmark Administration Limited ("ICE"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a state-

ment will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### 6.5.3 Interest after the occurrence of a Credit Event

If a Credit Event occurs at one or more Reference Entities, the interest accrual on the Securities is subsequently based on the Reduced Nominal Amount. The Final Terms can provide that the interest accrual on the Reduced Nominal Amount commences on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. If there is no previous Interest Payment Date, the interest on the Reduced Nominal Amount starts to run when the interest commences. The payment of the Interest Amount for the Reduced Nominal Amount is made for the first time on the Interest Payment Date which follows the corresponding Credit Event Effective Date.

In the alternative, the Final Terms can provide that the interest accrual on the Reduced Nominal Amount will commence on the corresponding Credit Effective Date. In this event, the Interest Amount attributable to the Weighted Amount of the relevant Reference Entity is paid on the Settlement Date. The payment of the Interest Amount for the Reduced Nominal Amount is made on the next Interest Payment Date.

If a Credit Event has occurred at all Reference Entities, the Reduced Nominal Amount is zero (0). The interest accrual on the Securities then ceases on the preceding Interest Payment Date or no interest accrue at all. In the alternative, the Final Terms provide that the interest accrual ceases on the date of publication of the last Credit Event Notice.

#### Example:

Nominal Amount: EUR 10,000.

Interest Rate: 3%.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entity D.

Reduced Nominal Amount: EUR 7,500 (effective at the beginning of the Interest Period).

Interest Amount after the occurrence of the Interest Event: EUR 225 (3% on EUR 7,500).

### 6.5.4 Deferred payment of Interest Amounts

If the Requirements for a Payment Deferral exist with regard to one or more Reference Entities, future Interest Payments can be deferred. The deferral relates to the entire Interest Amount.

## 6. Description of the Securities

Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

If it turns out after a payment deferral that a Credit Event has actually occurred, the interest on the Securities is then finally owed only on the then applicable Reduced Nominal Amount (see Section 6.5.3.). This means that you no longer receive the portion of the interest attributable to the Weighted Amount of the affected Reference Entity, depending on the applicable accrual of interest on a Credit Event, or only receive the interest up to the date of publication of the Credit Event Notice.

### **6.5.5 Redemption upon maturity when a Credit Event does not occur**

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to one of the Reference Entities.

### **6.5.6 Redemption after the occurrence of a Credit Event**

If a Credit Event occurs at one or more Reference Entities, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the following payments: You receive the Reduced Nominal Amount on the Scheduled Maturity Date. The Credit Event Redemption Amount is paid for each Reference Entity affected by a Credit Event on the respective Settlement Date. The Credit Event Redemption Amount for the affected Reference Entity is determined on the basis of that Reference Entity's Weighted Amount. The respective Settlement Date can fall before or after the Scheduled Maturity Date.

Example:

Nominal Amount: EUR 10,000.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entities C and D.

Weighted Amount of C: EUR 2,500.

Weighted Amount of D: EUR 2,500.

Reduced Nominal Amount: EUR 5,000.

Auction Final Price for C: 8%.

Auction Final Price for D: 5%.

Credit Event Redemption Amount based on the Weighted Amount of C: EUR 200.

Credit Event Redemption Amount based on the Weighted Amount of D: EUR 125.

You accordingly receive EUR 5,325 instead of EUR 10,000.

If a Credit Event occurs with regard to all Reference Entities, the Reduced Nominal Amount is zero (0). You then only receive the respective Credit Event Redemption Amount with regard to each Reference Entity.

### **6.5.7 Deferred Redemption**

If the Requirements for a Payment Deferral exist at one or more Reference Entities, the Issuer can defer the redemption. The deferral is based on the total Nominal Amount or the Reduced Nominal Amount. The Issuer can also defer the interest payment (see Section 6.5.4).

The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### **6.5.8 Requirements for the Occurrence of a Credit Event**

The Requirements for the Occurrence of a Credit Event are fulfilled with regard to one Reference Entity in the following situations:

- (1) A Credit Event occurs within the Observation Period with regard to one or more Reference Entities. The Issuer also issues a Credit Event Notice with regard to the respective Credit Event within the Observation Period. Or
- (2) in addition, if the basic situation (2) does not exist with regard to the timing:

## 6. Description of the Securities

(a) A Credit Event occurs with regard to one or more Reference Entities within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period. Or:

(b) If the Final Terms provide for the Credit Event Repudiation/Moratorium for the Reference Entity(ies), the following additionally applies:

A Potential Repudiation/Moratorium occurs at one or more Reference Entities within the Observation Period. The Issuer announces this in a Potential Repudiation/Moratorium Notice. The Credit Event then occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to the Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can be issued also after the Observation Period.

(c) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay, the following additionally applies:

A Potential Failure to Pay occurs within the Observation Period. The Issuer announces this in a Potential Failure to Pay Notice. The Credit Event occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

A Potential Repudiation/Moratorium Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Repudiation/Moratorium. The Notice of a Potential Repudiation/Moratorium must refer to a Potential Repudiation/Moratorium which has occurred within the Observation Period.

A Potential Failure to Pay Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Failure to Pay. This notice must refer to a Potential Failure to Pay which occurs within the Observation Period.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.



### 6.5.9 Requirements for a Payment Deferral

It can take a long time until the Issuer has determined a Credit Event with regard to one or more Reference Entities. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist in the following situations with regard to one or more Reference Entities:

- (1) Credit Event Resolution Request Date with regard to one or more Reference Entities occurs within the Observation Period. Or:
- (2) In the event that the Final Terms provide for a Credit Event Repudiation/Moratorium for the Reference Entity(ies): The Issuer issues a Potential Repudiation/Moratorium Notice with regard to one or more Reference Entities within the Observation Period. Or:
- (3) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay: The Issuer issues a Potential Failure to Pay Notice within the Observation Period.

The payment deferral is permissible for a period of up to one year. The period begins with the Credit Event Resolution Request Date. In the alternative, it can also begin with the Potential Repudiation/Moratorium Notice or a Potential Failure to Pay Notice.

If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the respective Deferred Interest Payment Date or the Deferred Redemption Date.

The Deferred Interest Payment Date or the Deferred Redemption Date for the relevant Reference Entity is the date which falls one year and five Banking Days

- after the Credit Event Resolution Request Date, or
- after the Potential Repudiation/Moratorium Notice or
- after the Potential Failure to Pay Notice.

## 6.6 Product Type 5: Features of the Securities which refer to multiple countries as the Reference Entities

### 6.6.1 Weighted Amounts

See on this aspect the description for Product Type 4 at point 6.5.1.

### 6.6.2 Interest during the term when a Credit Event has not occurred

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to one or more Reference Entities.

### **(a) Fixed interest Securities**

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### **(b) Securities with step-up interest**

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### **(c) Securities with floating interest linked to a Reference Rate**

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.

The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("EMMI") and the ICE Benchmark Administration Limited ("ICE"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### 6.6.3 Interest after the occurrence of a Credit Event

If a Credit Event occurs at one or more Reference Entities, the interest accrual on the Securities is subsequently based on the Reduced Nominal Amount. The Final Terms can provide that the interest accrual on the Reduced Nominal Amount commences on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. If there is no previous Interest Payment Date, the interest on the Reduced Nominal Amount starts to run when the interest commences. The payment of the Interest Amount for the Reduced Nominal Amount is made for the first time on the Interest Payment Date which follows the corresponding Credit Event Effective Date.

In the alternative, the Final Terms can provide that the interest accrual on the Reduced Nominal Amount will commence on the corresponding Credit Effective Date. In this event, the Interest Amount attributable to the Weighted Amount of the relevant Reference Entity is paid on the Settlement Date. The payment of the Interest Amount for the Reduced Nominal Amount is made on the next Interest Payment Date.

If a Credit Event has occurred at all Reference Entities, the Reduced Nominal Amount is zero (0). The interest accrual on the Securities then ceases on the preceding Interest Payment Date or no interest accrue at all. In the alternative, the Final Terms provide that the interest accrual ceases on the date of publication of the last Credit Event Notice.

Example:

Nominal Amount: EUR 10,000.

Interest Rate: 3%.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entity D.

Reduced Nominal Amount: EUR 7,500 (effective at the beginning of the Interest Period).

Interest Amount after the occurrence of the Interest Event: EUR 225 (3% on EUR 7,500).

### **6.6.4 Deferred payment of Interest Amounts**

If the Requirements for a Payment Deferral exist with regard to one or more Reference Entities, future Interest Payments can be deferred. The deferral relates to the entire Interest Amount.

Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

If it turns out after a payment deferral that a Credit Event has actually occurred, the interest on the Securities is then finally owed only on the then applicable Reduced Nominal Amount (see Section 6.5.3.). This means that you no longer receive the portion of the interest attributable to the Weighted Amount of the affected Reference Entity, depending on the applicable accrual of interest on a Credit Event, or only receive the interest up to the date of publication of the Credit Event Notice.

### **6.6.5 Redemption upon maturity when a Credit Event does not occur**

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to one of the Reference Entities.

### **6.6.6 Redemption after the occurrence of a Credit Event**

If a Credit Event occurs at one or more Reference Entities, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the following payments: You receive the Reduced Nominal Amount on the Scheduled Maturity Date. The Credit Event Redemption Amount is paid for each Reference Entity affected by a Credit Event on the respective Settlement Date. The Credit Event Redemption Amount for the affected Reference Entity is determined on the basis of that Reference Entity's Weighted Amount. The respective Settlement Date can fall before or after the Scheduled Maturity Date.

Example:

Nominal Amount: EUR 10,000.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entities C and D.

Weighted Amount of C: EUR 2,500.

Weighted Amount of D: EUR 2,500.

Reduced Nominal Amount: EUR 5,000.

Auction Final Price for C: 8%.

Auction Final Price for D: 5%.

Credit Event Redemption Amount based on the Weighted Amount of C: EUR 200.

Credit Event Redemption Amount based on the Weighted Amount of D: EUR 125.

You accordingly receive EUR 5,325 instead of EUR 10,000.

If a Credit Event occurs with regard to all Reference Entities, the Reduced Nominal Amount is zero (0). You then only receive the respective Credit Event Redemption Amount with regard to each Reference Entity.

### **6.6.7 Deferred Redemption**

If the Requirements for a Payment Deferral exist at one or more Reference Entities, the Issuer can defer the redemption. The deferral is based on the total Nominal Amount or the Reduced Nominal Amount. The Issuer can also defer the interest payment (see Section 6.5.4).

The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### **6.6.8 Requirements for the Occurrence of a Credit Event**

The Requirements for the Occurrence of a Credit Event are fulfilled with regard to one Reference Entity in the following situations:

- (1) A Credit Event occurs within the Observation Period with regard to one or more Reference Entities. The Issuer also issues a Credit Event Notice with regard to the respective Credit Event within the Observation Period. Or
- (2) in addition, if the basic situation (2) does not exist with regard to the timing:

## 6. Description of the Securities

- (a) A Credit Event occurs with regard to one or more Reference Entities within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period. Or:
- (b) A Potential Repudiation/Moratorium occurs at one or more Reference Entities within the Observation Period. The Issuer announces this in a Potential Repudiation/Moratorium Notice. The Credit Event then occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to the Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can be issued also after the Observation Period.
- (c) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay, the following additionally applies:

A Potential Failure to Pay occurs within the Observation Period. The Issuer announces this in a Potential Failure to Pay Notice. The Credit Event occurs within one year after this notice. The Issuer announces this in a Credit Event Notice with regard to this Credit Event within this year. Such a Credit Event can occur and such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

A Potential Repudiation/Moratorium Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Repudiation/Moratorium. The Notice of a Potential Repudiation/Moratorium must refer to a Potential Repudiation/Moratorium which has occurred within the Observation Period.

A Potential Failure to Pay Notice exists under the following prerequisites: The Issuer publishes the occurrence and the date of the occurrence of a Potential Failure to Pay. This notice must refer to a Potential Failure to Pay which occurs within the Observation Period.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.

### 6.6.9 Requirements for a Payment Deferral

It can take a long time until the Issuer has determined a Credit Event with regard to one or more Reference Entities. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist in the following situations with regard to one or more Reference Entities:

- (1) Credit Event Resolution Request Date with regard to one or more Reference Entities occurs within the Observation Period. Or:
- (2) The Issuer issues a Potential Repudiation/Moratorium Notice with regard to one or more Reference Entities within the Observation Period. Or:
- (3) In the event that the Final Terms provide that a Grace Period will be fully taken into account in the case of a Credit Event Failure to Pay: The Issuer issues a Potential Failure to Pay Notice within the Observation Period.

The payment deferral is permissible for a period of up to one year. The period begins with the Credit Event Resolution Request Date. In the alternative, it can also begin with the Potential Repudiation/Moratorium Notice or a Potential Failure to Pay Notice.

If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the respective Deferred Interest Payment Date or the Deferred Redemption Date.

The Deferred Interest Payment Date or the Deferred Redemption Date for the relevant Reference Entity is the date which falls one year and five Banking Days

- after the Credit Event Resolution Request Date, or
- after the Potential Repudiation/Moratorium Notice or
- after the Potential Failure to Pay Notice.

### 6.7 Product Type 6: Features of the Securities which refer to multiple financial institutions as the Reference Entities

#### 6.7.1 Weighted Amounts

See on this aspect the description for Product Type 4 at point 6.5.1.

#### 6.7.2 Interest during the term when a Credit Event has not occurred

You receive payments of interest on the Securities on the Interest Payment Dates. The prerequisite for the interest payments is that no Credit Event has occurred with regard to one or more Reference Entities.

### **(a) Fixed interest Securities**

The fixed interest Securities bear interest during the entire term at a fixed Interest Rate. The Interest Rate is set out in the Final Terms. It relates to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### **(b) Securities with step-up interest**

The Securities with step-up interest bear interest during the entire term at an interest rate which is fixed for each Interest Period. The Interest Rate for an Interest Period can increase, fall or remain the same compared to the previous Interest Rate. The applicable Interest Rate for each Interest Period will be set out in the Final Terms. It refers to the Nominal Amount.

The Interest Amount is paid to you in arrears on the Interest Payment Date(s). A specific Banking Day Convention will be observed in this regard. It determines when the Interest Amount is paid to you if the Interest Payment Date is not a Banking Day. The respectively applicable Banking Day Convention will be set forth in the Final Terms. The Banking Day Convention can have the result that an adjustment of the Interest Amount is made if the payment of interest is moved. The Banking Day Convention, however, can also have the result that no adjustment of the Interest Amount is made, although the payment of interest is moved.

### **(c) Securities with floating interest linked to a Reference Rate**

The Interest Rate for each Interest Period is specified depending on the respective Reference Rate.

- For Securities with a floating Interest Rate, the interest for the relevant Interest Period is equal to the Reference Rate on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.
- For Securities with an Interest Rate Difference, the interest for the respective Interest Period is equal to the difference between the Reference Rate (1) and the Reference Rate (2) on the relevant Interest Determination Date. The Final Terms can provide for a fixed Interest Rate for one or more specific Interest Periods.

The Reference Rate may either be the EURIBOR® or the LIBOR as displayed on a specific Screen Page. It may be specified that for the calculation of the Interest Rate a Premium is added to or a Discount is deducted from the Reference Rate. In addition or alternatively, it may be specified that the Reference Rate is multiplied by a Factor. A Maximum Interest Rate or a Minimum Interest Rate may be specified for all or specific Interest Periods.



The Reference Rates EURIBOR® and LIBOR (as specified in the applicable Final Terms) are respectively provided by the European Money Markets Institute ("EMMI") and the ICE Benchmark Administration Limited ("ICE"). For the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**"), a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the Reference Rate is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### 6.7.3 Interest after the occurrence of a Credit Event

If a Credit Event occurs at one or more Reference Entities, the interest accrual on the Securities is subsequently based on the Reduced Nominal Amount. The Final Terms can provide that the interest accrual on the Reduced Nominal Amount commences on the Interest Payment Date which precedes the corresponding Credit Event Effective Date. If there is no previous Interest Payment Date, the interest on the Reduced Nominal Amount starts to run when the interest commences. The payment of the Interest Amount for the Reduced Nominal Amount is made for the first time on the Interest Payment Date which follows the corresponding Credit Event Effective Date.

In the alternative, the Final Terms can provide that the interest accrual on the Reduced Nominal Amount will commence on the corresponding Credit Effective Date. In this event, the Interest Amount attributable to the Weighted Amount of the relevant Reference Entity is paid on the Settlement Date. The payment of the Interest Amount for the Reduced Nominal Amount is made on the next Interest Payment Date.

If a Credit Event has occurred at all Reference Entities, the Reduced Nominal Amount is zero (0). The interest accrual on the Securities then ceases on the preceding Interest Payment Date or no interest accrue at all. In the alternative, the Final Terms provide that the interest accrual ceases on the date of publication of the last Credit Event Notice.

Example:

Nominal Amount: EUR 10,000.

Interest Rate: 3%.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entity D.

Reduced Nominal Amount: EUR 7,500 (effective at the beginning of the Interest Period).

Interest Amount after the occurrence of the Interest Event: EUR 225 (3% on EUR 7,500).

### **6.7.4 Deferred payment of Interest Amounts**

If the Requirements for a Payment Deferral exist with regard to one or more Reference Entities, future Interest Payments can be deferred. The deferral relates to the entire Interest Amount.

Deferred interest payments are made at the latest on the Deferred Interest Payment Date or on the Deferred Redemption Date. The Issuer is not required to pay additional interest to you for the period of the deferral.

If it turns out after a payment deferral that a Credit Event has actually occurred, the interest on the Securities is then finally owed only on the then applicable Reduced Nominal Amount (see Section 6.5.3.). This means that you no longer receive the portion of the interest attributable to the Weighted Amount of the affected Reference Entity, depending on the applicable accrual of interest on a Credit Event, or only receive the interest up to the date of publication of the Credit Event Notice.

### **6.7.5 Redemption upon maturity when a Credit Event does not occur**

You receive the Nominal Amount on the Scheduled Maturity Date. The prerequisite is that no Credit Event has occurred with regard to one of the Reference Entities.

### **6.7.6 Redemption after the occurrence of a Credit Event**

If a Credit Event occurs at one or more Reference Entities, the Issuer does not have to redeem the Nominal Amount to you. Instead, you receive the following payments: You receive the Reduced Nominal Amount on the Scheduled Maturity Date. The Credit Event Redemption Amount is paid for each Reference Entity affected by a Credit Event on the respective Settlement Date. The Credit Event Redemption Amount for the affected Reference Entity is determined on the basis of that Reference Entity's Weighted Amount. The respective Settlement Date can fall before or after the Scheduled Maturity Date.

Example:

Nominal Amount: EUR 10,000.

Reference Entities A, B, C and D.

Credit Event occurs at Reference Entities C and D.

Weighted Amount of C: EUR 2,500.

Weighted Amount of D: EUR 2,500.

Reduced Nominal Amount: EUR 5,000.

Auction Final Price for C: 8%.

Auction Final Price for D: 5%.

Credit Event Redemption Amount based on the Weighted Amount of C: EUR 200.

Credit Event Redemption Amount based on the Weighted Amount of D: EUR 125.

You accordingly receive EUR 5,325 instead of EUR 10,000.

If a Credit Event occurs with regard to all Reference Entities, the Reduced Nominal Amount is zero (0). You then only receive the respective Credit Event Redemption Amount with regard to each Reference Entity.

### **6.7.7 Deferred Redemption**

If the Requirements for a Payment Deferral exist at one or more Reference Entities, the Issuer can defer the redemption. The deferral is based on the total Nominal Amount or the Reduced Nominal Amount. The Issuer can also defer the interest payment (see Section 6.5.4).

The Issuer is not required to pay to you additional interest or other amounts for the period of the deferral.

### **6.7.8 Requirements for the Occurrence of a Credit Event**

The Requirements for the Occurrence of a Credit Event are fulfilled with regard to one Reference Entity in the following situations:

- (1) A Credit Event occurs within the Observation Period with regard to one or more Reference Entities. The Issuer also issues a Credit Event Notice with regard to the respective Credit Event within the Observation Period. Or
- (2) A Credit Event occurs with regard to one or more Reference Entities within the Observation Period. The Issuer also publishes a Credit Event Notice within one year after the Credit

Event Resolution Request Date. Such a Credit Event Notice can also be issued after the Observation Period.

The Credit Event Resolution Request Date is the date on which such a request is submitted to the ISDA. In accordance with this request, the ISDA Determination Committee is supposed to resolve whether facts exist which can constitute a Credit Event within the meaning of the Securities.

The Credit Event Effective Date is the earlier of the two following points in time:

- (i) the date which immediately precedes the Credit Event Resolution Request Date (to the extent there is such a date), or
- (ii) the date which immediately precedes the date of the Credit Event Notice.

### **6.7.9 Requirements for a Payment Deferral**

It can take a long time until the Issuer has determined a Credit Event with regard to one or more Reference Entities. Therefore, the Issuer can defer payments on the Securities. The reason for the deferral: At the point in time of payment, it is not clear whether the Requirements for the Occurrence of a Credit Event are fulfilled.

The Requirements for a Payment Deferral exist if a Credit Event Resolution Request Date with regard to one or more Reference Entities occurs within the Observation Period.

The payment deferral is permissible for a period of up to one year. The period begins with the Credit Event Resolution Request Date.

If no Credit Event Notice is issued within this year, the Issuer will pay the deferred payments at the latest on the respective Deferred Interest Payment Date or the Deferred Redemption Date.

The Deferred Interest Payment Date or the Deferred Redemption Date for the relevant Reference Entity is the date which falls one year and five Banking Days after the Credit Event Resolution Request Date.

### **6.8 Further information about the relevant obligations, ISDA and the determination of the Credit Event Redemption Amount**

#### **6.8.1 Obligations and Valuation Obligations**

Which Obligations of a Reference Entity play a role in determining a Credit Event is set forth in the Final Terms.

Obligations can be:

- (i) payment obligations of the Reference Entity under all forms of borrowed money,
- (ii) payment obligations of the Reference Entity from loans and bonds that have been issued,

## 6. Description of the Securities

(iii) payment obligations of the Reference Entity exclusively under issued bonds.

The term "Obligation" also includes guarantees of the Reference Entity which are assumed for the above described categories of Obligations.

According to the Terms and Conditions, the Credit Event Redemption Amount of a Note can be determined on the basis of the market value of a Valuation Obligation of the Reference Entity. This process is applied if no ISDA auction proceedings are conducted and, therefore, no Auction Final Price is determined for the Reference Entity.

In these situations, the Issuer proceeds as follows: The Issuer selects in its discretion an obligation of the relevant Reference Entity. It is used as a Valuation Obligation. This obligation must satisfy the special criteria for Valuation Obligations set forth in the Terms and Conditions. If multiple obligations satisfy these criteria, that obligation of the relevant Reference Entity is the Valuation Obligation which has the lowest price.

### 6.8.2 ISDA conditions and ISDA auction proceedings

Terms and Conditions of Credit Linked Notes are based on standard terms and conditions for certain financial instruments. These are financial instruments which depend on the occurrence of a credit event at one or more Reference Entities ("**Credit Derivatives**"). These standard terms and conditions are referred to as the "**ISDA Credit Derivatives Definitions**". They were published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") in the year 2014 (the "**ISDA Terms**").

ISDA is a private trading organization. It represents its members in the derivatives market. Members are large institutions as well as privately held and state-owned companies worldwide which trade with derivative financial products referenced to specific underlyings. ISDA has developed the ISDA Terms in concurrence with the members and others participants in the market. The ISDA Terms are subject to English law or the law of the State of New York. The ISDA Terms are not published for everyone on the website of ISDA. They can only be obtained in the English language for a charge.

The uniform application of the ISDA Terms is supported by announcements and protocols agreed between ISDA and the market participants (the "**ISDA Statements**"). The ISDA Terms are also applied in resolutions by the "**ISDA Determination Committee**". The members of this body are traders and purchasers of Credit Derivatives. The ISDA Determination Committee serves the purpose of making decisions in connection with the ISDA Terms uniformly for the worldwide credit derivatives market.

Upon the occurrence of a Credit Event with regard to a Reference Entity, ISDA can proceed as follows when applying the ISDA Terms. ISDA conducts an auction which relates to the relevant Reference Entity and its Obligations. The ISDA Determination Committee selects for this purpose Obligations of the Reference Entity. In the course of the auction, market participants submit offer and selling prices with regard to these selected Obligations of the Reference Entity. Selected

Obligations can be e.g. certain bonds of the Reference Entity. The parameters of the auction proceedings are determined by the ISDA Determination Committee (so-called auction settlement terms). The Auction Final Price determined in the ISDA auction in accordance with the ISDA Terms is the basis for the settlement of Credit Derivatives which are subject to the ISDA Terms.

### 6.8.3 Influence of ISDA Resolutions on the Securities

Resolutions of the ISDA Determination Committee have an effect on the Securities when the following prerequisites are satisfied:

- The ISDA resolutions are issued within the periods of time set forth in more detail in the Final Terms.
- The Issuer takes into account the ISDA resolutions when exercising its rights in accordance with the Final Terms.

Examples:

- Publication by ISDA about the occurrence of Credit Event with regard to a Reference Entity with simultaneous publication of the point in time when this occurred.
- Conduct of an ISDA auction with regard to a Reference Entity and determination of an Auction Final Price.

According to the Terms and Conditions, the Issuer must make certain determinations in connection with the Credit Event in the Issuer's reasonable discretion (§ 315 BGB). The Issuer takes into account the ISDA Statements and the resolutions of the ISDA Determination Committee when exercising discretion. It is possible that a statement or resolution of the ISDA Determination Committee is not appropriate for the economic substance of the Securities. The reason for this can be deviations of the Terms and Conditions from the ISDA Terms. In this situation, the statement or resolution of the ISDA Determination Committee is not applied. Instead, a result applies which is appropriate for the commercial substance of the Securities. The Issuer determines what is appropriate for the commercial substance of the Securities in the Issuer's reasonable discretion (§ 315 BGB).

Resolutions of the ISDA Determination Committee are published on the website <http://dc.isda.org/credit-default-swaps-management/> or [www.isda.org/credit](http://www.isda.org/credit) or a page which replaces them.

**6.8.4 Determination of the Final Price which is relevant for the Credit Event Redemption Amount**

**(a) Use of the Auction Final Price**

The Final Price relevant for the Credit Event Redemption Amount normally corresponds to the Auction Final Price determined in the ISDA auction proceedings. Exception: ISDA does not announce any ISDA auction proceedings within the periods of time set forth in the ISDA Terms. ISDA does not conduct any auction within these periods. The Auction Final Price can be well below 100 % of the nominal amount of the outstanding Obligations of the Reference Entity. The Auction Price can even be zero (0) in an extreme situation.

ISDA can carry out multiple ISDA auctions with regard to a Reference Entity which is not a country. This is the situation if ISDA publishes the occurrence of a Credit Event "Restructuring". The ISDA auction process then relates to different maturity categories for the Obligations of the Reference Entity. If ISDA publishes multiple Auction Final Prices in the case of Credit Event Restructuring, the lowest price is the Final Price for purposes of the Securities. If only one ISDA auction takes place, the Auction Final Price generated in this auction is the Final Price. This applies without regard to the maturity category to which the auction relates.

**(b) Valuation by the Issuer**

If the prerequisites for applying an Auction Final Price for determining the Final Price are not given in accordance with the Terms and Conditions, the Final Price is determined as follows: The Issuer determines the market value of the Valuation Obligation of the Reference Entity selected by the Issuer on the Recovery Valuation Date in the Issuer's reasonable discretion (§ 315 BGB). This market value can be well below 100 % of the nominal value of the Valuation Obligation. It can even be zero (0) in an extreme situation.

**(c) Deduction of the Swap Unwind Amount**

The Credit Event Redemption Amount can also be reduced by deduction of a Swap Unwind Amount by the Issuer. This is determined by the Issuer in its reasonable discretion (§ 315 BGB).

**(d) *Special aspects in the case of countries as Reference Entities***

In the case of countries as Reference Entities, the Terms and Conditions provide that also other assets can be valued for the purpose of calculating the Final Price. These assets can especially include assets which do not constitute Obligations of the Reference Entity. For example: Assets which replace Obligations of the Reference Entity following a Restructuring as a result of conversion or an exchange. This also applies if the Credit Event designated in the Credit Event Notice is a different Credit Event (for example, a Failure to Pay). The value of these assets can be substantially below the value of other Obligations of the Reference Entity. The value can even be zero (0) in an extreme situation.

**(e) *Special aspects for financial institutions as Reference Entities***

The Terms and Conditions contain the possibility in the case of Reference Entities which are financial institutions that also other assets can be valued in order to determine the Final Price. These can especially be assets which do not constitute Obligations of the Reference Entity. These can be assets which replace Obligations after a Governmental Intervention as a result of conversion or an exchange.

This also applies if a standard reference obligation of the Reference Entity published by ISDA is the subject of a Restructuring. These standard reference obligations or the assets replacing them can then also be valued. This also applies if the Credit Event mentioned in the Credit Event Notice is a different Credit Event (for example, a Failure to Pay). The value of these assets can be substantially below the value of other Obligations of the Reference Entity. The value can even be zero (0) in an extreme situation.



## 7. TERMS AND CONDITIONS

The Conditions for the Securities (the "**Terms and Conditions**") which are issued and offered under this Base Prospectus consist of the applicable and, if appropriate, supplemented statements in the following Terms and Conditions and are attached to the Global Notes which certifies the Securities.

The following described Terms and Conditions of the Securities contain 6 Options.

- Product Type 1 refers to the set of Terms and Conditions applicable for a tranche of Securities for one company.
- Product Type 2 relates to the set of Terms and Conditions which apply for a tranche of Securities for one Country.
- Product Type 3 refers to the set of Terms and Conditions which apply for a tranche of Securities for a financial institution.
- Product Type 4 refers to the set of Terms and Conditions which apply for a tranche of Securities for multiple companies.
- Product Type 5 refers to the set of Terms and Conditions which apply for a tranche of Securities for multiple countries.
- Product Type 6 refers to the set of Terms and Conditions which apply for a tranche of Securities for multiple financial institutions.

Final Terms are published for each tranche of Securities which are issued and offered under this Base Prospectus, in which the respectively applicable optional information for Product Type 1, Product Type 2, Product Type 3, Product Type 4, Product Type 5 or Product Type 6 is repeated and the respective space holders are filled out. They describe the Terms and Conditions for the Securities as attached to the respective Global Note.

The parts of text printed in this Section in bold font and brackets constitute only notes for processing which are removed when preparing the Terms and Conditions for the respective Securities.

**PRODUCT TYPE 1: Securities that relate to a single company as the Reference Entity.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]**

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.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]**

(a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

**7. Terms and Conditions  
Product Type 1**

**[[In the case Act/Act (ICMA) does not apply, the following applies:]]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[In case of a fixed Interest Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest

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Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[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].]

(2) ***Cessation of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will not bear interest.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will, from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, cease to bear interest or, if no Interest Payment Date has occurred yet, not bear interest.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), cease to bear interest. Payment of any outstanding Interest Amount will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]



(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to an extraordinary termination pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, each Security shall be redeemed on the Scheduled Maturity Date by payment of the Nominal Amount.

(2) ***Redemption on the Settlement Date at the Credit Event Redemption Amount after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1)

are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall cease. Instead, the Issuer shall be obliged to redeem each Note by payment of the Credit Event Redemption Amount on the Settlement Date. The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Deferred redemption at the Nominal Amount.***

If the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date by payment of the Nominal Amount, nevertheless the Issuer shall redeem the Securities by payment of the Nominal Amount no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption at the Nominal Amount. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]]**

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 follow-

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ing Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of

interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

**(1) *Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in the following [two] cases:

**[[In case the Credit Event Repudiation/Moratorium does not apply and the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, if the parameters of paragraph (i) do not apply from a temporal perspective, a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also be given after the Final Determination Date).]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the two following cases, if the basic parameters of paragraph (i) do not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice may also be published after the Final Determination Date), or
  - (b) the Credit Event Repudiation/Moratorium occurs after a Potential Repudiation/Moratorium Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Repudiation/Moratorium Notice (whilst such a Credit Event and such a Credit Event Notice may also be after the Final Determination Date).]

**[[In case the Credit Event Failure to Pay applies with grace period extensions, insert:]]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the two following cases, if the basic parameters of paragraph (i) do not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice may also be published after the Final Determination Date), or
  - (b) the Credit Event Failure to Pay occurs after a Potential Failure to Pay Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Failure to Pay Notice (whilst such a Credit Event and such a Credit Event Notice can also occur after the Final Determination Date).]

(2) ***Requirements for a Payment Deferral.***

The "Requirements for a Payment Deferral" are fulfilled if

**[[In case the Credit Event Repudiation/Moratorium does not apply and the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]]** within the Observation Period a Credit Event Resolution Request Date has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice has been given in relation to the requested Credit Event.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]]** within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Repudiation/Moratorium Notice has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Repudiation/Moratorium Notice. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice has been given in relation to the requested or, respectively, the relevant Credit Event.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Failure to Pay Notice has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Failure to Pay Notice. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice in relation to the requested or, respectively, the relevant Credit Event has occurred.]

The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Note due and payable for the reason of such a payment deferral.

**§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

- (1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.
- (2) **"Call Event"** means each of the following events:
  - (i) a Successor does not match the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not an entity with its statutory seat in ●], or
  - (ii) there is more than one legal person or more than one legal entity which succeeds the original Reference Entity as Successor in accordance with these Conditions, or
  - (iii) an Additional Call Event.

**§ 7 Definitions**

- (1) **General Definitions (without credit-linkage).**

**"Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**

**"Additional Call Event"** means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

**"Banking Day"** means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which com-

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mercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

**["Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

**"Call Date"** is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

**"Cancellation Amount"** means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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)]

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having 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").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

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**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

**[[In case the Credit Event Repudiation/Moratorium does not apply for the purposes of the definition "Credit Event", insert:]** a Credit Event Resolution Request Date.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]** the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]** the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Failure to Pay Notice.]

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

**[[In case the Credit Event Repudiation/Moratorium does not apply for the purposes of the definition "Credit Event", insert:]** a Credit Event Resolution Request Date.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]** the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]** the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Failure to Pay Notice.]

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]



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["**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.]

["**Factor<sub>1</sub>**"] means the Factor<sub>1</sub> as specified in § 17 of the Product Data.]

["**Factor<sub>2</sub>**"] means the Factor<sub>2</sub> as specified in § 17 of the Product Data.]]

"**First Interest Payment Date**" means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

["**Fixed Interest Rate**" means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

["**Floating Interest Rate**" means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

["**Floating Interest Rate**" means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

["**Floating Interest Rate**" means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> D)] [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).]]

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:]** "**Hedging Disruption**" means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:]** "**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed

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in order to hedge price risks or other risks with regard to its obligations under the Securities; or

(ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Interest Amount"** means the Interest Amount as specified in § 2 (1)(c).

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

**"Interest Payment Date"** means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

**"Interest Payment Date"** means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

**[[In case Interest Payment Dates are determined based on specified periods the following applies:]**

**"Interest Payment Date"** means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]**

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

**"Interest Rate"** means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]** **"Issuing Agent"** means the Issuing Agent as specified in § 17 of the Product Data.]

**"Issue Date"** means the Issue Date as specified in § 17 of the Product Data.

**"Nominal Amount"** means the Nominal Amount as specified in § 17 of the Product Data.

**"Payment Date"** means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]**

**"Reference Banks"** means [[four] **[Insert other number]** major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB)] [[five] **[Insert other number]** leading swap traders in the interbank market] **[Insert other definition for Reference Banks, if applicable].]**

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][EURIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][**insert other time**] 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, the Issuer 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 Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][**insert other time**] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the rele-

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vant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][LIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** local time on that Interest Determination Date.]

[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the **[In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market]** at approximately [11:00 a.m.][insert other time] **[In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London]** time on the relevant Interest Determination Date.]

**"Reference Rate<sub>1</sub>"** means the Reference Rate<sub>1</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

**"Reference Rate<sub>2</sub>"** means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

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**["Reference Rate Call Event"** means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**["Reference Rate Currency"** means the Reference Rate Currency as specified in § 17 of the Product Data.]

**["Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]

**["Reference Rate-Maturity<sub>1</sub>]"** means the Reference Rate-Maturity<sub>1</sub> as specified in § 17 of the Product Data.]

**["Reference Rate-Maturity<sub>2</sub>"** means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

**["Reference Rate Time"** means the Reference Rate Time as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>1</sub>]"** means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>2</sub>"** means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

**"Scheduled Maturity Date"** means the date specified in § 17 of the Product Date subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]**

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Business Day**" means any day on which TARGET2 is open for the settlement of payments in EUR.

"**Website of the Issuer**" means the Website of the Issuer as specified in § 17 of the Product Data.

"**Website for Notices**" means the Website for Notices as specified in § 17 of the Product Data.

(2) ***Exercise of discretion and specific Definitions (with credit-linkage).***

(a) ***Exercise of discretion.***

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

(b) ***Definitions in connection with the Reference Entity and with the credit-linkage***

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

"**Bankruptcy**" means any of the following events:

- (i) the Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) the Reference Entity becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) the Reference Entity makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;

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- (iv) means the Reference Entity institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition
  - (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or
  - (2) is not dismissed, discharged, stayed or restrained in each case within [30] [●] calendar days of the institution or presentation thereof;
- (v) the Reference Entity has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) the Reference Entity seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) the Reference Entity has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within [30] [●] calendar days thereafter; or
- (viii) the Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an economic analogous effect to any of the events specified in clauses (i) to (vii).

**"Bond"** means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Control"** means ownership of a majority of the voting power of an entity or person.

**"Controlling"** shall be construed accordingly.

**"Credit Event"** means any of the following events:

- (i) Bankruptcy [;] [and]

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- (ii) Failure to Pay [;] [and]
- [(iii)] [Restructuring] [;] [and]
- [(iv)] [Repudiation/Moratorium] [;] [and]
- [(v)] [Potential Obligation Acceleration] [; and]
- [(vi)] [Obligation Acceleration]].

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;
- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. **[[In case the Credit Event Repudiation/Moratorium applies for the purpose of the definition of "Credit Event", insert:]** Each Credit Event Notice describing a Credit Event in form of a Repudiation/Moratorium which has occurred after the Final Determination Date shall refer to a Potential Repudiation/Moratorium within the Observation Period.] **[In case the Credit Event Failure to Pay applies for the purpose of the definition of "Credit Event" with grace period extension insert:]** Each Credit Event Notice describing a Credit Event in form of a Failure to



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Pay which has occurred after the Final Determination Date shall refer to a Potential Failure to Pay within the Observation Period.] The Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount]*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

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- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;

the auction final price published on the website [●] [www.isda.org/credit under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. **[[In case of the Credit Event Restructuring insert:]]** If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or

- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Grace Period"** means

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]]**

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

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- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

- (i) subject to (ii) and (iii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if a Potential Failure to Pay has occurred on or prior to the Final Determination Date and the applicable grace period cannot, by its terms, expire on or prior to the Final Determination Date, Grace Period will be deemed to be the lesser of such grace period or thirty calendar days; and
- (iii) if, as of the date of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a grace period of three Grace Period Banking Days shall be deemed to apply to such Obligation.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific underlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

**"ISDA Credit Event Information"** means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

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**"ISDA Determination Committee"** means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

**"ISDA Statements"** means any statements and protocols agreed between ISDA and market participants.

**"ISDA Terms"** means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

**"Loan"** means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds].

**[[In case the Credit Event Obligation Acceleration applies for the purposes of the definition "Credit Event", insert:] "Obligation Acceleration"** means one or more Obligations of the Reference Entity in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.]

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Observation Period"** means the period from, and including, the Issue Date to, and including, the Final Determination Date.

**"Payment Requirement"** means an amount of USD 1,000,000 (or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the Failure to Pay.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Failure to Pay has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Fail-

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ure to Pay has occurred and of the Publicly Available Information on a Potential Failure to Pay confirming the occurrence of a Potential Failure to Pay within the Observation Period. The Potential Failure to Pay that is the subject of the Potential Failure to Pay Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective .]

**["Potential Obligation Acceleration"** means that one or more Obligations in an aggregate amount not less than the Default Requirement may be declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described), other than a failure to make any required payment by the Reference Entity under one or more Obligations.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Potential Repudiation/Moratorium"** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Potential Repudiation/Moratorium Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Repudiation/Moratorium has occurred within the Observation Period as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and of the Publicly Available Information on a Potential Repudiation/Moratorium confirming the occurrence of a Potential Repudiation/Moratorium within the Observation Period. The Potential Repudiation/Moratorium that is subject of the Potential Repudiation/Moratorium Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective.]

**"Publicly Available Credit Event Information"** means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Failure to Pay"** means information that reasonably confirms any of the facts relevant to the determination that the event described in a Potential Failure to Pay Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA,

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(ii) has been published in at least two Public Sources.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Repudiation/Moratorium"** means information that reasonably confirms any of the facts relevant for the determination that the Credit Event described in a Potential Repudiation/Moratorium Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA;
- (ii) has been published in at least two Public Sources.]

**"Publicly Available Successor Information"** means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any other successor website thereto) or, as long as no publication was made by ISDA, otherwise published and
- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, [www.insolvenzbekanntmachungen.de](http://www.insolvenzbekanntmachungen.de), Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

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- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;
  - (3) by operation of law; or
  - (4) due to the existence of a fixed cap;

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting Bonds [or Loans] of the Reference Entity and which are outstanding immediately prior to the effective date of the Suc-

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Product Type 1**

cession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which are Bonds [or Loans] that are issued, incurred, redeemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Repudiation/Moratorium"** means the occurrence of both of the following events:

- (i) an authorized officer of the Reference Entity or a Governmental Authority
  - (1) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (2) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay (without regard to the Payment Requirement), or a Restructuring (determined without regard to of the Default Requirement) with respect to any such Obligation.]

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

$$\text{Credit Event Redemption Amount} = \text{Nominal Amount} \times \text{Final Price} [- \text{Swap Unwind Amount}]$$

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or



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- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the "**Standard Recovery Valuation Date**"), or
- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or
- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

**["Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

## 7. Terms and Conditions Product Type 1

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

(x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or

(y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomi-

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nation and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.]

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

- (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement or
- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

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- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];
- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;
- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each entity will be a Successor);
- (vii) if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or in-

## 7. Terms and Conditions Product Type 1

curred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity will be the sole Successor.

If the Issuer gives a Credit Event Notice before a Succession Date, no Successor will be determined.

If more than one Successor is identified as a Reference Entity by the Issuer, the following applies:

(y) each such Successor is, from the relevant date, a Reference Entity for the purposes of the Securities with a weighted amount equal to the product of Nominal Amount and the weighting of the Successor as specified in the Successor Notice (the "**Weighted Amount**");

(z) in relation to each of these Reference Entities, a Credit Event may occur. The Conditions shall be applied and interpreted accordingly. In particular, the following principles apply:

- (1) the provisions regarding interest payments and redemption of the Securities in case a Credit Event does not occur pursuant to § 2(1) and § 3(1) and the provisions regarding deferred redemption pursuant to § 2(3) and § 3(3) remain applicable;
- (2) the provisions regarding interest payments in case a Credit Event occurs pursuant to § 2(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be applied multiple times with respect to the Reference Entities. Thus, in case of a Credit Event the Securities do not cease to bear interest. Rather, as of the time specified in § 2(2), the provisions regarding interest payment pursuant to § 2(1) refer to the Nominal Amount less the Weighted Amount of the relevant Reference Entity affected by the Credit Event ("**Reduced Nominal Amount**");
- (3) the provisions regarding redemption of the Securities after the occurrence of a Credit Event pursuant to § 3(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be applied multiple times with respect to the Reference Entities. In addition, the Reduced Nominal Amount will be redeemed on the Scheduled Maturity Date;
- (4) with respect to each of these Reference Entities, a Succession may again occur with one or more Reference Entities. Its Weighted Amount will be divided according to the number of Successors; and
- (5) in respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has

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published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

**"Successor Notice"** means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the existence of a Successor,
- (ii) the occurrence of a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (iii) the facts relevant for the determination that a Succession has occurred; and
- (iv) the Publicly Available Successor Information.

**"Steps Plan"** means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

**"Swap Unwind Amount"** means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular currency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

**"Transaction Type"** means the Transaction Type as specified in § 17 of the Product Data.<sup>12</sup>

**"Underlying Obligation"** means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee.

**"Underlying Obligor"** means

**[[In case of a European corporate and other corporates, insert:]** any individual or entity other than the Reference Entity who has entered into an Underlying Obligation.]

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<sup>12</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: European corporate or North American corporate.

**[[In case of a North American corporate, insert:]]** any entity whose outstanding voting shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent owned, directly or indirectly, by the Reference Entity.]

"**Valuation Obligation**" means

- (i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity that on the Recovery Valuation Date meets the following criteria:
  - (1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;
  - [(2) an Obligation, that **[insert applicable additional criteria];]**
  - [(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date] and
  - [(4)] an Obligation which with respect to the Reference Obligation is not subordinated.
- [(ii) the Reference Obligation.]

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation.

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

## **§ 8 Principal Paying Agent, Paying Agent**

### **(1) *Paying Agents.***

The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

### **(2) *Transfer of functions.***

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.

(3) ***Agents of the Issuer.***

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

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

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

**§ 10 Status**

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

**§ 11 Substitution of the Issuer**

(1) ***Requirements for a Substitution.***

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

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



- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) **Notices.**

Any such substitution shall be notified in accordance with § 12.

(3) **References.**

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

**§ 12 Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

**§ 13 Issuance for 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 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 § 12. 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 be-

coming effective pursuant to § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) ***Applicable Law.***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) ***Place of Performance.***

Place of performance is Munich.

(3) ***Place of Jurisdiction.***

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

Interest Payment Date	Interest Rate
[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]	[[●%]

**ISIN: [Insert]**

**Issue Date: [Insert]**

**[Issuing Agent: [Insert name and address of the Issuing Agent]]**

**[Maximum Interest Rate: [Insert]]**

**[Minimum Interest Rate: [Insert]]**

**Nominal Amount: [Insert][not applicable]**

**[Premium: [Insert]]**

**Reference Entity: [Insert]**

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**Reference Obligation:**      **Principal debtor:** [Insert]  
   **[Guarantor:** [Insert]]  
   **Currency:** [Insert]  
   **Due date:** [Insert]  
   **Interest rate:** [Insert]  
   **ISIN:** [Insert]  
   **[•]**

**[Reference Rate<sub>1</sub>:** [•]-[month][year] [EURIBOR] [[•] LIBOR]]

**[Reference Rate<sub>2</sub>:** [•]-[month][year] [EURIBOR] [[•] LIBOR]]

**[Reference Rate Currency:** [Insert]]

**[Reference Rate Financial Centre:** [Insert]]

**[Reference Rate-Maturity<sub>1</sub>:** [Insert]]

**[Reference Rate-Maturity<sub>2</sub>:** [Insert]]

**[Reference Rate Time:** [Insert]]

**[Registered Benchmark Administrator<sub>1</sub>:** [Insert]]

**[Registered Benchmark Administrator<sub>2</sub>:** [Insert]]

**Scheduled Maturity Date:** [Insert]

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

**Series Number:** [Insert]

**Specified Currency:** [Insert]

**Tranche Number:** [Insert]

**[Transaction Type:** [Insert]]

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

**Website for Notices:** [Insert]

**WKN:** [Insert]

**PRODUCT TYPE 2: Securities that relate to a single country as the Reference Entity.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]**

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.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]**

(a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

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**[[In the case Act/Act (ICMA) does not apply, the following applies:]]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[In case of a fixed Interest Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest



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Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[**(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].]

**(2) *Cessation of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will not bear interest.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will, from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, cease to bear interest or, if no Interest Payment Date has occurred yet, not bear interest.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), cease to bear interest. Payment of any outstanding Interest Amount will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]

(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to an extraordinary termination pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, each Security shall be redeemed on the Scheduled Maturity Date by payment of the Nominal Amount.

(2) ***Redemption on the Settlement Date at the Credit Event Redemption Amount after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1)

are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall cease. Instead, the Issuer shall be obliged to redeem each Note by payment of the Credit Event Redemption Amount on the Settlement Date. The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Deferred redemption at the Nominal Amount.***

If the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date by payment of the Nominal Amount, nevertheless the Issuer shall redeem the Securities by payment of the Nominal Amount no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption at the Nominal Amount. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]]**

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 follow-

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ing Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of

interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

**(1) *Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in the following cases:

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the following additional cases, if the basic case of paragraph (i) does not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also occur after the Final Determination Date), or
  - (b) the Credit Event Repudiation/Moratorium occurs after a Potential Repudiation/Moratorium Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Repudiation/Moratorium Notice (whilst such a Credit Event and such a Credit Event Notice can also occur after the Final Determination Date)

**[[In case the Credit Event Failure to Pay applies with grace period extensions, insert:]; or**

- (c) the Credit Event Failure to Pay occurs after a Potential Failure to Pay Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Failure to Pay Notice (whilst such a Credit Event and such a Credit Event Notice may also be after the Final Determination Date)].

**(2) *Requirements for a Payment Deferral.***

The "**Requirements for a Payment Deferral**" are fulfilled if within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Repudiation/Moratorium Notice

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]; or (iii) a Potential Failure to Pay Notice] has occurred.**



The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Repudiation/Moratorium Notice **[[In case the Credit Event Failure to Pay applies, insert:]** or, respectively, a Potential Failure to Pay Notice]. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice in relation to the requested or, respectively, the relevant Credit Event has occurred.]

[The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Securities due and payable for the reason of such a payment deferral.]

## **§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

- (1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.
- (2) **"Call Event"** means each of the following events:
  - (i) a Successor does not match the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not a • Sovereign] [not an Emerging European or Middle Eastern Sovereign]; or
  - (ii) there is more than one legal person or more than one legal entity which succeeds the original Reference Entity as Successor in accordance with these Conditions, or
  - (iii) an Additional Call Event.

## **§ 7 Definitions**

- (1) ***General Definitions (without credit-linkage).***

**"Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**

**"Additional Call Event"** means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

**"Banking Day"** means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

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**"Call Date"** is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

**"Cancellation Amount"** means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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)]

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having 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").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

the later of the following dates:

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- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]; or**

- (iii) a Potential Failure to Pay Notice].

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]; or**
- (iii) a Potential Failure to Pay Notice].

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]

**["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.]

**["Factor<sub>1</sub>]"** means the Factor<sub>1</sub>] as specified in § 17 of the Product Data.]

**["Factor<sub>2</sub>"** means the Factor<sub>2</sub> as specified in § 17 of the Product Data.]]

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Fixed Interest Rate"** means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

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**"Floating Interest Rate"** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> D] [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).]

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:] "Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.

**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:] "Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Interest Amount"** means the Interest Amount as specified in § 2 (1)(c).

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

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**[[In the case of Act/Act (ICMA), the following applies:]**

"Interest Payment Date" is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

"Interest Payment Date" means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

"Interest Payment Date" means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

**[[In case Interest Payment Dates are determined based on specified periods the following applies:]**

"Interest Payment Date" means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]**

"Interest Period" means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]**

"Interest Period" means [the] [each] period from the Interest Commencement Date (including) to [the First Interest Payment Date (excluding) and from each Interest Payment Date (including) to the respective following Interest Payment Date (excluding)]. The last Interest Period ends on] the Interest End Date (excluding).]

"Interest Rate" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]** ["Issuing Agent" means the Issuing Agent as specified in § 17 of the Product Data.]

"Issue Date" means the Issue Date as specified in § 17 of the Product Data.

"Nominal Amount" means the Nominal Amount as specified in § 17 of the Product Data.

"Payment Date" means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]**

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"**Reference Banks**" means [[four] **Insert other number**] major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB) [[five] **Insert other number**] leading swap traders in the interbank market] **Insert other definition for Reference Banks, if applicable**].]

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]**

"**Reference Rate**[[**EURIBOR**]" means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][**insert other time**] 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, the Issuer 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 Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][**insert other time**] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][**insert other time**] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

"**Reference Rate**[[**LIBOR**]" means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][**insert other time**] [London] [**Insert other Reference Rate Financial Centre**] time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][**insert other time**] [London] [**Insert other Reference Rate Financial Centre**] time on the relevant Interest Determination Date.

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In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] [Insert other Reference Rate Financial Centre] local time on that Interest Determination Date.]

[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the [In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

"**Reference Rate**<sub>[1]</sub>" means the Reference Rate<sub>[1]</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

"**Reference Rate**<sub>2</sub>" means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

"**Reference Rate Call Event**" means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

"**Reference Rate Currency**" means the Reference Rate Currency as specified in § 17 of the Product Data.]

"**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]

"**Reference Rate-Maturity**<sub>[1]</sub>" means the Reference Rate-Maturity<sub>[1]</sub> as specified in § 17 of the Product Data.]

"**Reference Rate-Maturity**<sub>2</sub>" means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

"**Reference Rate Time**" means the Reference Rate Time as specified in § 17 of the Product Data.]

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**["Registered Benchmark Administrator<sub>1</sub>"]** means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>2</sub>"]** means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

**"Scheduled Maturity Date"** means the date specified in § 17 of the Product Date subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]]**

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in EUR.

**"Website of the Issuer"** means the Website of the Issuer as specified in § 17 of the Product Data.

**"Website for Notices"** means the Website for Notices as specified in § 17 of the Product Data.

(2) ***Exercise of discretion and specific Definitions (with credit-linkage).***

(a) ***Exercise of discretion.***

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or



decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

(b) ***Definitions in connection with the Reference Entity and with the credit-linkage***

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

"**Bond**" means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

"**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"**Control**" means ownership of a majority of the voting power of an entity or person.

"**Controlling**" shall be construed accordingly.

"**Credit Event**" means any of the following events:

- (i) Failure to Pay;
- (ii) Repudiation/Moratorium; [and]
- (iii) Restructuring [;] [and]
- [(iv)] [Potential Obligation Acceleration] [; and]
- [(v)] [Obligation Acceleration]].

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;

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- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. Each Credit Event Notice describing a Credit Event in form of a Repudiation/Moratorium which has occurred after the Final Determination Date shall refer to a Potential Repudiation/Moratorium within the Observation Period.] [In case the Credit Event Failure to Pay applies for the purpose of the definition of "Credit Event" with grace period extension insert:] Each Credit Event Notice describing a Credit Event in form of a Failure to Pay which has occurred after the Final Determination Date shall refer to a Potential Failure to Pay within the Observation Period.] The Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount].*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

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The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;

the auction final price published on the website [●] [www.isda.org/credit under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. **[[In case of the Credit Event Restructuring insert:]]** If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or

- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

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The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Grace Period"** means

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]**

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

- (i) subject to (ii) and (iii), the applicable grace period with respect to payments and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if a Potential Failure to Pay has occurred on or prior to the Final Determination Date and the applicable grace period cannot, by its terms, expire on or prior to the Final

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Determination Date, Grace Period will be deemed to be the lesser of such grace period or thirty calendar days; and

- (iii) if, as of the date of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a grace period of three Grace Period Banking Days shall be deemed to apply to such Obligation.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific underlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

**"ISDA Credit Event Information"** means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

**"ISDA Determination Committee"** means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

**"ISDA Statements"** means any statements and protocols agreed between ISDA and market participants.

**"ISDA Terms"** means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

**["Loan"** means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds].

**[[In case the Credit Event Obligation Acceleration applies for the purposes of the definition "Credit Event", insert:] "Obligation Acceleration"** means one or more Obligations of the Reference Entity in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and paya-

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ble as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.]

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Observation Period"** means the period from, and including, the Issue Date to, and including, the Final Determination Date.

**"Payment Requirement"** means an amount of USD 1,000,000 (or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the Failure to Pay.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Failure to Pay has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and of the Publicly Available Information on a Potential Failure to Pay confirming the occurrence of a Potential Failure to Pay within the Observation Period. The Potential Failure to Pay that is the subject of the Potential Failure to Pay Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective .]

**["Potential Obligation Acceleration"** means that one or more Obligations in an aggregate amount not less than the Default Requirement may be declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described), other than a failure to make any required payment by the Reference Entity under one or more Obligations.]

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.

**"Potential Repudiation/Moratorium Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Repudiation/Moratorium has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential

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Repudiation/Moratorium has occurred and of the Publicly Available Information on a Potential Repudiation/Moratorium confirming the occurrence of a Potential Repudiation/Moratorium within the Observation Period. The Potential Repudiation/Moratorium that is the subject of the Potential Repudiation/Moratorium Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective.

**"Publicly Available Credit Event Information"** means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Failure to Pay"** means information that reasonably confirms any of the facts relevant to the determination that the event described in a Potential Failure to Pay Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA,
- (ii) has been published in at least two Public Sources.]

**"Publicly Available Information on a Potential Repudiation/Moratorium"** means information that reasonably confirms any of the facts relevant for the determination that the Credit Event described in a Potential Repudiation/Moratorium Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA;
- (ii) has been published in at least two Public Sources.

**"Publicly Available Successor Information"** means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA, otherwise published and

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- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, www.insolvenzbekanntmachungen.de, Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;
  - (3) by operation of law; or
  - (4) due to the existence of a fixed cap;

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the



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Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

(x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and

(y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting Bonds [or Loans] of the Reference Entity and which are outstanding immediately prior to the effective date of the Succession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which are Bonds [or Loans] that are issued, incurred, redeemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (i) an authorized officer of the Reference Entity or a Governmental Authority

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- (1) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (2) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay (without regard to the Payment Requirement), or a Restructuring (determined without regard to Default Requirement) with respect to any such Obligation.]

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

$$\text{Credit Event Redemption Amount} = \text{Nominal Amount} \times \text{Final Price} [- \text{Swap Unwind Amount}]$$

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or
- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the "**Standard Recovery Valuation Date**"), or
- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit

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Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or

- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

**["Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond

## 7. Terms and Conditions Product Type 2

immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

(x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or

(y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.]

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

(i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (the latter including any protocol, treaty, convention, accord, concord, entente, pact or other agreements) or

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- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Succession Event"** means an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];

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- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;
- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each entity will be a Successor).

If the Issuer gives a Credit Event Notice before a Succession Date, no Successor will be determined.

If more than one Successor is identified as a Reference Entity by the Issuer, the following applies:

(y) each such Successor is, from the relevant date, a Reference Entity for the purposes of the Securities with a weighted amount equal to the product of Nominal Amount and the weighting of the Successor as specified in the Successor Notice (the "**Weighted Amount**");

(z) in relation to each of these Reference Entities, a Credit Event may occur. The Conditions shall be applied and interpreted accordingly. In particular, the following principles apply:

- (1) the provisions regarding interest payments and redemption of the Securities in case a Credit Event does not occur pursuant to § 2(1) and § 3(1) and the provisions regarding deferred redemption pursuant to § 2(3) and § 3(3) remain applicable;
- (2) the provisions regarding interest payments in case a Credit Event occurs pursuant to § 2(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be

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applied multiple times with respect to the Reference Entities. Thus, in case of a Credit Event the Securities do not cease to bear interest. Rather, as of the time specified in § 2(2), the provisions regarding interest payment pursuant to § 2(1) refer to the Nominal Amount less the Weighted Amount of the relevant Reference Entity affected by the Credit Event ("**Reduced Nominal Amount**");

- (3) the provisions regarding redemption of the Securities after the occurrence of a Credit Event pursuant to § 3(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be applied multiple times with respect to the Reference Entities. In addition, the Reduced Nominal Amount will be redeemed on the Scheduled Maturity Date;
- (4) with respect to each of these Reference Entities, a Succession may again occur with one or more Reference Entities. Its Weighted Amount will be divided according to the number of Successors; and
- (5) in respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

"**Successor Notice**" means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the occurrence of a Succession Event and a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (ii) the Successor;
- (iii) the facts relevant for the determination that a Successor Event has occurred; and
- (iv) the Publicly Available Successor Information.

"**Steps Plan**" means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

"**Swap Unwind Amount**" means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular cur-

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rency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

**"Transaction Type"** means the Transaction Type as specified in § 17 of the Product Data.<sup>13</sup>

**"Underlying Obligation"** means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee.

**"Underlying Obligor"** means

any individual or entity other than the Reference Entity who has entered into an Underlying Obligation.

**"Valuation Obligation"** means

- (i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity that on the Recovery Valuation Date meets the following criteria:
  - (1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;
  - [(2) an Obligation, that [insert applicable additional criteria];]
  - [(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date];
  - [(4)] [an Obligation which with respect to the Reference Obligation is not subordinated;] and
  - [(5)] in case of a Restructuring an Obligation that did not arise on or after the Restructuring.

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation; or

- (ii) at the choice of the Issuer in the event of a Restructuring (even if the Credit Event Notice designates another previously occurring Credit Event)

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<sup>13</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: Western European Sovereign or Latin American Sovereign.



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- (1) an Obligation published as so-called Package Observable Bond on the website [●] [<http://www.isda.org/credit> (or a page which replaces it)] (or any successor website thereto) immediately prior to the occurrence of the Credit Event, or
- (2) such equity, amounts of cash, securities, fees (including any "early bird" or other consent fee) rights and/or other assets (each an "Asset Package") in the proportion received or obtained by a relevant creditor by way of exchange as conversion of an Obligation pursuant to Section (ii)(1) (which may include said Obligation). If the relevant holder is offered a choice of assets or a choice of combinations of assets, the largest Asset Package with respect to the amount of principal or, if the respective asset is not expressed as an amount of principal, the largest Asset Package with respect to its value, shall be selected. If nothing is offered to the relevant creditor and the relevant creditor receives nothing, the value of the Asset Package shall be zero.

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

**§ 8 Principal Paying Agent, Paying Agent**

(1) *Paying Agents.*

The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

(2) *Transfer of functions.*

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.

(3) *Agents of the Issuer.*

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

**No Gross Up:** Payments in respect of the Securities shall only be made after deduction and withholding of current or future taxes to the extent that such deduction or withholding

is required by law. In this context, "**Taxes**" means any levies or governmental charges, regardless of their nature, which are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes. In no case the Issuer is obliged to compensate with respect to any Taxes deducted or withheld. The Issuer shall report on the deducted or withheld Taxes to the competent government agencies.

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

#### **§ 10 Status**

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

#### **§ 11 Substitution of the Issuer**

(1) ***Requirements for a Substitution.***

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

- (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
- (b) the Issuer and the New Issuer have obtained all necessary authorizations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) ***Notices.***

Any such substitution shall be notified in accordance with § 12.

(3) ***References.***

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

**§ 12 Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

**§ 13 Issuance for 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 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 § 12. 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 § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) ***Applicable Law.***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) ***Place of Performance.***

Place of performance is Munich.

(3) ***Place of Jurisdiction.***

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

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<b>Interest Payment Date</b>	<b>Interest Rate</b>
<b>[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]]</b>	<b>[●%]</b>

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**ISIN: [Insert]**

**Issue Date: [Insert]**

**[Issuing Agent: [Insert name and address of the Issuing Agent]]**

**[Maximum Interest Rate: [Insert]]**

**[Minimum Interest Rate: [Insert]]**

**Nominal Amount: [Insert][not applicable]**

**[Premium: [Insert]]**

**Reference Entity: [Insert]**

**Reference Obligation:**            **Principal debtor:** [Insert]

**[Guarantor:** [Insert]]

**Currency:** [Insert]

**Due date:** [Insert]

**Interest rate:** [Insert]

**ISIN:** [Insert]

**[•]**

**[Reference Rate<sub>1</sub>:** [•]-[month][year] [EURIBOR] [[•] LIBOR]]

**[Reference Rate<sub>2</sub>:** [•]-[month][year] [EURIBOR] [[•] LIBOR]]

**[Reference Rate Currency:** [Insert]]

**[Reference Rate Financial Centre:** [Insert]]

**[Reference Rate-Maturity<sub>1</sub>:** [Insert]]

**[Reference Rate-Maturity<sub>2</sub>:** [Insert]]

**[Reference Rate Time:** [Insert]]

**[Registered Benchmark Administrator<sub>1</sub>:** [Insert]]

**[Registered Benchmark Administrator<sub>2</sub>:** [Insert]]

**Scheduled Maturity Date:** [Insert]

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

**Series Number:** [Insert]

**Specified Currency:** [Insert]

**Tranche Number:** [Insert]

**[Transaction Type:** [Insert]]

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

**Website for Notices:** [Insert]

**WKN:** [Insert]

**PRODUCT TYPE 3: Securities that relate to a single financial institution as the Reference Entity.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]**

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.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]**



**7. Terms and Conditions  
Product Type 3**

- (a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

**[[In the case Act/Act (ICMA) does not apply, the following applies:]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[in case of a fixed Interest Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

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Product Type 3**

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[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].]

(2) ***Cessation of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will not bear interest.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will, from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, cease to bear interest or, if no Interest Payment Date has occurred yet, not bear interest.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), cease to bear interest. Payment of any outstanding Interest Amount will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]

(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]]** If the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to an extraordinary termination pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, each Security shall be redeemed on the Scheduled Maturity Date by payment of the Nominal Amount.

(2) ***Redemption on the Settlement Date at the Credit Event Redemption Amount after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1)

are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall cease. Instead, the Issuer shall be obliged to redeem each Note by payment of the Credit Event Redemption Amount on the Settlement Date. The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Deferred redemption at the Specified Denomination.***

If the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date by payment of the Nominal Amount, nevertheless the Issuer shall redeem the Securities by payment of the Nominal Amount no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption at the Specified Denomination. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]]**

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 follow-



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ing Banking Day, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of

interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

(1) ***Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in the following two cases:

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also be given after the Final Determination Date).

(2) ***Requirements for a Payment Deferral.***

The "**Requirements for a Payment Deferral**" are fulfilled if within the Observation Period a Credit Event Resolution Request Date has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice has been given in relation to the requested Credit Event.

The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Note due and payable for the reason of such a payment deferral.

**§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

(1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.

(2) "**Call Event**" means each of the following events:

- (i) a Successor does not match the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not a financial institution with its statutory seat in •], or

- (ii) there is more than one legal person or more than one legal entity which succeeds the original Reference Entity as Successor in accordance with these Conditions, or
- (iii) an Additional Call Event.

## § 7 Definitions

### (1) *General Definitions (without credit-linkage).*

**"Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**

**"Additional Call Event"** means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

**"Banking Day"** means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

**"Call Date"** is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

**"Cancellation Amount"** means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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

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- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)]

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having 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**").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after a Credit Event Resolution Request Date.

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after a Credit Event Resolution Request Date.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]

**["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.]

**["Factor<sub>1</sub>]"** means the Factor<sub>1</sub>] as specified in § 17 of the Product Data.]

**["Factor<sub>2</sub>"** means the Factor<sub>2</sub>] as specified in § 17 of the Product Data.]]

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Fixed Interest Rate"** means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

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**"Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

**"Floating Interest Rate"** means the Reference Rate [multiplied by the Factor] [and] [plus] the Premium] [minus the Discount].]

**"Floating Interest Rate"** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> D] [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).])

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:] "Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.

**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:] "Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Interest Amount"** means the Interest Amount as specified in § 2 (1)(c).

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**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

**"Interest Payment Date"** means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

**"Interest Payment Date"** means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

**[[In case Interest Payment Dates are determined based on specified periods the following applies:]**

**"Interest Payment Date"** means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]**

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

**"Interest Rate"** means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]** ["**Issuing Agent**" means the Issuing Agent as specified in § 17 of the Product Data.]

**"Issue Date"** means the Issue Date as specified in § 17 of the Product Data.

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"**Nominal Amount**" means the Nominal Amount as specified in § 17 of the Product Data.

"**Payment Date**" means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]**

"**Reference Banks**" means [[four] **Insert other number**] major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB) [[five] **Insert other number**] leading swap traders in the interbank market] **Insert other definition for Reference Banks, if applicable**].]

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]**

"**Reference Rate**[[EURIBOR]" means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.]**insert other time**] 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, the Issuer 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 Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.]**insert other time**] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.]**insert other time**] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

"**Reference Rate**[[LIBOR]" means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.]**insert other time**] [London] **Insert other Reference Rate Financial Centre**] time on the relevant Interest Determination Date.

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If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][insert other time] [London] [Insert other Reference Rate Financial Centre] time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] [Insert other Reference Rate Financial Centre] local time on that Interest Determination Date.]

[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the [In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

"Reference Rate<sub>1</sub>" means the Reference Rate<sub>1</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

["Reference Rate<sub>2</sub>" means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

["Reference Rate Call Event" means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

["Reference Rate Currency" means the Reference Rate Currency as specified in § 17 of the Product Data.]

["Reference Rate Financial Centre" means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]



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**["Reference Rate-Maturity<sub>1</sub>"]** means the Reference Rate-Maturity<sub>1</sub> as specified in § 17 of the Product Data.]

**["Reference Rate-Maturity<sub>2</sub>"]** means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

**["Reference Rate Time"]** means the Reference Rate Time as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>1</sub>"]** means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>2</sub>"]** means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

**"Scheduled Maturity Date"** means the date specified in § 17 of the Product Data subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]**

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in EUR.

**"Website of the Issuer"** means the Website of the Issuer as specified in § 17 of the Product Data.

**"Website for Notices"** means the Website for Notices as specified in § 17 of the Product Data.

(2) ***Exercise of discretion and specific Definitions (with credit-linkage).***

(a) ***Exercise of discretion.***

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

(b) ***Definitions in connection with the Reference Entity and with the credit-linkage***

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

**"Bankruptcy"** means any of the following events:

- (i) the Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) the Reference Entity becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) the Reference Entity makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) means the Reference Entity institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition
  - (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or

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- (2) is not dismissed, discharged, stayed or restrained in each case within [30] [●] calendar days of the institution or presentation thereof;
- (v) the Reference Entity has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) the Reference Entity seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) the Reference Entity has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within [30] [●] calendar days thereafter; or
- (viii) the Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an economic analogous effect to any of the events specified in clauses (i) to (vii).

**"Bond"** means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Control"** means ownership of a majority of the voting power of an entity or person.

**"Controlling"** shall be construed accordingly.

**"Credit Event"** means any of the following events:

- (i) Bankruptcy;
- (ii) Failure to Pay;
- (iii) Restructuring]; and
- (iv) Governmental Intervention.

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

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- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;
- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount]*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

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The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;

the auction final price published on the website [●] [[www.isda.org/credit](http://www.isda.org/credit) under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or

- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

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The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (i) any event which would affect creditors' rights so as to cause:
  - (w) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (x) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (y) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (z) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events (1) to (3).

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In the case of a Qualifying Guarantee and a Underlying Obligation, references in the definition of Governmental Intervention to the Reference Entity are in principle to be construed as references to the Underlying Obligation.

**"Grace Period"** means

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific underlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

**"ISDA Credit Event Information"** means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

**"ISDA Determination Committee"** means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

**"ISDA Statements"** means any statements and protocols agreed between ISDA and market participants.

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**"ISDA Terms"** means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

**["Loan"** means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds], provided that subordinated obligations shall not be taken into account for the purposes of determining the occurrence of a Restructuring or Governmental Intervention.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Observation Period"** means the period from, and including, the Issue Date to, and including, the Final Determination Date.

**"Publicly Available Credit Event Information"** means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

**"Publicly Available Successor Information"** means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA, otherwise published and
- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, [www.insolvenzbekanntmachungen.de](http://www.insolvenzbekanntmachungen.de), Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of busi-



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ness news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;
  - (3) by operation of law;
  - (4) due to the existence of a fixed cap; or
  - (5) due to provisions permitting or anticipating a Governmental Intervention.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

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(x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and

(y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting non-subordinated Bonds or Loans of the Reference Entity and which are outstanding immediately prior to the effective date of the Succession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which are Bonds or Loans that are issued, incurred, redeemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

$$\text{Credit Event Redemption Amount} = \text{Specified Denomination} \times \text{Final Price} [- \text{Swap Unwind Amount}]$$

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or
- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the "**Standard Recovery Valuation Date**"), or
- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or
- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

**"Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

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- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

- (x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or
- (y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the Europe-

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an Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

- (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement or
- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;

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- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];
- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor. [Alternatively, the Issuer may terminate the Securities pursuant to § 6];
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;
- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each entity will be a Successor);
- (vii) if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity will be the sole Successor.

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If the Issuer gives a Credit Event Notice before a Succession Date, no Successor will be determined.

If more than one Successor is identified as a Reference Entity by the Issuer, the following applies:

(y) each such Successor is, from the relevant date, a Reference Entity for the purposes of the Securities with a weighted amount equal to the product of Nominal Amount and the weighting of the Successor as specified in the Successor Notice (the "**Weighted Amount**");

(z) in relation to each of these Reference Entities, a Credit Event may occur. The Conditions shall be applied and interpreted accordingly. In particular, the following principles apply:

- (1) the provisions regarding interest payments and redemption of the Securities in case a Credit Event does not occur pursuant to § 2(1) and § 3(1) and the provisions regarding deferred redemption pursuant to § 2(3) and § 3(3) remain applicable;
- (2) the provisions regarding interest payments in case a Credit Event occurs pursuant to § 2(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be applied multiple times with respect to the Reference Entities. Thus, in case of a Credit Event the Securities do not cease to bear interest. Rather, as of the time specified in § 2(2), the provisions regarding interest payment pursuant to § 2(1) refer to the Nominal Amount less the Weighted Amount of the relevant Reference Entity affected by the Credit Event ("**Reduced Nominal Amount**");
- (3) the provisions regarding redemption of the Securities after the occurrence of a Credit Event pursuant to § 3(2) in conjunction with § 5 apply in each case to a Reference Entity affected by a Credit Event and its Weighted Amount and can accordingly be applied multiple times with respect to the Reference Entities. In addition, the Reduced Nominal Amount will be redeemed on the Scheduled Maturity Date;
- (4) with respect to each of these Reference Entities, a Succession may again occur with one or more Reference Entities. Its Weighted Amount will be divided according to the number of Successors; and
- (5) in respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

## 7. Terms and Conditions Product Type 3

**"Successor Notice"** means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the existence of a Successor,
- (ii) the occurrence of a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (iii) the facts relevant for the determination that a Succession has occurred; and
- (iv) the Publicly Available Successor Information.

**"Steps Plan"** means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

**"Swap Unwind Amount"** means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular currency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

**"Transaction Type"** means the Transaction Type as specified in § 17 of the Product Data.<sup>14</sup>

**"Underlying Obligation"** means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee. **"Underlying Obligor"** means any individual or entity other than the Reference Entity who has entered into an Underlying Obligation.]

**"Valuation Obligation"** means

- (i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity that on the Recovery Valuation Date meets the following criteria:
  - (1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;
  - [(2) an Obligation, that [insert applicable additional criteria];]

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<sup>14</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: European financial institution or Australian financial institution.



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- [(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date;]
- [(4)] an Obligation which with respect to the Reference Obligation is not subordinated; and
- [(5)] [in the case of a Restructuring an Obligation that did not arise on or after the Restructuring date.]].

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation; or

- (ii) at the choice of the Issuer, in the event of a Governmental Intervention, even if the Credit Event Notice designates another previously occurring Credit Event;
  - (1) any obligation of the Reference Entity which (x) existed immediately prior to such Governmental Intervention, (y) was the subject of such Governmental Intervention and (z) fall within the criteria set out in paragraph (i) in each case immediately preceding the date on which the Governmental Intervention was legally effective; or
  - (2) such equity, amounts of cash, securities, fees (including any "early bird" or other consent fee) rights and/or other assets (each an "**Asset Package**") in the proportion received or obtained by a relevant creditor by way of exchange as conversion of an Obligation pursuant to Section (ii)(1) (which may include said Obligation). If the relevant holder is offered a choice of assets or a choice of combinations of assets, the largest Asset Package with respect to the amount of principal or, if the respective asset is not expressed as an amount of principal, the largest Asset Package with respect to its value, shall be selected. If nothing is offered to the relevant creditor and the relevant creditor received nothing, the value of the Asset Package shall be zero.; or
- (iii) at the choice of the Issuer, in the event of the occurrence of a Restructuring, which is not also a Governmental Intervention (even if the Credit Event Notice designates another previously occurring Credit Event),
  - (1) an Obligation published as so-called Package Observable Bond on the website [●] [<http://www.isda.org/credit> (or a page which replaces it)] (or any successor website thereto) immediately prior to the occurrence of the Credit Event, or
  - (2) any Asset Package with regard to the Obligation pursuant to paragraph (ii) (2),

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

**§ 8 Principal Paying Agent, Paying Agent**

- (1) *Paying Agents.*

The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

(2) ***Transfer of functions.***

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.

(3) ***Agents of the Issuer.***

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

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

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

**§ 10 Status**

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

**§ 11 Substitution of the Issuer**

(1) ***Requirements for a Substitution.***

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 Af-

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filiate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that

- (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
- (b) the Issuer and the New Issuer have obtained all necessary authorizations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenen Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) **Notices.**

Any such substitution shall be notified in accordance with § 12.

(3) **References.**

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

**§ 12 Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

**§ 13 Issuance for 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 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 pay-

ment 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 § 12. 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 § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) *Applicable Law.*

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) *Place of Performance.*

Place of performance is Munich.

(3) *Place of Jurisdiction.*

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

Interest Payment Date	Interest Rate
[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]	[●%]

**ISIN:** [Insert]

**Issue Date:** [Insert]

**[Issuing Agent:** [Insert name and address of the Issuing Agent]]

**[Maximum Interest Rate:** [Insert]]

**[Minimum Interest Rate:** [Insert]]

**Nominal Amount:** [Insert][not applicable]

**[Premium:** [Insert]]

**Reference Entity:** [Insert]

**Reference Obligation:**      **Principal debtor:** [Insert]

**[Guarantor:** [Insert]]

**Currency:** [Insert]

**Due date:** [Insert]

**Interest rate:** [Insert]

**ISIN:** [Insert]

[●]

**[Reference Rate<sub>1</sub>:** [●]-[month][year] [EURIBOR] [[●] LIBOR]]

**[Reference Rate<sub>2</sub>:** [●]-[month][year] [EURIBOR] [[●] LIBOR]]

**[Reference Rate Currency:** [Insert]]

**[Reference Rate Financial Centre:** [Insert]]

**[Reference Rate-Maturity<sub>1</sub>:** [Insert]]

**[Reference Rate-Maturity<sub>2</sub>:** [Insert]]

**[Reference Rate Time:** [Insert]]

**[Registered Benchmark Administrator<sub>1</sub>:** [Insert]]

**[Registered Benchmark Administrator<sub>2</sub>:** [Insert]]

**Scheduled Maturity Date:** [Insert]

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

**Series Number: [Insert]**

**Specified Currency: [Insert]**

**Tranche Number: [Insert]**

**[Transaction Type: [Insert]]**

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

**Website for Notices: [Insert]**

**WKN: [Insert]**



**PRODUCT TYPE 4: Securities that relate to multiple companies as Reference Entities.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]**

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.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]**

(a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

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**[[In the case Act/Act (ICMA) does not apply, the following applies:]]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[In case of a fixed Interest Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest

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Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[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].]

(2) ***Reduction of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, or, if no Interest Payment Date has occurred yet, from the Issue Date, and the Interest Amount will be calculated accordingly.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly. Payment of any outstanding Interest Amount in

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respect to the Weighted Amount of the Reference Entity up to the day (inclusive) of the Credit Event Notice will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]

(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of the Interest Amount. The Issuer will notify the Security Holder of the deferred payment date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to an extraordinary termination pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, each Security shall be redeemed on the Scheduled Maturity Date by payment of the Nominal Amount.



(2) ***Redemption after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1) are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall cease. Instead, the Issuer shall be obliged to redeem

- (i) subject to paragraph (3), the Reduced Nominal Amount on the Scheduled Maturity Date; and
- (ii) each Credit Event Redemption Amount on the Settlement Date

The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Partially deferred redemption.***

If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date, nevertheless the Issuer shall redeem the Securities no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

(1) ***Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in respect to one Reference Entity in the following [two] cases:

**[[In case the Credit Event Repudiation/Moratorium does not apply and the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, if the parameters of paragraph (i) do not apply from a temporal perspective, a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also be given after the Final Determination Date).]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the two following cases, if the basic parameters of paragraph (i) do not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice may also be published after the Final Determination Date), or

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- (b) the Credit Event Repudiation/Moratorium occurs after a Potential Repudiation/Moratorium Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Repudiation/Moratorium Notice (whilst such a Credit Event and such a Credit Event Notice may also be after the Final Determination Date).]

**[[In case the Credit Event Failure to Pay applies with grace period extensions, insert:]]**

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the two following cases, if the basic parameters of paragraph (i) do not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice may also be published after the Final Determination Date), or
  - (b) the Credit Event Failure to Pay occurs after a Potential Failure to Pay Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Failure to Pay Notice (whilst such a Credit Event and such a Credit Event Notice can also occur after the Final Determination Date).]

(2) ***Requirements for a Payment Deferral.***

The "**Requirements for a Payment Deferral**" are fulfilled in respect to one Reference Entity if

**[[In case the Credit Event Repudiation/Moratorium does not apply and the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]]** within the Observation Period a Credit Event Resolution Request Date has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice has been given in relation to the requested Credit Event.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]]** within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Repudiation/Moratorium Notice has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Repudiation/Moratorium Notice. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice has been given in relation to the requested or, respectively, the relevant Credit Event.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]]**

within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Failure to Pay Notice has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Failure to Pay Notice. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice in relation to the requested or, respectively, the relevant Credit Event has occurred.]

The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Note due and payable for the reason of such a payment deferral.

## **§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

- (1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.
- (2) **"Call Event"** means each of the following events:
  - (i) a Successor does not match the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not an entity with its statutory seat in ●]] or not an entity with its statutory seat in ●]; or
  - (ii) an Additional Call Event.

## **§ 7 Definitions**

- (1) ***General Definitions (without credit-linkage).***

**["Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**

"**Additional Call Event**" means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

"**Banking Day**" means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

"**Call Date**" is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

"**Cancellation Amount**" means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law" means that due to**

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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)]

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having CBL and Euroclear Bank as Clearing System, the following applies:]**

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**"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**").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

**[[In case the Credit Event Repudiation/Moratorium does not apply for the purposes of the definition "Credit Event", insert:] a Credit Event Resolution Request Date.]**

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] the later of the following dates:**

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:] the later of the following dates:**

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Failure to Pay Notice.]

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

**[[In case the Credit Event Repudiation/Moratorium does not apply for the purposes of the definition "Credit Event", insert:] a Credit Event Resolution Request Date.]**

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] the later of the following dates:**

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:] the later of the following dates:**

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Failure to Pay Notice.]

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**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]

**["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.]

**["Factor<sub>1</sub>]"** means the Factor<sub>1</sub> as specified in § 17 of the Product Data.]

**["Factor<sub>2</sub>"** means the Factor<sub>2</sub> as specified in § 17 of the Product Data.]]

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Fixed Interest Rate"** means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

**["Floating Interest Rate"** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> D] [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).)]

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:] "Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.



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**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:]** "Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Interest Amount"** means the product of

- (i) Interest Rate;
- (ii) Day Count Fraction; and
- (iii) the Nominal Amount (if the Interest Amount is calculated by reference to the Nominal Amount) or Reduced Nominal Amount (if the Interest Amount is calculated by reference to the Reduced Nominal Amount) or Weighted Amount (if the Interest Amount is calculated by reference to the Weighted Amount).

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

**"Interest Payment Date"** means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

**"Interest Payment Date"** means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

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**[[In case Interest Payment Dates are determined based on specified periods the following applies:]]**

**["Interest Payment Date"** means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]]**

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

**"Interest Rate"** means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]]** **["Issuing Agent"** means the Issuing Agent as specified in § 17 of the Product Data.]

**"Issue Date"** means the Issue Date as specified in § 17 of the Product Data.

**"Nominal Amount"** means the Nominal Amount as specified in § 17 of the Product Data.

**"Payment Date"** means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]]**

**["Reference Banks"** means [[four] [*Insert other number*] major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB)] [[five] [*Insert other number*] leading swap traders in the interbank market] [*Insert other definition for Reference Banks, if applicable*].]

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]]**

**["Reference Rate][EURIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][*insert other time*] 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, the Issuer will ask each of the Reference Banks in the Eurozone to quote the rate at

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which they are offering deposits in euros for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][insert other time] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][LIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** local time on that Interest Determination Date.]

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[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the [In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market] at approximately [11:00 a.m.][insert other time] [In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London] time on the relevant Interest Determination Date.]

"**Reference Rate<sub>1</sub>**" means the Reference Rate<sub>1</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

"**Reference Rate<sub>2</sub>**" means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

"**Reference Rate Call Event**" means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

"**Reference Rate Currency**" means the Reference Rate Currency as specified in § 17 of the Product Data.]

"**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]

"**Reference Rate-Maturity<sub>1</sub>**" means the Reference Rate-Maturity<sub>1</sub> as specified in § 17 of the Product Data.]

"**Reference Rate-Maturity<sub>2</sub>**" means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

"**Reference Rate Time**" means the Reference Rate Time as specified in § 17 of the Product Data.]

"**Registered Benchmark Administrator<sub>1</sub>**" means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

"**Registered Benchmark Administrator<sub>2</sub>**" means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

"**Scheduled Maturity Date**" means the date specified in § 17 of the Product Date subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]**

"**Screen Page**" means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer

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available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in EUR.

**"Website of the Issuer"** means the Website of the Issuer as specified in § 17 of the Product Data.

**"Website for Notices"** means the Website for Notices as specified in § 17 of the Product Data.

(2) ***Exercise of discretion and specific Definitions (with credit-linkage).***

(a) ***Exercise of discretion.***

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

(b) ***Definitions in connection with the Reference Entity and with the credit-linkage***

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

**"Aggregate Reduction Amount"** means as of the relevant time pursuant to § 2(2) or § 3(2), the sum of all Weighted Amounts of all Reference Entities that have been subject to a Credit Event.

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**"Bankruptcy"** means any of the following events:

- (i) the Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) the Reference Entity becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) the Reference Entity makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) means the Reference Entity institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition
  - (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or
  - (2) is not dismissed, discharged, stayed or restrained in each case within [30] [●] calendar days of the institution or presentation thereof;
- (v) the Reference Entity has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) the Reference Entity seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) the Reference Entity has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within [30] [●] calendar days thereafter; or
- (viii) the Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an economic analogous effect to any of the events specified in clauses (i) to (vii).

**"Bond"** means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

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**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Control"** means ownership of a majority of the voting power of an entity or person.

**"Controlling"** shall be construed accordingly.

**"Credit Event"** means any of the following events, provided that any definition of these events applies to each Reference Entity separately [(and in the case of [(iii) (Restructuring) only for each Reference Entity of the Transaction Type • corporate)] [(and in the case of [(iv) (Repudiation/Moratorium) only for each Reference Entity of the Transaction Type • corporate)] [(and in the case of [(v)]/[(•)] (Potential Obligation Acceleration) only for each Reference Entity of the Transaction Type • corporate)] [(and in the case of [(vi)]/[(•)] (Obligation Acceleration) only for each Reference Entity of the Transaction Type • corporate)] shall be applied: (i) Bankruptcy;

(ii) Failure to Pay [;] [and]

[(iii)] [Restructuring] [;] [and]

[(iv)] [Repudiation/Moratorium] [;] [and]

[(v)] [Potential Obligation Acceleration] [; and]

[(vi)] [Obligation Acceleration]].

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;
- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

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**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. **[[In case the Credit Event Repudiation/Moratorium applies for the purpose of the definition of "Credit Event", insert:]** Each Credit Event Notice describing a Credit Event in form of a Repudiation/Moratorium which has occurred after the Final Determination Date shall refer to a Potential Repudiation/Moratorium within the Observation Period. **[In case the Credit Event Failure to Pay applies for the purpose of the definition of "Credit Event" with grace period extension insert:]** Each Credit Event Notice describing a Credit Event in form of a Failure to Pay which has occurred after the Final Determination Date shall refer to a Potential Failure to Pay within the Observation Period.] The Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount].*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit



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Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;

the auction final price published on the website [●] [[www.isda.org/credit](http://www.isda.org/credit) under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. **[[In case of the Credit Event Restructuring insert:]]** If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or

- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

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**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Grace Period"** means

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]**

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

- (i) subject to (ii) and (iii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if a Potential Failure to Pay has occurred on or prior to the Final Determination Date and the applicable grace period cannot, by its terms, expire on or prior to the Final Determination Date, Grace Period will be deemed to be the lesser of such grace period or thirty calendar days; and
- (iii) if, as of the date of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a grace

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period of three Grace Period Banking Days shall be deemed to apply to such Obligation.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific underlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

**"ISDA Credit Event Information"** means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

**"ISDA Determination Committee"** means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

**"ISDA Statements"** means any statements and protocols agreed between ISDA and market participants.

**"ISDA Terms"** means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

**"Loan"** means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds].

**[[In case the Credit Event Obligation Acceleration applies for the purposes of the definition "Credit Event", insert:] "Obligation Acceleration"** means one or more Obligations of the Reference Entity in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.]

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

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**"Observation Period"** means the period from, and including, the Issue Date to, and including, the Final Determination Date.

**"Payment Requirement"** means an amount of USD 1,000,000 (or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the Failure to Pay.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Failure to Pay has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and of the Publicly Available Information on a Potential Failure to Pay confirming the occurrence of a Potential Failure to Pay within the Observation Period. The Potential Failure to Pay that is the subject of the Potential Failure to Pay Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective .]

**["Potential Obligation Acceleration"** means that one or more Obligations in an aggregate amount not less than the Default Requirement may be declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described), other than a failure to make any required payment by the Reference Entity under one or more Obligations.] **[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Potential Repudiation/Moratorium"** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.]

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**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Potential Repudiation/Moratorium Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Repudiation/Moratorium has occurred within the Observation Period as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and of the Publicly Available Information on a Potential Repudiation/Moratorium confirming the occurrence of a Potential Repudiation/Moratorium within the Observation Period. The Potential Repudiation/Moratorium that is subject of the Potential Repudiation/Moratorium Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective.]

**"Publicly Available Credit Event Information"** means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Failure to Pay"** means information that reasonably confirms any of the facts relevant to the determination that the event described in a Potential Failure to Pay Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA,
- (ii) has been published in at least two Public Sources.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Repudiation/Moratorium"** means information that reasonably confirms any of the facts relevant for the determination that the Credit Event described in a Potential Repudiation/Moratorium Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA;
- (ii) has been published in at least two Public Sources.]

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**"Publicly Available Successor Information"** means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA, otherwise published and
- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, [www.insolvenzbekanntmachungen.de](http://www.insolvenzbekanntmachungen.de), Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where

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there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;

- (3) by operation of law; or
- (4) due to the existence of a fixed cap;

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Reduced Nominal Amount"** means the amount to be calculated according to the following formula:

$$\text{Reduced Nominal Amount} = \text{Nominal Amount} - \text{Aggregate Reduction Amount}$$

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting Bonds [or Loans] of the Reference Entity and which are outstanding immediately prior to the effective date of the Succession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations

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of the Reference Entity which are Bonds [or Loans] that are issued, incurred, redeemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:] "Repudiation/Moratorium"** means the occurrence of both of the following events:

- (i) an authorized officer of the Reference Entity or a Governmental Authority
  - (1) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (2) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay (without regard to the Payment Requirement), or a Restructuring (determined without regard to the Default Requirement) with respect to any such Obligation.]

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Weighted Amount of the Reference Entity in relation of which the requirements for the entry of a Credit Event are met x Final Price [- Swap Unwind Amount]*

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or
- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the **"Standard Recovery Valuation Date"**), or



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- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or
- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

**["Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;

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- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

(x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or

(y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

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In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.]

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

- (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement or
- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the

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entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;

- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor;
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;
- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, the entity Succeeding to the biggest portion of Obligations of the Reference Entity will be the Successor);
- (vii) if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity will be the sole Successor.

In respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

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**"Successor Notice"** means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the existence of a Successor or several Successors;
- (ii) the occurrence of a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (iii) the Weighting of the Successor or Successors;
- (iv) the facts relevant for the determination that a Succession has occurred; and
- (v) the Publicly Available Successor Information.

**"Steps Plan"** means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

**["Swap Unwind Amount"** means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular currency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

**"Transaction Type"** means in relation to the relevant Reference Entity the Transaction Type as specified in the table in § 17 of the Product Data under the definition "Reference Entity" in the column "Transaction Type".<sup>15</sup>

**"Underlying Obligation"** means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee.

**"Underlying Obligor"** means

**[[In case of a European corporate and other corporates, insert:] [(i)]** any individual or entity other than the Reference Entity who has entered into an Underlying Obligation]

**[[In case of a North American corporate, insert:] [and (ii)] [(for the Transaction Type North American Corporate)]** any entity whose outstanding voting shares were, at the date

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<sup>15</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: European corporate or North American corporate.

of issuance of the Qualifying Guarantee, more than fifty per cent owned, directly or indirectly, by the Reference Entity].

**"Valuation Obligation"** means

(i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity in respect of which a Credit Event Notice has been given that on the Recovery Valuation Date meets the following criteria:

(1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;

[(2) an Obligation, that **[insert applicable additional criteria]**];

[(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date] and

[(4)] an Obligation which with respect to the Reference Obligation is not subordinated.

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation.

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

**"Weighting"** means, in respect of the relevant Reference Entity, the Weighting specified in the table und the definition "Reference Entity" in the column "Weighting", or, in case of the existence of a Successor, the portion of such Successor specified in the Successor Notice; such portion shall (i), in case of one Successor, equal the Weighting of the replaced Reference Entity and (ii), in case of several Successors, equal the Weighting of the replaced Reference Entity divided by the number of Successors.

**"Weighted Amount"** means with respect to the relevant Reference Entity the product of the Nominal Amount and the Weighting of the Reference Entity.

## **§ 8 Principal Paying Agent, Paying Agent**

### **(1) Paying Agents.**

The **"Principal Paying Agent"** is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the **"Paying Agents"**) and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

(2) ***Transfer of functions.***

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.

(3) ***Agents of the Issuer.***

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

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

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

**§ 10 Status**

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

**§ 11 Substitution of the Issuer**

(1) ***Requirements for a Substitution.***

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,

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- (b) the Issuer and the New Issuer have obtained all necessary authorizations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenen Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

### (2) **Notices.**

Any such substitution shall be notified in accordance with § 12.

### (3) **References.**

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

## § 12 **Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

## § 13 **Issuance for 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 conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "Se-



ries") 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 § 12. Such an offer is deemed to be ac-

cepted 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 § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) ***Applicable Law.***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) ***Place of Performance.***

Place of performance is Munich.

(3) ***Place of Jurisdiction.***

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

Interest Payment Date	Interest Rate
[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]	[[●%]

**ISIN: [Insert]**

**Issue Date: [Insert]**

**[Issuing Agent: [Insert name and address of the Issuing Agent]]**

**[Maximum Interest Rate: [Insert]]**

**[Minimum Interest Rate: [Insert]]**

**Nominal Amount: [Insert][not applicable]**

**[Premium: [Insert]]**

**Reference Entity:**

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<b>"Reference Entity"</b>	<b>"Transaction Type"</b> in relation to the relevant Reference Entity	<b>"Weighting"</b> of the Reference Entity in per cent.
● <sup>16</sup>	● Corporate <sup>17</sup>	● <sup>18</sup>

**Reference Obligation: [Insert]**

**[Reference Rate<sub>1</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate<sub>2</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate Currency: [Insert]]**

**[Reference Rate Financial Centre: [Insert]]**

**[Reference Rate-Maturity<sub>1</sub>: [Insert]]**

**[Reference Rate-Maturity<sub>2</sub>: [Insert]]**

**[Reference Rate Time: [Insert]]**

**[Registered Benchmark Administrator<sub>1</sub>: [Insert]]**

**[Registered Benchmark Administrator<sub>2</sub>: [Insert]]**

**Scheduled Maturity Date: [Insert]**

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

**Series Number: [Insert]**

**Specified Currency: [Insert]**

**Tranche Number: [Insert]**

**[Transaction Type: [Insert]]**

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

**Website for Notices: [Insert]**

**WKN: [Insert]**

<sup>16</sup> this option can be used multiple times.

<sup>17</sup> this option can be used multiple times.

<sup>18</sup> this option can be used multiple times.

**PRODUCT TYPE 5: Securities that relate to multiple countries as Reference Entities.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]**

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.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]**

(a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

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**[[In the case Act/Act (ICMA) does not apply, the following applies:]]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[in case of a fixed Interest Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest

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Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;



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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[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].]

(2) ***Reduction of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, or, if no Interest Payment Date has occurred yet, from the Issue Date, and the Interest Amount will be calculated accordingly.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly. Payment of any outstanding Interest Amount in

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respect to the Weighted Amount of the Reference Entity up to the day (inclusive) of the Credit Event Notice will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]

(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to an extraordinary termination pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, each Security shall be redeemed on the Scheduled Maturity Date by payment of the Nominal Amount.

(2) ***Redemption after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1) are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall cease. Instead, the Issuer shall be obliged to redeem

- (i) subject to paragraph (3), the Reduced Nominal Amount on the Scheduled Maturity Date; and
- (ii) each Credit Event Redemption Amount on the Settlement Date

The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Partially deferred redemption.***

If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date, nevertheless the Issuer shall redeem the Securities no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

(1) ***Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in respect to one Reference Entity in the following cases:

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) additionally, in one of the following additional cases, if the parameters of paragraph (i) do not apply from a temporal perspective:
  - (a) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also occur after the Final Determination Date), or
  - (b) the Credit Event Repudiation/Moratorium occurs after a Potential Repudiation/Moratorium Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Repudiation/Moratorium Notice (whilst such a Credit Event and such a Credit Event Notice may also be after the Final Determination Date)

**[[In case the Credit Event Failure to Pay applies with grace period extensions, insert:]; or**

- (c) the Credit Event Failure to Pay occurs after a Potential Failure to Pay Notice and a Credit Event Notice in relation to this Credit Event is made within one year of the Potential Failure to Pay Notice (whilst such a Credit Event and such a Credit Event Notice may also be after the Final Determination Date).]

(2) ***Requirements for a Payment Deferral.***

The "**Requirements for a Payment Deferral**" are fulfilled in respect to one Reference Entity if within the Observation Period either (i) a Credit Event Resolution Request Date or (ii) a Potential Repudiation/Moratorium Notice

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

or (iii) a Potential Failure to Pay Notice] has occurred.

The Requirements for a Payment Deferral may be fulfilled for up to one year after the Credit Event Resolution Request Date or, respectively, after the Potential Repudiation/Moratorium Notice **[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]** or, respectively, the Potential Failure to Pay Notice]. In any case the Requirements for a Payment Deferral shall cease if a Credit Event Notice in relation to the requested or, respectively, the relevant Credit Event has occurred.]

The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Note due and payable for the reason of such a payment deferral.

**§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

(1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.

(2) "**Call Event**" means each of the following events:

(i) a Successor does not match to the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not a • Sovereign] [not an Emerging European or Middle Eastern Sovereign]; or

(ii) an Additional Call Event.

**§ 7 Definitions**

(1) ***General Definitions (without credit-linkage).***

**["Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**



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**"Additional Call Event"** means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

**"Banking Day"** means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

**"Call Date"** is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

**"Cancellation Amount"** means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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)].

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having CBL and Euroclear Bank as Clearing System, the following applies:]**

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**"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**").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice; or
- (iii) a Potential Failure to Pay Notice].

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]; or**

- (iii) a Potential Failure to Pay Notice].

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]

**["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.]

**["Factor<sub>1</sub>]"** means the Factor<sub>1</sub> as specified in § 17 of the Product Data.]

**["Factor<sub>2</sub>"** means the Factor<sub>2</sub> as specified in § 17 of the Product Data.]]

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

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**["Fixed Interest Rate"** means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

**["Floating Interest Rate"** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>])] [+ [-] [Premium] [Discount]).])

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:] "Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.

**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:] "Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

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**"Interest Amount"** means the product of

- (i) Interest Rate;
- (ii) Day Count Fraction; and
- (iii) the Nominal Amount (if the Interest Amount is calculated by reference to the Nominal Amount) or Reduced Nominal Amount (if the Interest Amount is calculated by reference to the Reduced Nominal Amount) or Weighted Amount (if the Interest Amount is calculated by reference to the Weighted Amount).

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

**"Interest Payment Date"** means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

**"Interest Payment Date"** means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

**[[In case Interest Payment Dates are determined based on specified periods the following applies:]**

**"Interest Payment Date"** means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]**

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

**"Interest Rate"** means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]** **"Issuing Agent"** means the Issuing Agent as specified in § 17 of the Product Data.]

**"Issue Date"** means the Issue Date as specified in § 17 of the Product Data.

**"Nominal Amount"** means the Nominal Amount as specified in § 17 of the Product Data.

**"Payment Date"** means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]**

**"Reference Banks"** means [[four] **[Insert other number]** major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB)] [[five] **[Insert other number]** leading swap traders in the interbank market] **[Insert other definition for Reference Banks, if applicable].]**

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][EURIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][**insert other time**] 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, the Issuer 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 Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][**insert other time**] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the rele-

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vant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][LIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** local time on that Interest Determination Date.]

[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the **[In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market]** at approximately [11:00 a.m.][insert other time] **[In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London]** time on the relevant Interest Determination Date.]

**"Reference Rate<sub>1</sub>"** means the Reference Rate<sub>1</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

**"Reference Rate<sub>2</sub>"** means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

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**["Reference Rate Call Event"** means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**["Reference Rate Currency"** means the Reference Rate Currency as specified in § 17 of the Product Data.]

**["Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]

**["Reference Rate-Maturity<sub>1</sub>]"** means the Reference Rate-Maturity<sub>1</sub> as specified in § 17 of the Product Data.]

**["Reference Rate-Maturity<sub>2</sub>"** means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

**["Reference Rate Time"** means the Reference Rate Time as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>1</sub>]"** means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

**["Registered Benchmark Administrator<sub>2</sub>"** means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

**"Scheduled Maturity Date"** means the date specified in § 17 of the Product Data subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]**

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in EUR.

**"Website of the Issuer"** means the Website of the Issuer as specified in § 17 of the Product Data.

**"Website for Notices"** means the Website for Notices as specified in § 17 of the Product Data.

- (2) *Exercise of discretion and specific Definitions (with credit-linkage).*
- (a) *Exercise of discretion.*

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

- (b) *Definitions in connection with the Reference Entity and with the credit-linkage*

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

**"Aggregate Reduction Amount"** means as of the relevant time pursuant to § 2(2) or § 3(2), the sum of all Weighted Amounts of all Reference Entities that have been subject to a Credit Event.

**"Bond"** means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Control"** means ownership of a majority of the voting power of an entity or person.

**"Controlling"** shall be construed accordingly.



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**"Credit Event"** means any of the following events, provided that any definition of these events applies to each Reference Entity separately [(and in the case of [(iii) (Restructuring) only for each Reference Entity of the Transaction Type • sovereign] [(and in the case of [(v)]/[•]] (Potential Obligation Acceleration) only for each Reference Entity of the Transaction Type • corporate)] [(and in the case of [(vi)]/[•]] (Obligation Acceleration) only for each Reference Entity of the Transaction Type • corporate)] shall be applied:

- (i) Failure to Pay;
- (ii) Repudiation/Moratorium; [and]
- (iii) Restructuring [;] [and]
- [(iv)] [Potential Obligation Acceleration] [; and]
- [(v)] [Obligation Acceleration].

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;
- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to

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the determination that a Credit Event has occurred. Each Credit Event Notice describing a Credit Event in form of a Repudiation/Moratorium which has occurred after the Final Determination Date shall refer to a Potential Repudiation/Moratorium within the Observation Period. **[In case the Credit Event Failure to Pay applies for the purpose of the definition of "Credit Event" with grace period extension insert:]** Each Credit Event Notice describing a Credit Event in form of a Failure to Pay which has occurred after the Final Determination Date shall refer to a Potential Failure to Pay within the Observation Period.] The Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount].*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a

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reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;

the auction final price published on the website [●] [[www.isda.org/credit](http://www.isda.org/credit)] under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. **[[In case of the Credit Event Restructuring insert:]].** If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or

- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Grace Period"** means

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" without grace period extension, insert:]**

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event" with grace period extension, insert:]**

- (i) subject to (ii) and (iii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if a Potential Failure to Pay has occurred on or prior to the Final Determination Date and the applicable grace period cannot, by its terms, expire on or prior to the Final Determination Date, Grace Period will be deemed to be the lesser of such grace period or thirty calendar days; and
- (iii) if, as of the date of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a grace period of three Grace Period Banking Days shall be deemed to apply to such Obligation.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific un-

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derlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

**"ISDA Credit Event Information"** means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

**"ISDA Determination Committee"** means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

**"ISDA Statements"** means any statements and protocols agreed between ISDA and market participants.

**"ISDA Terms"** means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

**["Loan"** means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds].

**[[In case the Credit Event Obligation Acceleration applies for the purposes of the definition "Credit Event", insert:] "Obligation Acceleration"** means one or more Obligations of the Reference Entity in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.]

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Observation Period"** means the period from, and including, the Issue Date to, and including, the Final Determination Date.

**"Payment Requirement"** means an amount of USD 1,000,000 (or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the Failure to Pay.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any con-

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ditions precedent to the commencement of any grace period applicable to such Obligations.]

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Potential Failure to Pay Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Failure to Pay has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and of the Publicly Available Information on a Potential Failure to Pay confirming the occurrence of a Potential Failure to Pay within the Observation Period. The Potential Failure to Pay that is the subject of the Potential Failure to Pay Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective .]

**["Potential Obligation Acceleration"** means that one or more Obligations in an aggregate amount not less than the Default Requirement may be declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described), other than a failure to make any required payment by the Reference Entity under one or more Obligations.]

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.]

**"Potential Repudiation/Moratorium Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Potential Repudiation/Moratorium has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and of the Publicly Available Information on a Potential Repudiation/Moratorium confirming the occurrence of a Potential Repudiation/Moratorium within the Observation Period. The Potential Repudiation/Moratorium that is the subject of the Potential Repudiation/Moratorium Notice need not be continuing on the date the Potential Repudiation/Moratorium Notice is effective.

**"Publicly Available Credit Event Information"** means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

**[[In case the Credit Event Failure to Pay applies for the purposes of the definition "Credit Event", insert:] "Publicly Available Information on a Potential Failure to**

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**Pay**" means information that reasonably confirms any of the facts relevant to the determination that the event described in a Potential Failure to Pay Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA,
- (ii) has been published in at least two Public Sources.]

**"Publicly Available Information on a Potential Repudiation/Moratorium"** means information that reasonably confirms any of the facts relevant for the determination that the Credit Event described in a Potential Repudiation/Moratorium Notice has occurred and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA;
- (ii) has been published in at least two Public Sources.

**"Publicly Available Successor Information"** means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA, otherwise published and
- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, [www.insolvenzbekanntmachungen.de](http://www.insolvenzbekanntmachungen.de), Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for

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amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;
  - (3) by operation of law; or
  - (4) due to the existence of a fixed cap;

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.



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**"Reduced Nominal Amount"** means the amount to be calculated according to the following formula:

$$\text{Reduced Nominal Amount} = \text{Nominal Amount} - \text{Aggregate Reduction Amount}$$

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting Bonds [or Loans] of the Reference Entity and which are outstanding immediately prior to the effective date of the Succession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which are Bonds [or Loans] that are issued, incurred, redeemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (i) an authorized officer of the Reference Entity or a Governmental Authority
  - (1) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (2) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay (without regard to the Payment Requirement), or a Restructuring (determined without regard to the Default Requirement) with respect to any such Obligation.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

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*Credit Event Redemption Amount= Weighted Amount of the Reference Entity in relation of which the requirements for the entry of a Credit Event are met x Final Price [- Swap Unwind Amount]*

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or
- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the "**Standard Recovery Valuation Date**"), or
- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or
- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

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**["Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

- (x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or
- (y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition

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of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.]

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

- (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (the latter including any protocol, treaty, convention, accord, concord, entente, pact or other agreements) or
- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective

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date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Succession Event"** means an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor;
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;

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- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, the entity Succeeding to the biggest portion of Obligations of the Reference Entity will be the Successor);

In respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

**"Successor Notice"** means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the occurrence of a Succession Event and a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (ii) the Successor;
- (iii) the facts relevant for the determination that a Successor Event has occurred; and
- (iv) the Publicly Available Successor Information.

**"Steps Plan"** means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

**["Swap Unwind Amount"** means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular currency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

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"**Transaction Type**" means in relation to the relevant Reference Entity the Transaction Type as specified in the table in § 17 of the Product Data under the definition "Reference Entity" in the column "Transaction Type".<sup>19</sup>

"**Underlying Obligation**" means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee.

"**Underlying Obligor**" means

any individual or entity other than the Reference Entity who has entered into an Underlying Obligation.

"**Valuation Obligation**" means

(i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity in respect of which a Credit Event Notice has been given that on the Recovery Valuation Date meets the following criteria:

(1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;

[(2) an Obligation, that **[insert applicable additional criteria]**];

[(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date] and

[(4)] [an Obligation which with respect to the Reference Obligation is not subordinated]

[(5)] in case of a Restructuring an Obligation that did not arise on or after the Restructuring.

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation; or

(ii) at the choice of the Issuer in the event of a Restructuring (even if the Credit Event Notice designates another previously occurring Credit Event)

(1) an Obligation published as so-called Package Observable Bond on the website [●] [<http://www.isda.org/credit> (or a page which replaces it)] (or any successor website thereto) immediately prior to the occurrence of the Credit Event, or

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<sup>19</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: Western European Sovereign or Latin American Sovereign.

- (2) such equity, amounts of cash, securities, fees (including any "early bird" or other consent fee) rights and/or other assets (each an "Asset Package") in the proportion received or obtained by a relevant creditor by way of exchange as conversion of an Obligation pursuant to Section (ii)(1) (which may include said Obligation). If the relevant holder is offered a choice of assets or a choice of combinations of assets, the largest Asset Package with respect to the amount of principal or, if the respective asset is not expressed as an amount of principal, the largest Asset Package with respect to its value, shall be selected. If nothing is offered to the relevant creditor and the relevant creditor receives nothing, the value of the Asset Package shall be zero.

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

**"Weighting"** means, in respect of the relevant Reference Entity, the Weighting specified in the table und the definition "Reference Entity" in the column "Weighting", or, in case of the existence of a Successor, the portion of such Successor specified in the Successor Notice; such portion shall (i), in case of one Successor, equal the Weighting of the replaced Reference Entity and (ii), in case of several Successors, equal the Weighting of the replaced Reference Entity divided by the number of Successors.

**"Weighted Amount"** means with respect to the relevant Reference Entity the product of the Nominal Amount and the Weighting of the Reference Entity.

## **§ 8 Principal Paying Agent, Paying Agent**

### **(1) *Paying Agents.***

The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

### **(2) *Transfer of functions.***

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.



(3) ***Agents of the Issuer.***

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

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

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

**§ 10 Status**

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

**§ 11 Substitution of the Issuer**

(1) ***Requirements for a Substitution.***

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

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

- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) **Notices.**

Any such substitution shall be notified in accordance with § 12.

(3) **References.**

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

**§ 12 Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

**§ 13 Issuance for 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 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 § 12. 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 be-

coming effective pursuant to § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) ***Applicable Law.***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) ***Place of Performance.***

Place of performance is Munich.

(3) ***Place of Jurisdiction.***

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

Interest Payment Date	Interest Rate
[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]	[[●%]

**ISIN: [Insert]**

**Issue Date: [Insert]**

**[Issuing Agent: [Insert name and address of the Issuing Agent]]**

**[Maximum Interest Rate: [Insert]]**

**[Minimum Interest Rate: [Insert]]**

**Nominal Amount: [Insert][not applicable]**

**[Premium: [Insert]]<sup>7</sup>**

**Reference Entity:**

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"Reference Entity"	"Transaction Type" in relation to the relevant Reference Entity	"Weighting" of the Reference Entity in per cent.
● <sup>20</sup>	● [Sovereign][Emerging European or Middle Eastern Sovereign] <sup>21</sup>	● <sup>22</sup>

**Reference Obligation: [Insert]**

**[Reference Rate<sub>1</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate<sub>2</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate Currency: [Insert]]**

**[Reference Rate Financial Centre: [Insert]]**

**[Reference Rate-Maturity<sub>1</sub>: [Insert]]**

**[Reference Rate-Maturity<sub>2</sub>: [Insert]]**

**[Reference Rate Time: [Insert]]**

**[Registered Benchmark Administrator<sub>1</sub>: [Insert]]**

**[Registered Benchmark Administrator<sub>2</sub>: [Insert]]**

**Scheduled Maturity Date: [Insert]**

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

**Series Number: [Insert]**

**Specified Currency: [Insert]**

**Tranche Number: [Insert]**

**[Transaction Type: [Insert]]**

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

**Website for Notices: [Insert]**

**WKN: [Insert]**

<sup>20</sup> this option can be used multiple times.

<sup>21</sup> this option can be used multiple times.

<sup>22</sup> this option can be used multiple times.

**PRODUCT TYPE 6: Securities that relate to multiple financial institutions as Reference Entities.**

**§ 1 Form, Clearing-System, Global Note, Custody**

(1) ***Form.***

This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as securities in bearer form pursuant to these Conditions with a Nominal Amount in the Specified Currency.

(2) ***Global Note.***

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

(3) ***Custody.***

**[[In the case of Securities, where CBF is specified in the Final Terms as Clearing System, the following applies:]]**

The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

**[[In the case of Securities, where CBL and Euroclear Bank is specified in the Final Terms as Clearing System and classical global note form is applicable, the following applies:]]**

The Global Notes will be issued in classical global note form and will be kept in custody by a common depositary on behalf of both ICSDs.]

**§ 2 Interest**

(1) ***Interest payments if no Credit Event occurs.***

**[[In the case of Act/Act (ICMA), the following applies:]]**

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Product Type 6**

- (a) The Securities bear interest on their Nominal Amount from the Interest Commencement Date to the Interest End Date at the Interest Rate.]

**[[In the case Act/Act (ICMA) does not apply, the following applies:]**

- (a) The Securities bear interest in arrears on their Nominal Amount for [the] [each] Interest Period at the Interest Rate.]

**[[in case of a fixed Interest Rate for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of different Interest Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Interest Rate as specified in § 17 of the Product Data for each Interest Period.]

**[[In case of Floating Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" means the Floating Interest Rate.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Fixed Floating Rates for each Interest Period, the following applies:]**

- (b) "**Interest Rate**" is either the Fixed Interest Rate or the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]



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**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In case of Interest Rate Difference Floating Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" for the respective Interest Period is the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[,] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]]

**[[In case of Interest Rate Difference Fixed Floating Rate for each Interest Period, the following applies:]]**

- (b) "**Interest Rate**" for the respective Interest Period is either equal to the Fixed Interest Rate or to the Floating Interest Rate, as specified for the respective Interest Period in § 17 of the Product Data.

**[[In the case of all Securities with a Maximum Interest Rate, the following applies:]]**

If the Interest Rate determined for an Interest Period is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. [The Maximum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

**[[In the case of all Securities with a Minimum Interest Rate, the following applies:]]**

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If the Interest Rate determined for an Interest Period is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate. [The Minimum Interest Rate does not apply to Interest Periods with a Fixed Interest Rate.]]

- (c) The respective "**Interest Amount**" is the product of the Interest Rate, the Nominal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Specified Currency on the relevant Interest Payment Date in accordance with the provisions of § 4 of the Special Conditions.]

**[[In the case that Act/Act (ICMA) does not apply, the following applies:]**

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

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000, the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

**[[In the case of "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method), the following applies:]**

the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Payment Date is the last day of the month of February, in which case the month of February shall not to be considered to be lengthened to a 30-day month).]

**[[In the case of "30E/360" or "Eurobond Basis" in accordance with ISDA 2006, the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would 31, in which case D<sub>1</sub> will be 30; and

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"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number is 31, in which case D<sub>2</sub> would be 30.]

**[[In the case of "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method), the following applies:]**

the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Payment Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be equal to 30.]

**[[In the case of "Act/360", the following applies:]**

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

**[[In the case of "Act/365" (Fixed), the following applies:]**

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

**[[In the case of "Act/Act (ISDA)", the following applies:]**

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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 (i) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (ii) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]]

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Day Count Fraction"** for the purposes of determining an Interest Amount in respect of an Accrual Period is Act/Act (ICMA), calculated as follows

[[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].]

(2) ***Reduction of interest payments after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and if the Requirements for the Occurrence of a Credit Event set out in § 4(1) are fulfilled, the Securities

**[[insert in case of only one Interest Period and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly.]

**[[insert in case of several Interest Periods and no payment of accrued interest:]** will bear interest at the Reduced Nominal Amount from the Interest Payment Date (inclusive) which immediately precedes the date of the Credit Event Notice, or, if no Interest Payment Date has occurred yet, from the Issue Date, and the Interest Amount will be calculated accordingly.]

**[[In the case of a payment of accrued interest, insert:]** will, from the Credit Event Effective Date (inclusive), bear interest at the Reduced Nominal Amount and the Interest Amount will be calculated accordingly. Payment of any outstanding Interest Amount in

respect to the Weighted Amount of the Reference Entity up to the day (inclusive) of the Credit Event Notice will be made on the Settlement Date. The payment of such Interest Amount may occur after the Scheduled Maturity Date.]

(3) ***Deferred payment of an Interest Amount.***

**[[Insert in case of only one Interest Period:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay the Interest Amount after the Interest Payment Date, but no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.]

**[[Insert in case of several Interest Periods:]** If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 4(2) are fulfilled, the Issuer shall be permitted to pay [each] [the] Interest Amount, which is due on an Interest Payment Date, after such Interest Payment Date, but no later than on the Deferred Interest Payment Date or, to the extent the final Interest Period is also affected, no later than on the Deferred Redemption Date. The Issuer is not obliged to make additional payments due to a deferred payment of an Interest Amount. The Issuer will notify the Security Holder of the deferred Payment Date no later than on the Deferred Interest Payment Date or the Deferred Redemption Date (as applicable) pursuant to § 12.]

**[[In the case of Securities with Reference Rates, the following applies:]**

(4) ***Replacement Reference Rate***

If, during the term of the Securities, the [relevant] Reference Rate is not provided or shall no longer be used anymore or the [relevant] Reference Rate changes significantly, [the] [such] Reference Rate shall be replaced by the Issuer by a reference rate that is economically appropriate. The Issuer takes into account the market practices observed at that time. In particular, it takes into account the extent to which an alternative reference rate is available. The Issuer determines the Replacement Reference Rate in its reasonable discretion (§ 315 BGB). The application of §§ 313, 314 BGB remains reserved.]

**§ 3 Redemption**

(1) ***Redemption on the Scheduled Maturity Date at the Nominal Amount if no Credit Event occurs.***

Subject to a redemption pursuant to § 6 and subject to the provisions in paragraphs (2) and (3) below, the Securities will be redeemed on the Scheduled Maturity Date at their Nominal Amount.

(2) ***Redemption after the occurrence of a Credit Event.***

If the Issuer becomes aware of a Credit Event in respect to one or several Reference Entities based on Publicly Available Credit Event Information and the Requirements for the Occurrence of a Credit Event set out in § 5(1) are fulfilled, the Issuer's obligation to redeem the Securities at their Nominal Amount shall be discharged in full. Instead, the Issuer shall be obliged to redeem

- (i) subject to paragraph (3), the Reduced Nominal Amount on the Scheduled Maturity Date; and
- (ii) each Credit Event Redemption Amount on the Settlement Date

The redemption at the Credit Event Redemption Amount following the occurrence of a Credit Event may occur after the Scheduled Maturity Date.

(3) ***Partially deferred redemption.***

If in respect to one or several Reference Entities the Requirements for a Payment Deferral set out in § 5(2) are fulfilled, the Issuer may redeem the Securities after the Scheduled Maturity Date, nevertheless the Issuer shall redeem the Securities no later than on the Deferred Redemption Date. The Issuer shall not be obliged to make additional payments due to a deferred redemption. The Issuer shall notify the Security Holder of the Deferred Payment Date no later than on the Deferred Redemption Date pursuant to § 12.

**§ 4 Payments**

(1) ***Rounding.***

**[[In the case of all Securities where the amounts payable are determined in Euro, the following applies:]]**

The amounts payable under these Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

**[[In the case of all Securities where the amounts payable are determined in a currency other than Euro, the following applies:]]**

The amounts payable under these 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) ***Banking Day Convention.***

**[[In the case of all Securities to which the Following Banking Day Convention is applicable, the following applies:]]**

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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.]

**[[In the case of all Securities to which the Modified Following Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Preceding Banking Day Convention is applicable, the following applies:]**

If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, then the Security Holders shall be entitled to payment on the immediately preceding Banking Day.]

**[[In the case of all Securities to which the Floating Rate Banking Day Convention is applicable, the following applies:]**

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, unless that day would fall into the next calendar month; in that case (i) the Payment Date is moved forward to the immediately preceding Banking Day and (ii) each subsequent Interest Payment Date is the respective last Banking Day of the month that occurs [*Insert period*] after the preceding applicable Interest Payment Date.]

**[[In the case of all Securities for which the Interest Amount is adjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

**[[In the case of all Securities for which the Interest Amount is unadjusted, the following applies:]**

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

(3) ***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 depository banks and to be 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 a payment.

(4) ***Interest of default.***

If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

**§ 5 Requirements for the Occurrence of a Credit Event and Requirements for a Payment Deferral**

(1) ***Requirements for the Occurrence of a Credit Event.***

The "**Requirements for the Occurrence of a Credit Event**" shall be fulfilled in respect to one Reference Entity in the following [two] cases:

- (i) a Credit Event occurs within the Observation Period and a Credit Event Notice in relation to this Credit Event is published within the Observation Period, or
- (ii) a Credit Event occurs within the Observation Period and a Credit Event Notice is made within one year of the Credit Event Resolution Request Date in relation to the requested Credit Event (whilst such a Credit Event Notice can also be given after the Final Determination Date).

(2) ***Requirements for a Payment Deferral.***

The "**Requirements for a Payment Deferral**" are fulfilled in respect to one Reference Entity if

- (i) within the Observation Period a Credit Event Resolution Request Date has occurred; and
- (ii) within a year after the Credit Event Resolution Request Date no Credit Event Notice has been given in relation to the requested Credit Event.

The Issuer notifies the Security Holder of the fulfilment of the Requirements for a Payment Deferral pursuant to § 12. The Security Holder does not have the right to declare his/her Note due and payable for the reason of such a payment deferral.

**§ 6 Extraordinary termination by the Issuer upon the occurrence of a Call Event**

- (1) Upon the occurrence of a Call Event, the Issuer may terminate the Securities by giving notice pursuant to § 12. In this case, the Securities shall be redeemed at the Cancellation Amount on the Call Date.
- (2) **"Call Event"** means each of the following events:
  - (i) a Successor does not match the Transaction Type of the original Reference Entity, because the Successor (other than the original Reference Entity) is [not a financial institution with its statutory seat in •] or not a financial institution with its statutory seat in •]; or
  - (ii) an Additional Call Event.

**§ 7 Definitions**

- (1) **General Definitions (without credit-linkage).**

**"Accrual Period"** means each period for which an Interest Amount is to be calculated.]

**[[In case of Securities with an Additional Call Event, the following applies:]**

**"Additional Call Event"** means [a Reference Rate Call Event] [a Change in Law] [,] [or] [a Hedging Disruption] [or] [Increased Costs of Hedging.]

**"Banking Day"** means each day (other than a Saturday or Sunday), on which the Clearing System is open for business and which is a TARGET-Banking Day [and][on which commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 17 of the Product Data.]

**"Call Date"** is the date specified by the Issuer in a call notice according to § 12, at the latest the 10th Banking Day following the publication of the notice.

**"Cancellation Amount"** means the fair market value of the Securities, as determined by the Issuer in its reasonable discretion (§ 315 BGB), plus any interest accrued up to, and excluding, the date for redemption and calculated in accordance with § 2. The Issuer shall arrange for the Cancellation Amount to be notified to the Security Holder pursuant to § 12.

**[[In case a Change of Law constitutes an Additional Call Event, the following applies:] "Change in Law"** means that due to

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- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the Issue Date of the Securities,

- [(a)] the holding, acquisition or sale 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)]

The Issuer determines in its reasonable discretion (§ 315 BGB), whether this is the case.]

**[[In case of Securities having CBF as Clearing System, the following applies:]**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

**[[In case of Securities having 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**").]

**"Conditions"** means the provisions of the terms and conditions applicable to the Securities.

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2(1)(d).

**"Deferred Interest Payment Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after

**[[In case the Credit Event Repudiation/Moratorium does not apply for the purposes of the definition "Credit Event", insert:]** a Credit Event Resolution Request Date.]

**[[In case the Credit Event Repudiation/Moratorium applies for the purposes of the definition "Credit Event", insert:]** the later of the following dates:

- (i) a Credit Event Resolution Request Date; or
- (ii) a Potential Repudiation/Moratorium Notice.]

**"Deferred Redemption Date"** means subject to the banking day convention according to these Conditions the day which is one year and five Banking Days after a Credit Event Resolution Request Date.

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**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Discount"** means the Discount as specified § 17 of the Product Data.]

**["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.]

**["Factor<sub>1</sub>]"** means the Factor<sub>1</sub> as specified in § 17 of the Product Data.]

**["Factor<sub>2</sub>"** means the Factor<sub>2</sub> as specified in § 17 of the Product Data.]]

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 17 of the Product Data.

**[[In the case of Securities with a Reference Rate, insert the following (if applicable):]**

**["Fixed Interest Rate"** means with respect to the relevant Interest Period the [respective] Fixed Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means [with respect to [each] [the relevant] Interest Period] the [respective] Floating Interest Rate as specified in § 17 of the Product Data.]

**["Floating Interest Rate"** means the Reference Rate [multiplied by the Factor] [and] [plus the Premium] [minus the Discount].]

**["Floating Interest Rate"** means the difference between the Reference Rate<sub>1</sub> [multiplied by Factor<sub>1</sub>] and the Reference Rate<sub>2</sub> [multiplied by Factor<sub>2</sub>], as displayed on the Screen Page on the relevant Interest Determination Date[, ] [multiplied by the Factor] [[plus] [minus] the [Premium] [Discount]] (expressed as a formula, this means: Interest Rate = [(Reference Rate<sub>1</sub> [x Factor<sub>1</sub>] – Reference Rate<sub>2</sub> D] [x Factor<sub>2</sub>] [+ ] [-] [Premium] [Discount]).)]

**[[In case a Hedging Disruption constitutes an Additional Call Event, the following applies:] "Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Issue Date. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Security Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which in each case is transferable in accordance with the rules of the relevant Clearing System and applicable law.

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**[[In case Increased Costs of Hedging constitutes an Additional Call Event, the following applies:]** "Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities; or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets,

whereas cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging. Whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Interest Amount"** means the product of

- (i) Interest;
- (ii) Rate; and
- (iii) the Nominal Amount (if the Interest Amount is calculated by reference to the Nominal Amount) or Reduced Nominal Amount (if the Interest Amount is calculated by reference to the Reduced Nominal Amount) or Weighted Amount (if the Interest Amount is calculated by reference to the Weighted Amount).

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 17 of the Product Data.

**"Interest End Date"** means, subject to § 2(2), the Interest End Date as specified in § 17 of the Product Data.

**[[In the case of Act/Act (ICMA), the following applies:]**

**"Interest Payment Date"** is [*Insert day and month*] in each year.]

**[[In case of interest payments on the Scheduled Maturity Date the following applies:]**

**"Interest Payment Date"** means the Interest Payment Date as specified in § 17 of the Product Data.]

**[[In case of Securities with several interest payments the following applies:]**

**"Interest Payment Date"** means each Interest Payment Date as specified in § 17 of the Product Data. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.]

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**[[In case Interest Payment Dates are determined based on specified periods the following applies:]]**

**["Interest Payment Date"** means the First Interest Payment Date and each date that follows [*Insert number of months*] month[s] after the First Interest Payment Date or the preceding Interest Payment Date in each case. Interest Payment Dates are subject to postponements in accordance with the banking day convention pursuant to these Conditions.

**[[In the case of Act/Act (ICMA), the following applies:]]**

**"Interest Period"** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.]

**[[In case Act/Act (ICMA) does not apply, the following applies:]]**

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

**"Interest Rate"** means the Interest Rate as specified in § 17 of the Product Data.

**[[In case of an Issuing Agent, the following applies:]]** **["Issuing Agent"** means the Issuing Agent as specified in § 17 of the Product Data.]

**"Issue Date"** means the Issue Date as specified in § 17 of the Product Data.

**"Nominal Amount"** means the Nominal Amount as specified in § 17 of the Product Data.

**"Payment Date"** means the Payment Date as defined in § 4 (2).

**[[In the case of all Securities with a Reference Rate, the following applies:]]**

**["Reference Banks"** means [[four] [*Insert other number*] major banks in the [Eurozone] [London] [*Insert other interbank market*] interbank market specified by the Issuer in its reasonable discretion (§ 315 BGB)] [[five] [*Insert other number*] leading swap traders in the interbank market] [*Insert other definition for Reference Banks, if applicable*].]

**[[In the case of all Securities with a EURIBOR as Reference Rate, the following applies:]]**

**["Reference Rate][EURIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in euros for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][*insert other time*] 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, the Issuer will ask each of the Reference Banks in the Eurozone to quote the rate at

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which they are offering deposits in euros for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately [11:00 a.m.][insert other time] Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer 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 or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in euros for the relevant Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] Brussels time on that Interest Determination Date.]

**[[In the case of all Securities with a LIBOR as Reference Rate, the following applies:]**

**"[Reference Rate][LIBOR]"** means the offered rate (expressed as a percentage per annum) for deposits in the Reference Rate Currency for the corresponding Reference Rate-Maturity displayed on the Screen Page at [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer 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 Rate Currency for the corresponding Reference Rate-Maturity in a representative amount to leading banks in the London interbank market at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Issuer with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no or only one Reference Bank provides the Issuer 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 Issuer in its reasonable discretion (§ 315 BGB) are offering loans in the Reference Asset Currency for the corresponding Reference Rate-Maturity in a representative amount to leading European banks at approximately [11:00 a.m.][insert other time] [London] **[Insert other Reference Rate Financial Centre]** local time on that Interest Determination Date.]

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[If either the Screen Page is not available or no offered rate is displayed at the time specified, the Issuer will ask each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Rate currency for the corresponding Interest Period in a representative amount to leading banks in the **[In the case of EURIBOR as Reference Rate: Eurozone interbank market] [In the case of LIBOR as Reference Rate: London interbank market]** at approximately [11:00 a.m.][insert other time] **[In the case of EURIBOR as Reference Rate: Brussels] [In the case of LIBOR as Reference Rate: London]** time on the relevant Interest Determination Date.]

**"Reference Rate<sub>1</sub>"** means the Reference Rate<sub>1</sub> as specified in § 17 of the Product Data and further described in § 2 (3) of the Special Conditions.

**"Reference Rate<sub>2</sub>"** means the Reference Rate<sub>2</sub> as specified in § 17 of the Product Data.]

**"Reference Rate Call Event"** means the following event: no suitable Replacement Reference Rate (as specified in § 2(4)) is available; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Reference Rate Currency"** means the Reference Rate Currency as specified in § 17 of the Product Data.]

**"Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 17 of the Product Data.]

**"Reference Rate-Maturity<sub>1</sub>"** means the Reference Rate-Maturity<sub>1</sub> as specified in § 17 of the Product Data.]

**"Reference Rate-Maturity<sub>2</sub>"** means the Reference Rate-Maturity<sub>2</sub> as specified in § 17 of the Product Data.]

**"Reference Rate Time"** means the Reference Rate Time as specified in § 17 of the Product Data.]

**"Registered Benchmark Administrator<sub>1</sub>"** means the Registered Benchmark Administrator<sub>1</sub> as specified in § 17 of the Product Data.]

**"Registered Benchmark Administrator<sub>2</sub>"** means the Registered Benchmark Administrator<sub>2</sub> as specified in § 17 of the Product Data.]]

**"Scheduled Maturity Date"** means the date specified in § 17 of the Product Date subject to the banking day convention according to these Conditions.

**[[In the case of Securities with a Reference Rate, insert the following:]**

**"Screen Page"** means the Screen Page and, if applicable, the relevant heading as indicated in § 17 of the Product Data. If that page is replaced or if the relevant service is no longer



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available, the Issuer in its reasonable discretion (§ 315 BGB) shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 12.]

**"Specified Currency"** means the Specified Currency as specified in § 17 of the Product Data.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in EUR.

**"Website of the Issuer"** means the Website of the Issuer as specified in § 17 of the Product Data.

**"Website for Notices"** means the Website for Notices as specified in § 17 of the Product Data.

(2) ***Exercise of discretion and specific Definitions (with credit-linkage).***

(a) ***Exercise of discretion.***

The definitions pursuant to paragraph (b) in connection with a Credit Event are based on the ISDA Terms. However, the definitions include a series of simplifications and deviations.

When using its reasonable discretion (*billiges Ermessen*, § 315 BGB), the Issuer will take into account all relevant ISDA Statements or decisions of an ISDA Determination Committee. If any such ISDA Statements or decisions of an ISDA Determination Committee – as a consequence of any deviations of the definitions in paragraph (b) or for further reasons – would be detrimental to the economic substance of the Securities, any such statement or decision shall be replaced by finding a more adequate solution reflecting the commercial substance of the Securities. The Issuer will determine the economic substance of the Securities in its reasonable discretion (§ 315 BGB).

(b) ***Definitions in connection with the Reference Entity and with the credit-linkage***

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person.

**"Aggregate Reduction Amount"** means as of the relevant time pursuant to § 2(2) or § 3(2), the sum of all Weighted Amounts of all Reference Entities that have been subject to a Credit Event.

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**"Bankruptcy"** means any of the following events:

- (i) the Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) the Reference Entity becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) the Reference Entity makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) means the Reference Entity institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition
  - (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or
  - (2) is not dismissed, discharged, stayed or restrained in each case within [30] [●] calendar days of the institution or presentation thereof;
- (v) the Reference Entity has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) the Reference Entity seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) the Reference Entity has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within [30] [●] calendar days thereafter; or
- (viii) the Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an economic analogous effect to any of the events specified in clauses (i) to (vii).

**"Bond"** means any obligation of the type of Borrowed Money of the Reference Entity that is in the form of, or represented by, a note or a Schuldschein loan.

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**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Control"** means ownership of a majority of the voting power of an entity or person.

**"Controlling"** shall be construed accordingly.

**"Credit Event"** means any of the following events, provided that any definition of these events applies to each Reference Entity separately:

- (i) Bankruptcy;
- (ii) Failure to Pay;
- (iii) Restructuring ; and
- (iv) Governmental Intervention.

The following aspects or defences shall not be taken into account when determining the occurrence of a Credit Event:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation;
- (iii) the application or interpretation of any law, any decision, regulation, decree or notice, or announcement by a competent court, a competent regulatory authority, central bank, federal, regional or local authority; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Effective Date"** means [the earlier of the following:

- (i) the day immediately preceding the Credit Event Resolution Request Date (if applicable); or
- (ii) the day immediately preceding the day of the Credit Event Notice.] [the day immediately preceding the Credit Event Resolution Request Date] [the day immediately preceding the Credit Event Notice].

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**"Credit Event Notice"** means an irrevocable notice from the Issuer to the Security Holder in accordance with § 12, specifying that a Credit Event has occurred as well as the date of the occurrence and which contains a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. Each Credit Event that is subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Nominal Amount x Final Price [- Swap Unwind Amount].*

**"Credit Event Resolution Request Date"** means, the date, as publicly announced by ISDA on its website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website) or otherwise by ISDA to be the date

- (i) on which a notice to ISDA requesting that the ISDA Determinations Committee be convened to resolve whether a Credit Event has occurred was effective; and
- (ii) on which information regarding the Credit Event Information was in possession of the relevant ISDA Determinations Committee.

The Issuer notifies the Security Holder of the Credit Event Resolution Request Date pursuant to § 12.

**"Default Requirement"** means [USD 10,000,000] [●] or its equivalent in the relevant Obligation Currency converted in [US-Dollar] [●] as of the occurrence of the relevant Credit Event [determined by reference to the relevant reference source used in foreign exchange swaps for the relevant exchange rate] [●].

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final Price"** means

- (i) if with regard to the Credit Event specified in the Credit Event Notice
  - (1) ISDA Credit Event Information have been published;
  - (2) ISDA announces the holding of an auction before the Standard Recovery Valuation Date (including); and
  - (3) ISDA thereafter holds an auction for the determination of an auction final price and publishes an auction final price respect to that Credit Event within one year following the publication of the Credit Event Notice;  
  
the auction final price published on the website [●] [[www.isda.org/credit](http://www.isda.org/credit) under the internet link "auction results" (or any successor website or successor internet link thereto)] or otherwise published. If in case of a Restructuring ISDA publishes several auction final prices, the lowest of these prices (*cheapest to deliver*); or
- (ii) if (i) does not apply, the price of the Valuation Obligation that the Issuer in its reasonable discretion (§ 315 BGB) will obtain by selling the Valuation Obligation on the relevant Recovery Valuation Date.

The Issuer shall notify the Security Holders of the Final Price (expressed as a percentage) and, if applicable pursuant to these Conditions, of the Valuation Obligation used to determine the Final Price not later than on the 5th Banking Day following the publication by ISDA and in case of (ii) no later than on the 5th Banking Day following the Recovery Valuation Date.

**"Final Determination Date"** means the Final Determination Date as specified in § 17 of the Product Data.

**"Governmental Authority"** means any (i) de facto or de jure government (or any agency, instrumentality, ministry or department thereof), (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body, (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its Obligations; or (iv) any other authority which is analogous to any of the entities specified in (i) to (iii).

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

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- (i) any event which would affect creditors' rights so as to cause:
  - (w) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (x) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (y) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (z) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events (1) to (3).

In the case of a Qualifying Guarantee and a Underlying Obligation, references in the definition of Governmental Intervention to the Reference Entity are in principle to be construed as references to the Underlying Obligation.

**"Grace Period"** means

- (i) subject to (ii), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation,

provided that such deemed Grace Period shall expire no later than the relevant Interest Payment Date or the Final Determination Date.]

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is Euro, a TARGET Banking Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

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"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor organisation). ISDA is a private trade organisation which represents its members - large institutions world-wide which trade with derivative financial products linked to specific underlyings, as well as numerous private and state-owned companies - in the derivatives market, and develops and publishes the ISDA Terms.

"**ISDA Credit Event Information**" means a resolution by ISDA stating the occurrence of a Credit Event and published on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto).

"**ISDA Determination Committee**" means a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments.

"**ISDA Statements**" means any statements and protocols agreed between ISDA and market participants.

"**ISDA Terms**" means the 2014 ISDA Credit Derivatives Definitions in their respectively most current version which are prepared in the English language.

["**Loan**" means any obligation of the Reference Entity of the type of Borrowed Money in the form of a loan.]

"**Obligation**" means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) in the form of [Borrowed Money] [Bonds or Loans] [Bonds], provided that subordinated obligations shall not be taken into account for the purposes of determining the occurrence of a Restructuring or Governmental Intervention.

"**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.

"**Observation Period**" means the period from, and including, the Issue Date to, and including, the Final Determination Date.

"**Publicly Available Credit Event Information**" means information confirming the facts relevant for the determination that the Credit Event described in a Credit Event Notice has occurred and which

- (i) has been published in ISDA Credit Event Information or if no ISDA Credit Event Information were published prior to the publication of the Credit Event Notice,
- (ii) has been published in at least two Public Sources.

"**Publicly Available Successor Information**" means information that reasonably confirms any of the facts relevant for the determination of the Successor described in a Successor Notice by the Issuer and which

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- (i) has been published by ISDA on the website <http://dc.isda.org/credit-default-swaps-management/> (or any successor website thereto) or, as long as no publication was made by ISDA, otherwise published and
- (ii) are available without violating any law or agreement regarding the confidentiality of such information.

**"Public Source"** means each of the following sources (irrespective of whether the source of information is subject to a charge or not): Börsen-Zeitung, Bundesanzeiger, Handelsblatt, Frankfurter Allgemeine Zeitung, [www.insolvenzbekanntmachungen.de](http://www.insolvenzbekanntmachungen.de), Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review und Debtwire (and successor publications), ISDA's website <http://dc.isda.org/> (or any successor website thereto), the website of the Reference Entity or the competent supervisory authority for the Reference Entity, the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a fixed cap) due under an Underlying Obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Qualifying Guarantees shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than
  - (1) by payment;
  - (2) by way of transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;
  - (3) by operation of law; or



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- (4) due to the existence of a fixed cap;
- (5) due to provisions permitting or anticipating a Governmental Intervention.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (y) if a guarantee contains a fixed cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Reduced Nominal Amount"** means the amount to be calculated according to the following formula:

$$\text{Reduced Nominal Amount} = \text{Nominal Amount} - \text{Aggregate Reduction Amount}$$

**"Reference Entity"** means the Reference Entity as specified in § 17 of the Product Data or its Successor(s), as applicable.

**"Reference Obligation"** means the Reference Obligation of the relevant Reference Entity, as specified in § 17 of the Product Data.

**"Relevant Obligations"** means the Obligations constituting non-subordinated Bonds or Loans of the Reference Entity and which are outstanding immediately prior to the effective date of the Succession (or, if there is a Steps Plan, immediately prior to the legally effective date of the first Succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Issuer shall, for purposes of the determination of a Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which are Bonds or Loans that are issued, incurred, re-

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deemed, repurchased or cancelled from, and including the legally effective date of the first Succession to, and including, the Succession Date.

The Issuer shall determine the Relevant Obligation in its reasonable discretion (§ 315 BGB) and give notice to the Security Holders pursuant to § 12.

**"Credit Event Redemption Amount"** means the amount calculated on the basis of the following formula:

*Credit Event Redemption Amount = Weighted Amount of the Reference Entity in relation of which the requirements for the entry of a Credit Event are met x Final Price [- Swap Unwind Amount]*

**"Settlement Date"** means,

- (i) for the purposes of a determination of the Final Price according to clause (i) of the definition Final Price: a day not later than the 5th Banking Day after the publication of the auction final price by ISDA pursuant to clause (i) of the definition "Final Price"; or
- (ii) for the purposes of a determination of the Final Price according to clause (ii) of the definition Final Price: a day not later than the 5th Banking Day after the Recovery Valuation Date.

**"Recovery Valuation Date"** means,

- (i) subject to the provisions below, a day not later than the [10th] Banking Day after the Credit Event Notice (the "**Standard Recovery Valuation Date**"), or
- (ii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice, a day not later than the [10th] Banking Day after the first date of the announcement that no auction will be held, or
- (iii) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published, but ISDA announces on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise that no Auction will be held for the purposes of the Credit Event specified in the relevant Credit Event Notice following a prior public announcement to the contrary, a day not later than the [10th] Banking Day after the first date of the announcement that an auction will be cancelled, or

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- (iv) if until, and including, the Standard Recovery Valuation Date ISDA Credit Event Information have been published but ISDA, within one year after the publication of the Credit Event Notice on the website [●] [<http://dc.isda.org/credit-default-swaps-management/>] (or any successor website thereto)] or otherwise, does not publish an auction final price with regard to the relevant Credit Event, no later than the [1st] Banking Day after the anniversary of the publication of the Credit Event Notice, at the latest.

**["Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either
  - (1) the payment or accrual of interest; or
  - (2) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

The occurrence of, agreement to or announcement of any of the events described in (i) to (v) above shall not constitute a Restructuring:

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(x) if the event occurs due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or

(y) where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from Euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(z) in case of the redenomination from Euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

Notwithstanding the provisions above, the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union shall **not** constitute a Restructuring;

In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (y) shall continue to refer to the Reference Entity.]

**"Succeed"** means, with respect to the Reference Entity and its Relevant Obligations, that a legal person or a party other than the Reference Entity

- (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement or
- (ii) issues Bonds or incurs Loans that are exchanged for Relevant Obligations (or, as applicable, Obligations),

and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Qualifying Guarantee with respect to such Relevant Obligations or exchange Bonds or Loans.

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**"Succession"** means the process of the succession of Relevant Obligations and shall be interpreted in accordance with the definition of "Succeed".

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final Succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to the Conditions would not be affected by any further related Succession in respect of such Steps Plan, or (ii) the occurrence of a Credit Event in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means as of the Succession Date the entity or entities determined by the Issuer according to the following criteria and specified in the Successor Notice, provided that in the case of an exchange offer for Bonds, the determination required pursuant to the definition shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and if there is a Steps Plan, the Issuer shall consider the total amount of all related Successions in respect of such Steps Plan:

- (i) if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each entity that succeeds to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each of those entities and the Reference Entity will each be a Successor;
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Refer-

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ence Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such Succession;

- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, the entity Succeeding to the biggest portion of Obligations of the Reference Entity will be the Successor);
- (vii) if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity will be the sole Successor.

In respect of a Reference Entity in relation to which the Issuer has published a Credit Event Notice prior to the occurrence of a Succession no Successor will be determined. However, a Reference Entity in relation to which the Issuer has published a Credit Event Notice may become Successor of another Reference Entity in relation to which the Issuer did not publish a Credit Event Notice. In this case, a new Credit Event may occur with respect to the Successor.]

**"Successor Notice"** means an irrevocable notice from the Issuer to the Security Holder pursuant to § 12 in a timely manner after the Issuer becomes aware of the Publicly Available Successor Information that describes

- (i) the existence of a Successor or several Successors;
- (ii) the occurrence of a Succession Date within the period beginning on, and including, the Issue Date and ending on, and including, the Final Determination Date;
- (iii) the Weighting of the Successor or Successors;
- (iv) the facts relevant for the determination that a Succession has occurred; and
- (v) the Publicly Available Successor Information.

**"Steps Plan"** means a plan evidenced by Publicly Available Successor Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities in consequence of which one or more

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than one different legal person or entity assumes or becomes liable for such Relevant Obligations.

**["Swap Unwind Amount"** means the amount resulting from unwinding swaps or hedging transactions entered into by the Issuer in connection with the Securities, in particular currency hedging transactions, inflation hedging transactions, interest rate swaps or asset swaps, including transaction costs and any prepayment indemnity incurred in connection with such early redemption.]

**"Transaction Type"** means in relation to the relevant Reference Entity the Transaction Type as specified in the table in § 17 of the Product Data under the definition "Reference Entity" in the column "Transaction Type".<sup>23</sup>

**"Underlying Obligation"** means any Obligation of the Underlying Obligor from [Borrowed Money] [Bonds or Loans] [Bonds] for which the Reference Entity is acting as provider of a Qualifying Guarantee. **"Underlying Obligor"** means

any individual or entity other than the Reference Entity who has entered into an Underlying Obligation

**"Valuation Obligation"** means

- (i) at the choice of the Issuer a [Bond] [or] [Loan] of the Reference Entity in respect of which a Credit Event Notice has been given that on the Recovery Valuation Date meets the following criteria:
  - (1) an Obligation payable in, the lawful currency of [Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro] [●] or any successor currency to any of the aforementioned currencies;
  - [(2) an Obligation, that **[insert applicable additional criteria]**];
  - [(3)] [an Obligation, whose remaining term does not exceed 30 years as of the Recovery Valuation Date]
  - [(4)] an Obligation which with respect to the Reference Obligation is not subordinated; and
  - [(5)] in case of a Restructuring or an Governmental Intervention (even if the Credit Event Notice designates another previously occurring Credit Event) an Obligation that did not arise on or after the date of the Restructuring or the Governmental Intervention.

If more than one or more Obligations meet the aforementioned criteria as of that time, the Obligation having the lowest price will be the relevant Obligation; or

<sup>23</sup> A specific Transaction Type will be assigned to each Reference Entity based on its region of origin. E.g.: European financial institution or Australian financial institution.

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- (ii) at the choice of the Issuer, in the event of a Governmental Intervention, even if the Credit Event Notice designates another previously occurring Credit Event;
  - (1) any obligation of the Reference Entity which (x) existed immediately prior to such Governmental Intervention, (y) was the subject of such Governmental Intervention and (z) fall within the criteria set out in paragraph (i) in each case immediately preceding the date on which the Governmental Intervention was legally effective; or
  - (2) such equity, amounts of cash, securities, fees (including any "early bird" or other consent fee) rights and/or other assets (each an "**Asset Package**") in the proportion received or obtained by a relevant creditor by way of exchange as conversion of an Obligation pursuant to Section (ii)(1) (which may include said Obligation). If the relevant holder is offered a choice of assets or a choice of combinations of assets, the largest Asset Package with respect to the amount of principal or, if the respective asset is not expressed as an amount of principal, the largest Asset Package with respect to its value, shall be selected. If nothing is offered to the relevant creditor and the relevant creditor received nothing, the value of the Asset Package shall be zero.; or
- (iii) at the choice of the Issuer, in the event of the occurrence of a Restructuring, which is not also a Governmental Intervention (even if the Credit Event Notice designates another previously occurring Credit Event),
  - (1) an Obligation published as so-called Package Observable Bond on the website [●] [<http://www.isda.org/credit> (or a page which replaces it)] (or any successor website thereto) immediately prior to the occurrence of the Credit Event, or
  - (2) any Asset Package with regard to the Obligation pursuant to paragraph (ii) (2),

The Issuer will notify the Security Holder of the Valuation Obligation until, and including, the Recovery Valuation Date pursuant to § 12.

**"Weighting"** means, in respect of the relevant Reference Entity, the Weighting specified in the table und the definition "Reference Entity" in the column "Weighting", or, in case of the existence of a Successor, the portion of such Successor specified in the Successor Notice; such portion shall (i), in case of one Successor, equal the Weighting of the replaced Reference Entity and (ii), in case of several Successors, equal the Weighting of the replaced Reference Entity divided by the number of Successors.

**"Weighted Amount"** means with respect to the relevant Reference Entity the product of the Nominal Amount and the Weighting of the Reference Entity.

**§ 8 Principal Paying Agent, Paying Agent**

- (1) *Paying Agents.*



The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other paying agent*]. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 12.

(2) ***Transfer of functions.***

Should any event occur which results in the Principal Paying Agent being unable to continue in its function as Principal Paying Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent. Any such transfer of the functions of the Principal Paying Agent shall be notified by the Issuer without undue delay pursuant to § 12.

(3) ***Agents of the Issuer.***

In connection with the Securities, the Principal Paying Agent and the Paying Agents 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.

**§ 9 Taxes**

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

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

**§ 10 Status**

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

**§ 11 Substitution of the Issuer**

**(1) *Requirements for a Substitution.***

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

- (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
- (b) the Issuer and the New Issuer have obtained all necessary authorizations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,
- (c) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (d) the Issuer guarantees proper payment of the amounts due under these Conditions.

For purposes of this § 11 (1) "**Affiliate**" means an affiliated company (*verbundenen Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

**(2) *Notices.***

Any such substitution shall be notified in accordance with § 12.

**(3) *References.***

In the event of any such substitution, any reference in these Conditions to the Issuer shall 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 be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

**§ 12 Notices**

To the extent these Conditions provide for a notice pursuant to this § 12, 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).

**§ 13 Issuance for 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 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.

**§ 14 Presentation Period**

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

**§ 15 Partial Invalidity, Corrections**

(1) ***Invalidity.***

Should any provision of these 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 Conditions is to be filled with a provision that corresponds to the meaning and intent of these 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 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. Following such rescission by the Issuer, the Security Holder can instruct his depository 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 § 12. 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 § 12 demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his depository 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 (§ 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.

(5) ***Incomplete or inconsistent provisions.***

The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Conditions in its reasonable discretion (§ 315 BGB). Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 12.

(6) ***Adherence to corrected Conditions.***

If the Security Holder was aware of typing or calculation errors or similar errors in these Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

**§ 16 Applicable Law, Place of Performance, Place of Jurisdiction**

(1) ***Applicable Law.***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.

(2) ***Place of Performance.***

Place of performance is Munich.

(3) ***Place of Jurisdiction.***

To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Conditions shall be brought before the court in Munich.

**§ 17 Product Data**

**[[Insert following Product Data in alphabetical or other order and/or in the form of a table:]]**

The Product Data described in the provisions above is the following:

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

**[Discount: [Insert]]**

**[Distribution Fee: [Insert]]**

**[Expiry Date (*Data di Scadenza*): [Insert]]**

**[Factor<sub>1</sub>: [Insert]]**

**[Factor<sub>2</sub>: [Insert]]**

**[Final Determination Date: [Insert]]**

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

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

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

**[Interest End Date: [Insert]]**

**[Fixed] Interest Rate:**

Interest Payment Date	Interest Rate
[[●] each [insert each Interest Payment Date], commencing on [insert date] and ending on [insert date]]	[●%]

**ISIN: [Insert]**

**Issue Date: [Insert]**

**[Issuing Agent: [Insert name and address of the Issuing Agent]]**

**[Maximum Interest Rate: [Insert]]**

**[Minimum Interest Rate: [Insert]]**

**Nominal Amount: [Insert][not applicable]**

**[Premium: [Insert]]**

**Reference Entity:**

**7. Terms and Conditions  
Product Type 6**

<b>"Reference Entity"</b>	<b>"Transaction Type"</b> in relation to the relevant Reference Entity	<b>"Weighting"</b> of the Reference Entity in per cent.
● <sup>24</sup>	● [financial institution][financial institution with its statutory seat in [●]] <sup>25</sup>	● <sup>26</sup>

**Reference Obligation: [Insert]**

**[Reference Rate<sub>1</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate<sub>2</sub>: [●]-[month][year] [EURIBOR] [[●] LIBOR]]**

**[Reference Rate Currency: [Insert]]**

**[Reference Rate Financial Centre: [Insert]]**

**[Reference Rate-Maturity<sub>1</sub>: [Insert]]**

**[Reference Rate-Maturity<sub>2</sub>: [Insert]]**

**[Reference Rate Time: [Insert]]**

**[Registered Benchmark Administrator<sub>1</sub>: [Insert]]**

**[Registered Benchmark Administrator<sub>2</sub>: [Insert]]**

**Scheduled Maturity Date: [Insert]**

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

**Series Number: [Insert]**

**Specified Currency: [Insert]**

**Tranche Number: [Insert]**

**[Transaction Type: [Insert]]**

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

**Website for Notices: [Insert]**

**WKN: [Insert]**

<sup>24</sup> this option can be used multiple times.

<sup>25</sup> this option can be used multiple times.

<sup>26</sup> this option can be used multiple times.

## 8. DESCRIPTION OF THE ISSUER

### 8.1 General description

The following information regarding the Issuer are hereby incorporated by reference into this Base Prospectus:

- (i) The description of the Issuer included in the Registration Document of UniCredit Bank AG dated 17 April 2018, as supplemented by the Supplement dated 8 November 2018 to the Registration Document of UniCredit Bank AG dated 17 April 2018,
- (ii) the audited consolidated financial statements, comprising the consolidated income statement, the consolidated balance sheet, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement, the notes to the consolidated financial statements and the independent auditors' report of HVB Group as of 31 December 2016, contained in the Annual Report HVB Group 2016,
- (iii) the audited consolidated financial statements, comprising the consolidated income statement, the consolidated balance sheet, statement of changes in consolidated shareholders' equity, the statement of cash flows and the notes to the consolidated financial statements and the auditors' report of HVB Group as of 31 December 2017 contained in the Annual Report HVB Group 2017,
- (iv) the audited unconsolidated financial statements, comprising the income statement of UniCredit Bank AG, the balance sheet of UniCredit Bank AG and the notes to the unconsolidated financial statements, and the auditors' report as of 31 December 2017, contained in the Annual Report UniCredit Bank AG (HVB) 2017, and
- (v) the unaudited Consolidated Results of HVB Group as of 30 June 2018, as set out in the Supplement dated 24 August 2018 to the Base Prospectus dated 23 August 2018 for Interest Securities under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG, Munich, Federal Republic of Germany, comprising the financial highlights, the consolidated income statement, the consolidated balance sheet, the statement of changes in shareholders' equity, the consolidated cash flow statement (abridged version) and the consolidated accounts (selected notes).

A list setting out the information incorporated by reference is provided in Section "3.5 Documents incorporated by reference" on pages 62 et seq.

### 8.2 Significant changes in the Issuer's financial position and trend information

The performance of HVB Group will depend on the future development on the financial markets, and the real economy in 2019 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 30 June 2018, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2017, the date of its last published audited financial statements.



9. FORM OF FINAL TERMS

**FINAL TERMS**

dated [●]

**UniCredit Bank AG**

Issue of Credit Linked Notes

**(the "Notes")**

relating to

[the Reference Entity [●]] [insert name]

under the

**Base Prospectus**

for the Issue of Credit Linked Notes

**under the Euro 7,000,000,000 Credit Linked Notes Programme**

**of UniCredit Bank AG**

**dated 17 January 2019**

*These final terms (the "**Final Terms**") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, at the date of the Base Prospectus (the "**Prospectus Directive**") in connection with the Luxembourg Prospectus Law at the date of the Base Prospectus. In order to get the full information the Final Terms are to be read together with the information contained in the base prospectus of UniCredit Bank AG (the "**Issuer**") for the issuance of Credit Linked Notes dated 17 January 2019 (the "**Base Prospectus**") [and the supplement[s] to the Base Prospectus dated [●] (the "**Supplement[s]**")].*

*The Base Prospectus, any Supplements and these Final Terms are available [at UniCredit Bank AG, Arabellastraße 12, 81295 Munich, Germany] [and] on [www.onemarkets.de/basisprospekte] [●] (for investors in Germany and Luxembourg), [www.onemarkets.pl] [●] (for investors in Poland) and on [www.onemarkets.hr] [●] (for investors in Croatia). The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 12 of the General Conditions.*

## 9. Form of Final Terms

*In addition, the Base Prospectus, any Supplements and the respective Final Terms will be automatically published on the website of the Luxembourg Stock Exchange (www.bourse.lu).*

*[The validity of the above mentioned Base Prospectus dated 17 January 2019, under which the Notes described in these Final Terms are issued, ends on 17 January 2020. From this point in time, these Final Terms are to be read together with the latest base prospectus of UniCredit Bank AG for the issuance of Credit Linked Notes (including the information incorporated by reference in the latest base prospectus from the base prospectus, under which these notes have initially been issued) which follows the Base Prospectus dated 17 January 2019. The latest base prospectus of UniCredit Bank AG for the issuance of Credit Linked Notes will be published on [www.onemarkets.de/basisprospekte](http://www.onemarkets.de/basisprospekte) [and on [●].]<sup>27</sup>]*

**Terms expressed in capital letters and not defined otherwise in these Final Terms shall have the meaning given to them in the applicable Terms and Conditions.**

*[An issue specific summary is annexed to these Final Terms.]*

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<sup>27</sup> Not applicable in case of Notes with a minimum denomination of 100,000 Euro which are not publicly offered.

## 1. INFORMATION ABOUT THE SECURITIES

### **Product Type:**

These Final Terms have been prepared in relation to [the issue] [the public offer] of credit linked notes.

For a detailed description of the Securities refer to Section "6. Description of the Securities" of the Base Prospectus under the heading ["Product Type 1: Features of Securities which refer to a single company as the Reference Entity"] ["Product Type 2: Features of Securities which refer to a single country as the Reference Entity "] ["Product Type 3: Features of Securities which refer to a single financial institution as the Reference Entity "] ["Product Type 4: Features of Securities which refer to multiple companies as the Reference Entities"] ["Product Type 5: Features of Securities which refer to multiple countries as the Reference Entities"] ["Product Type 6: Features of Securities which refer to multiple financial institutions as the Reference Entities"].

### **Information about the Reference [Entity] [Entities]:**

[The Reference Entity is specified in the Terms and Conditions of the Securities.]

[The Reference Entities are specified in the Terms and Conditions of the Securities.]

*[Insert information / source where information on the Reference Entity can be obtained]*

## 2. CONDITIONS AND REQUIREMENTS FOR THE OFFERING OF THE SECURITIES

### Terms and conditions of the offer:

[Day of the first public offer: *[Insert the day of the first public offer]*.]

[The Securities are [initially] offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: *[Insert start date of the subscription period]* to *[Insert end date of the subscription period]*.]

[A public offer will be made in [Croatia][,] [and] [Luxembourg] [,] [and] [Poland].]

[The smallest transferable amount is *[Insert]*.]

[The smallest tradable amount is *[Insert]*.]

[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis up to its maximum issue size. [The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities and therefore on the liquidity of a potential secondary market.]]

[The continuous offer will be made on current ask prices provided by the Issuer.]

[The public offer may be terminated by the Issuer at any time without giving any reason.]

[No public offer occurs.]

[Manner and date in which results of the offer are to be made public: [Not applicable][*[Insert details]*].]

### Potential investors, investor categories:

The Securities will be offered to [private investors][,] [and/or] [qualified investors][,] [and/or] [institutional investors] [by way of [a private placement][a public offering]] [by financial intermediaries].

[The offer will be made simultaneously in the markets of *[Insert number]* countries and *[Insert tranche]* [has been] [is being] reserved for *[Insert relevant market(s)]*.]

### Issue Date:

*[Insert issue date]*

[The issue date for each Securities is specified in § 17 Product Data.]

### Issue Volume:

*[Insert issue volume]*

**Issue Price:**

*[Insert issue price]*

[The issue price per Securities will be determined by the issuer on *[Insert]* on the basis of the product parameters and the current market situation (in particular the price of the Underlying, the implied volatility, interest rates, proceed expectations and lending fees). The issue price and the on-going offer price of the Securities will be published [on the websites of the stock exchanges where the Securities will be traded] [on *[Insert website]* [www.bourse.lu]] after its specification. The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 12 of the Terms and Conditions.]

**Selling Commission:**

[Not applicable] [An upfront fee in the amount of *[Insert]* is included in the Issue Price.] *[Insert details]*

**Other Commissions:**

[Not applicable]*[Insert details]*

**[[Minimum Amount] [or, as applicable,] [Maximum Amount] for the purchase of the Securities**

[The Securities must be purchased in an amount of at least **[•]**] [The Securities may be purchased in an amount of up to **[•]**] [The Securities must be purchased in an amount of at least **[•]**, but up to an amount of **[•]**]

**Payment and Delivery of the Securities:**

*[If the Securities will be delivered against payment, the following applies: Delivery against payment.]*

*[If the Securities will be delivered free of payment, the following applies: Delivery free of payment.]*

*[Insert other method of payment and delivery]*

**Name of and address of intermediaries in secondary trading:**

*[In the case of Securities that are listed with [Insert relevant regulated or other equivalent market(s)]:* The *[Insert name of the Market Maker]* (also the "**Market Maker**") undertakes to provide liquidity through bid and ask quotes in accordance with the market making rules of *[Insert relevant regulated or other equivalent market(s)]*, where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organized and managed by *[Insert relevant regulated or other equivalent market(s)]*, and the relevant instructions to such rules. [Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and ask quotes not higher than **[•]** %.]

## 9. Form of Final Terms

[Not applicable. The issuer has not appointed a Market Maker for the Securities for the purposes of providing liquidity in the Securities.]

### 3. ADMISSION OF THE SECURITIES FOR TRADING

*[If an application of admission to trading of the Securities has been or will be made, the following applies:*

Application [has been][will be] made [to the] [Luxembourg Stock Exchange] *[Insert relevant regulated or other equivalent market(s)]* for the Securities to be listed on the [official list of the Luxembourg Stock Exchange (the "**Official List**") *[Insert relevant regulated or other equivalent market(s)]* [within *[Insert period of time]* from the Issue Date] [with effect from *[Insert expected date]*].

Application [has been][will be] made [to the] [Luxembourg Stock Exchange] *[Insert relevant regulated or other equivalent market(s)]* for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] *[Insert relevant regulated or other equivalent market(s)]* [within *[Insert period of time]* from the Issue Date] [with effect from *[Insert expected date]*].]

*[If the Securities are already admitted to trading, the following applies:*

The Securities are already admitted to trading on the following regulated or other equivalent markets: *[Insert relevant regulated or other equivalent market(s)]*

*[If securities of the same class of the Securities admitted to trading are already admitted to trading on a regulated or equivalent market, the following applies:*

To the knowledge of the Issuer, securities of the same class of the Securities to be offered or admitted to trading are already admitted to trading on the following markets: *[Insert relevant regulated or other equivalent market(s)].*

[Not applicable. No application for the Securities to be admitted to trading on a regulated or equivalent market has been made and no such application is intended.]

[Application to listing [will be] [has been] made as of *[Insert expected date]* on the following markets: *[Insert relevant market(s)].*

[The Securities are already traded on the following markets: *[Insert relevant market(s)].*

**4. CONSENT TO THE USE OF THE BASE PROSPECTUS:**

*[In the case of a general consent, the following applies:*

The Issuer consents to the use of the Base Prospectus by all financial intermediaries (so-called general consent).

Such consent to use the Base Prospectus is given [for the following offer period of the Securities: *[Insert offer period for which the consent is given]*] [during the period of the validity of the Base Prospectus]. General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to [Croatia][,] [and] [Luxembourg] [,] [and] [Poland].]

*[In the case of an individual consent the following applies:*

The Issuer consents to the use of the Base Prospectus by the following financial intermediaries (so-called individual consent):

*[Insert name(s) and address(es)].*

Such consent to use the Base Prospectus is given for the following period: *[Insert period]*.

Individual consent for the subsequent resale or final placement of the Securities by the financial intermediar[y][ies] is given in relation to [Croatia][,] [and] [Luxembourg] [,] [and] [Poland] 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.]

*[In the case of no consent, the following applies:*

Not applicable. No consent is given.]



**5. TERMS AND CONDITIONS OF THE SECURITIES**

The Securities are initially [issued] [offered] [admitted to trading] under the Base Prospectus. Thus, the Terms and Conditions of the Securities set out in Section "7 Terms and Conditions", as completed by selecting the relevant options and will all information specified in placeholders are repeated hereinafter:

*[Insert Terms and Conditions of Product Type 1 will all space holders filled out.]*

*[Insert Terms and Conditions of Product Type 2 will all space holders filled out.]*

*[Insert Terms and Conditions of Product Type 3 will all space holders filled out.]*

*[Insert Terms and Conditions of Product Type 4 will all space holders filled out.]*

*[Insert Terms and Conditions of Product Type 5 will all space holders filled out.]*

*[Insert Terms and Conditions of Product Type 6 will all space holders filled out.]*

**Annex to the Final Terms (Summary)**

*[Insert summary based on the Section "Summary" of the Base Prospectus und completed for the Securities.]*

## 10. SELLING RESTRICTIONS

### 10.1 General

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than the approval of the Base Prospectus by the BaFin and a notification to the countries set forth in the Final Terms under "Terms and conditions of the offer".

Securities under this Base Prospectus may only be offered to private clients in Germany based on the standards for the issue of credit linked notes to private clients ("*Grundsätze für die Emission von "bonitätsabhängigen Schuldverschreibungen" zum Vertrieb an Privatkunden*") recommended by the German Derivatives Association (*Deutscher Derivate Verband, DDV*) and German Banking Industry Committee (*Deutsche Kreditwirtschaft, DK*).

The distribution of this Base Prospectus and the offering of Securities may be subject to statutory restrictions in certain jurisdictions. This may in particular affect the offer, sale, possession and/or distribution of Securities as well as the distribution, publication or possession of the Base Prospectus. Persons having access to the Securities and/or the Base Prospectus are required to obtain information on and comply with such restrictions on their own responsibility.

No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer other than the approval and notification(s) mentioned above.

In particular, the Base Prospectus may not be used for the purpose of an offer or advertisement (i) in a country where the offer or advertisement has not been approved provided that such approval is required and/or (ii) to a person to whom such offer or advertisement may not legally be made.

The Base Prospectus including possible supplements thereto and the Final terms do not constitute an offer or an invitation to purchase Securities to any person and may not be viewed as recommendations by the Issuer to purchase Securities.

### 10.2 European Economic Area

In relation to each member state of the European Economic Area (each a "**Member State**"), the Securities may not be offered to the public in that relevant Member State (the "**Relevant Member State**"), except that an offer of the 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 in the Relevant Member State in accordance with the EU Prospectus Legislation (as defined below) and the conditions of the offer applicable to the offer of the Securities

## 10. Selling Restrictions

set out in the Base Prospectus or in the relevant Final Terms, as the case may be, in the period beginning and ending on the dates specified in such Final Terms, provided that the Issuer has consented in writing to the use of the Base Prospectus for the purpose of such offer;

- (b) at any time if it is addressed solely to qualified investors as defined in the EU Prospectus Legislation (the "**Qualified Investors**");
- (c) at any time if it is addressed to fewer than 150 natural or legal persons (other than Qualified Investors) per Member State, subject to obtaining the prior consent of the Issuer or the relevant person or entity placing or offering the Securities nominated by the Issuer for any such offer; and/or
- (d) at any time in any other circumstances falling within a Prospectus Exemption (as defined below),

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the EU Prospectus Legislation or supplement the Base Prospectus at least one 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 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.

The expression "**EU Prospectus Legislation**" means the Directive 2003/71/EC (and any amendments thereto, including the Directive 2010/73/EU) (the "**Prospectus Directive**"), and includes any relevant implementing measure in the Relevant Member State.

On 20 July 2017 the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") has entered into force and shall in its major parts apply as from 21 July 2019 (the "**Effective Date**"). Therefore, as from the Effective Date, any reference in this paragraph to the Prospectus Directive shall be read as a reference to the Prospectus Regulation, as applicable from time to time.

The expression "**Prospectus Exemptions**" means Article 3 (2) (a) to (d) of the Prospectus Directive or Article 1 (4) of the Prospectus Regulation, as applicable, and includes any additional exemptions and implementation measures applicable in the Relevant Member State.

### 10.3 United States of America

- (a) The Securities have not been and will not be registered under the Securities Act of 1933, as amended ("Securities Act"), and, except as provided in the applicable Final Terms with respect to Securities with a maturity on the issue date of one year or less, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to another exemption from, or in a transaction otherwise not subject to, the registration requirements of the Securities Act.

## 10. Selling Restrictions

- (b) Any person when purchasing the Securities agrees with the Issuer and, if different, the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Terms used above have the meanings given to them by Regulation S.

## 11. TAXES

The following section discusses certain tax issues associated with the purchase, ownership and disposal of the securities. The discussion is limited to certain tax issues in Germany, Croatia, Luxembourg, Poland and the United States of America.

In addition, it is not intended as a comprehensive discussion of all possible tax consequences under those legal systems. It is quite possible that there are other tax considerations that may be relevant when making a decision to invest in the securities. As each Note may be subject to different tax treatment due to the special conditions of the issue in question as indicated in the Final Terms, the following Section also contains only very general information on the possible tax treatment. In particular, the discussion does not take into account special aspects or circumstances that may be relevant to the individual investor. It is based on the tax laws in effect Germany, Croatia, Luxembourg, Poland and the United States of America on the date of this Base Prospectus. These laws are subject to change. Such changes can also be made retroactively.

The taxation of income from the Securities also depends on the concrete Terms and Conditions of the Securities and the individual tax situation of each investor.

The issuer assumes no responsibility for deducting any withholding taxes.

Investors and interested parties are urgently advised to consult their tax advisor with regard to taxation in their particular case.

### 11.1 Financial Transaction Taxes

The European Commission has issued a draft directive (the "**Commission Proposal**") for a common system of financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia decided not to take part in the discussions anymore.

The scope of the Commission Proposal is very broad and the proposal could, insofar as it is introduced, under certain conditions apply to specific security transactions (especially secondary market transactions).

The proposed FTT is subject to negotiations between the Participating Member States with respect to the exact form and the timing. It may therefore be altered prior to any implementation. Additional EU Member States may decide to join while Participating Member States might propose changes or cancel their participations. Besides a possible FTT, France and Italy have already introduced its own financial transaction tax.

Investors are advised to seek professional advice regarding financial transaction taxes.

## 11.2 OECD Common Reporting Standard, EU Mutual Assistance Directive

Based on the "OECD Common Reporting Standard", states which have committed themselves to apply the OECD Common reporting Standards ("**Participating States**"), exchange information with respect to financial accounts held by persons in another Participating State. The same applies to Member States of the European Union. Based on the extended Mutual Assistance Directive 2011/16/EC (amended by Directive 2014/107/EC) Member States exchange information with respect to certain reporting accounts of persons domiciled in another Member State. Investors should obtain information and/or seek advice on further developments.

## 11.3 Germany

### *Taxation of the securities in Germany*

#### *Income tax*

The following section begins with a description of the tax aspects for persons resident in Germany, followed by a description of the tax aspects for persons not resident in Germany.

#### *Persons resident in Germany*

Residents of Germany are required to pay income tax in Germany on their world-wide income (unlimited tax liability). This applies regardless of the source of the income and includes interest from financial claims of any kind (e.g. the securities) and, as a rule, gains on disposal.

Natural persons are subject to income tax and legal entities to corporate income tax. In addition, the solidarity surcharge must be paid and, if applicable, church tax and/or business tax. In case of partnerships, the tax treatment depends on the partners (including any indirect shareholders). This section does not discuss the special aspects of the taxation of partnerships.

A person is deemed to be a resident of Germany if his/her place of residence or habitual abode is located there or, in case of legal entities, its domicile or senior management.

#### *(1) Taxation of securities held as part of personal assets*

The following applies to persons resident in Germany who hold the securities as part of their personal assets:

#### *(a) Income*

The Securities should qualify as other financial claims within the meaning of § 20 (1) No. 7 of the Income Tax Act ("**EStG**"). Accordingly, interest payments on the Securities should qualify as investment income within the meaning of § 20 (1) No. 7 EStG.

Gains or losses on disposal of the Securities should qualify as positive or negative investment income within the meaning of § 20 (2) sentence 1 No. 7 EStG. A gain/loss on disposal is equal to the difference between the acquisition cost and the sale proceeds. In addition, only expenses directly and materially related to the sale transaction can be deducted (§ 20 (4) sentence 1 EStG).

For warrants, the disposal gains/losses should be calculated as the value of the amount of cash or other benefit received less the expenses directly related to the sale, e.g. the purchase costs for the warrants.

For transactions not executed in euros, the acquisition costs and the sale proceeds must be converted into euros based on the exchange rate at the times of the respective transactions.

If the Securities are not sold, but rather redeemed, repaid, assigned or deposited in a corporation as hidden contributions, these events are treated as a disposal (§ 20 (2) sentence 2 EStG).

Pursuant to § 20 (6) EStG losses on disposal can only be set off against other investment income. If there is no other investment income, the losses will be carried forward to future taxation periods.

According to the current opinion of the tax authorities, no disposal of other financial claims – except warrants – is deemed to occur if the sale price does not exceed the actual transaction costs. Consequently, losses from such a transaction are not deductible. The same applies in case of an agreement under which the transaction costs are limited by charging them in the form of a deduction from the sale price of the relevant security.

In the same way, a default of other financial claims – except warrants – will not be treated as a disposal (e.g. in case the Issuer becomes insolvent). The same applies to a debt write-down unless there are hidden contributions in a corporation. As a result, losses from a default or debt write-down of other financial claims – except warrants – are not deductible in the opinion of the tax authorities.

However, the German Federal Fiscal Court (BFH VIII R 13/15 of 24 October 2017) recently decided that a finally suffered bad debt loss is tax deductible. The Federal Fiscal Court did not decide whether this also applies in case of a debt waiver. It remains to be seen whether the new ruling of the German Fiscal Court will be acknowledged by the German Federal Ministry of Finance.

In the view of the Issuer, however, losses from other causes (e.g. due to a decrease in value of an underlying) should be deductible, subject to the above mentioned restrictions on the setting off of losses and subject to the following paragraph. However, investors should note that this opinion of the Issuer cannot be taken as a guarantee that the tax authorities and/or courts will agree.

Moreover, the tax authorities are currently of the opinion that, in case of a barrier certificate with several payment dates before final maturity, the income at those dates represents interest income. This would always be the case unless the Terms and Conditions of the Securities contain clear stipulations on repayment or partial repayments during the term of the certificate and the contractual partners proceed accordingly. If no further payments are made on these certificates at final maturity, then an event comparable to a disposal in the meaning of § 20 (2) EStG is not deemed to exist, which means that any remaining purchase costs would not be tax deductible. Similarly, if no payment is due for a certificate at final maturity because the price of the underlying is outside a range specified in the issue conditions, or if the certificate is terminated prematurely with no further capital payments because the underlying is no longer within the range (e.g. for knock-out certificates), a disposal in the meaning of § 20 (2) EStG is not deemed to exist. Here, too, there-



fore, any remaining purchase costs would not be tax deductible. Although the opinion published by the authorities applies only to such products as knock-out certificates with several pay-out dates, the application of the above principles to other securities cannot be ruled out.

According to court rulings, dated 12 January 2016 of the Federal Tax Court, losses resulting from the expiry of options are tax deductible. The contrary opinion of the tax authorities is no longer applicable. At this time, it is unclear, whether the judgment will also be applicable for the knock-out certificates. Security Holders should carefully observe any further developments.

If the terms and conditions of the Securities stipulate physical delivery of other debt securities at final maturity instead of cash settlement, the Securities could qualify as convertible bonds, exchangeable bonds or similar instruments. That depends on the detailed terms of the terms and conditions of the Securities, e.g. whether the Issuer or the investor can opt for physical settlement. In that case, the physical settlement could be seen as the disposal of the Securities followed by the purchase of the securities received. Depending on the wording of the terms and conditions of the Securities, however, the original purchase costs of the Securities could be treated either as notional disposal proceeds for the Securities or notional purchase costs for the securities received (§ 20 (4a) (3) EStG), so that ultimately no taxable disposal gains should arise at the time of settlement. However, disposal gains arising from the onward sale of the received securities are always taxable.

### *(b) Withholding tax*

Investment income (e.g. interest and disposal gains) is generally subject to a withholding tax when it is paid out.

If a German branch of a German or foreign financial institution or financial services provider or a German securities trading company or German investment bank (referred to as a "**Disbursing Institution**") keeps the securities in custody, pays out the investment income, or credits it to the investor's account, the paying institution deducts the withholding tax (for exceptions see below).

The withholding tax is always calculated on the basis of the gross investment income (as described above, i.e. before deduction of withholding tax). However, if the Disbursing Institution does not know the amount of the purchase costs in case of disposal transactions, for example because the securities were transferred from a foreign securities account, and if the purchase costs are not documented by the taxpayer in the form required by law, the withholding tax is calculated as 30% of the proceeds from the sale or redemption of the securities. When determining the basis for calculation, the Disbursing Institution must deduct any negative investment income not previously taken into account (e.g. disposal losses) and accrued interest from the same calendar year or previous years up to the amount of the positive investment income.

The withholding tax rate is 26.375 % (including the solidarity surcharge, plus church tax if applicable).

If the investor is subject to church tax, it is deducted in addition to the withholding tax unless the investor has submitted an objection to the Federal Central Tax Office on the retrieval of data on religious affiliation (restriction entry). In case of a restriction entry, the investor is obliged to report all investment income in its tax return for church tax purposes.

Withholding tax is not deducted if the investor has submitted an exemption declaration to the Disbursing Institution. However, the Disbursing Institution will refrain from withholding the withholding tax only as long as the investor's total investment income does not exceed the amount indicated in the exemption declaration. At present the maximum exemption is EUR 801 (EUR 1,602 in case of jointly assessed spouses and partners). Similarly, no withholding tax is deducted if the investor provides the Disbursing Institution with a tax exemption certificate from the tax office with jurisdiction over his/her place of residence.

The issuer is not obliged to deduct and transfer withholding tax for payments in connection with the securities, unless the issuer is acting as a Disbursing Institution.

### *(c) Assessment procedure*

In general, the tax treatment of investment income takes the form of withholding tax deductions (see above). If withholding tax is deducted and paid to the competent tax office, the deducted amount will generally cover the payable tax (flat tax on investment income).

If no withholding tax has been deducted, and this is not the result of an exemption declaration or certain other cases, the investor is obliged to declare the investment income concerned in its tax return. The investment income is then taxed on the basis of an assessment procedure. Even if withholding tax has been deducted, investors subject to church tax who have requested a blocking entry with the Federal Central Tax Office must report their investment income in their tax returns for church tax purposes.

The special flat tax rate for investment income (26.375 %, including the solidarity surcharge, and plus church tax if applicable) generally applies in the assessment procedure as well. In certain cases the investor can submit an application requesting the application of the individual income tax rate to the investment income if that treatment is more favourable. However, this application can be submitted only to request such treatment of all investment income within a given assessment period. In case of jointly assessed spouses or partners, only a joint application is permitted.

When determining the investment income, the investment income allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed spouses/partners) will be recognised as tax deductible expense. Actual expenses, if any, cannot be deducted. This also applies if the investment income is subject to the individual income tax rate.

### *(2) Tax treatment of securities held as business assets*

Interest income and disposal gains made with Securities which are held as business assets are subject to taxation in Germany. If the investor is a legal entity, the investment income is subject to corporate tax at a rate of 15 %. If the investor is a natural person, the investment income is subject to an individual income tax at a rate of up to 45 %. The solidarity surcharge also applies. This is equal to 5.5 % of the corporate or income tax. In addition, trade tax may be payable at the rate set by the community in which the business enterprise is located. In case of natural persons, church tax might apply in addition. If applicable, it shall from 2018 onwards be withheld by the Disbursing Institution, However, until 2020 it will not be challenged by the tax authorities if the payment is made within the assessment procedure instead.

If the Final Terms of the Securities stipulate physical delivery of debentures, equities, fund shares or other securities at final maturity instead of cash settlement, such physical delivery would be regarded as the taxable disposal of the Securities and as purchase of the securities delivered. Any disposal gains would be taxable; any disposal losses should be deductible in principle. Expenses which incur in connection with the holding of the Securities should be tax deductible.

The regulations for withholding tax as outlined above for privately held securities are generally applicable. However, investors which hold securities as business assets cannot submit an exemption declaration. Moreover, unlike in case of privately held securities, no withholding tax is deducted in case of capital gains from the disposal, for example if (a) the investor is a corporation, an association of individuals or an estate or (b) the capital gains represent business income of a domestic business operation and the investor submits a declaration to this effect to the Disbursing Institution using the required official form.

In case of securities held as business assets, the deducted withholding tax is treated as an advance payment of income or corporate income tax and is credited or refunded in the assessment procedure.

### ***Persons not resident in Germany***

Persons who are not tax residents in Germany are generally not liable for tax payments in Germany on income from securities.

This does not apply, however, if (i) the securities are part of business assets for which a business operation is maintained in Germany or for which a permanent representative is appointed or if (ii) for other reasons, the income from the securities belongs to domestic income within the meaning of § 49 of the EStG. In both cases, the investor is subject to limited tax liability in Germany for the income from the securities. In general, the information given for persons resident in Germany then applies (see above).

### ***Other taxes***

#### ***Inheritance and gift tax***

In general, inheritance tax applies in Germany in connection with the securities if either the deceased or the heir is a tax resident or a deemed tax resident in Germany or if the securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany. Similarly, gift tax applies in Germany if either the donor or the donee is a tax resident or a deemed tax resident of Germany or if the securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany.

Due to double taxation treaties in effect with regard to inheritance and gift tax, tax regulations may differ. Moreover, special regulations apply to German citizens living abroad who formerly resided in Germany.

### *Other taxes*

No stamp duty, issuance tax, registration tax or similar taxes or levies apply in Germany with regard to the issue, delivery or printing of securities. No wealth tax is collected in Germany at present.

### **11.4 Croatia**

*The information set out below is a description of tax treatment of the acquisition, holding, sale and redemption of securities in Croatia. The following overview is based on the laws of Croatia which are currently in force and is intended to provide general information only. This overview does not take into account or discuss the tax laws of any country other than Croatia nor does it take into account the individual circumstances, financial situation or investment objectives of an investor in Securities.*

#### ***Tax for individuals – Income tax***

Individuals who are tax residents in Croatia are subject to income taxation (personal income tax) on their worldwide income, regardless of its source. Generally, this also includes income from securities (i.e., interests, dividends and capital gains from the sale of securities).

Income from securities is considered as capital income which is taxable at a fixed rate of 12% plus surtax (local municipality tax). Capital income is recognized as final income with the consequence that the tax paid is final and the income is not included in the annual tax return nor is the individual required to submit the return.

Croatian tax legislation does not provide detailed distinctions between various types of securities and generally recognizes only income from equity instruments (dividend) and debt instruments (interest).

#### *Income from holding of securities*

According to Croatian tax laws, income from receivable of any kind is considered as interest and is subject to taxation on the source of income as withholding tax at the rate of 12% plus surtax. Within these rules, the laws expressly provide that receipts from interests on securities are considered as taxable interests. As an exception to that, receipts from interests on bonds (regardless of the type of issuer and bond) are expressly exempted from taxation.

As noted earlier, Croatian tax provisions do not provide a clear differentiation between types of securities. However, since only bonds are expressly exempted from taxation in terms of taxation of interests, it is probable that receipts from all other types of securities would be considered as taxable at the rate of 12% plus surtax.

#### *Income from sale of securities*

Capital gain or capital loss is calculated as the difference between the sale price (market value) and purchase price of a security and is taxable at the rate of 12% plus surtax. An individual is required to keep records of securities of the same kind that are bought and sold in a tax period. Taxes on capital gains are paid on an annual base when all capital losses are deducted from capital gains realized in the same tax period.

Capital income from capital gains is exempted from taxation if disposal of securities is made (i) between spouses and first degree relatives and other members of the immediate family, (ii) between divorced spouses, if the disposal is directly related to the divorce, (iii) in relation to inheritance of securities, or (iv) after two years from the date of acquisition of securities.

### *Inheritance and gifting of securities*

Generally, when an individual inherits securities or receive them as a gift, the tax is paid at the rate of 4% of the market value of the inherited or gifted securities. Inheritance and gifting from family in vertical line (i.e. spouses, ancestors, descendants and adopted family members) is exempt from taxation.

### *Income derived from securities from abroad*

The income which a Croatian tax resident receives from abroad is subject to taxation in Croatia. Generally, when an individual receives income directly from the issuer of the security from abroad, they are obliged to report the income and pay taxes accordingly. However, the tax treatment of such income may depend on the existence of a Double Tax Treaty between Croatia and the relevant country. In case there is no Double Tax Treaty, local law provisions are applied. In case when a Croatian Bank is the one actually paying the interest, the taxes are automatically withheld at source.

### ***Tax for business - Corporate income tax***

#### *Income from holding and sale of securities*

Corporate income tax in Croatia is set to a fixed rate of 18% (or 12% if the revenues in a tax period are lower than HRK 3 million). Croatian corporations (or other taxable person liable to corporate income tax) are taxed on all income, including interest and capital gain, as business income (revenue) at the aforementioned flat rate.

#### *Withholding for foreign investors*

When a Croatian entity makes payments of interests from securities or dividends to foreign legal entities, taxes are generally withheld at the rate of 15% for interests and 12% for dividends. As an exception, withholding tax is paid at a rate of 20% for all payments in case payments are made to legal entities having their seat or place of effective management in a country which is listed on the EU list of non-cooperative jurisdictions for tax purposes and with which Croatia does not have a Double Tax Treaty.

Withholding tax is not paid in case interest is related to corporate or governmental bonds held by a foreign investor (non-resident in Croatia) as well in some other specific cases (e.g. interest on loans paid to financial institutions). The foreign investor (non-resident in Croatia) can also potentially benefit from application of Double Tax Treaties and/or the EU Parent Subsidiary and EU Royalty Interest Directives.

## 11.5 Grand Duchy of Luxembourg

*This section provides a general description of withholding tax procedures in Luxembourg in connection with the Securities. This description is not to be regarded as a comprehensive analysis of all tax considerations in connection with the Securities in Luxembourg or elsewhere. Prospective buyers of the Securities should consult their own tax advisors with regard to the countries whose tax laws may be relevant to buying, holding and selling the Securities and receiving interest, capital and/or other amounts in connection with them and on the impact of these actions under Luxembourg tax law. This overview is based on the laws in effect at the date of this prospectus. The information in this section is limited to issues pertaining to withholding tax; prospective investors should not apply the information provided below to other areas, for example questions of the legality of transactions in Securities.*

### ***Withholding tax and self-assessment***

Under current Luxembourg laws, all interest, premium, capital and any other proceeds payments made by the Issuer in connection with holding, selling, redeeming or repurchasing of the Securities can be made without deducting or withholding any amounts for or on account of taxes of any kind imposed, charged, retained or assessed by Luxembourg or a Luxembourg municipality, or a tax authority of Luxembourg or the municipality, with the possible exception of taxes due under FATCA.

### ***Investors not resident in Luxembourg***

Pursuant to the Luxembourg law of 23 July 2016 repealing the law dated 21 June 2005 transposing the EU Savings Directive (the "**Law of 23 July 2016**"), since 1 January 2016 Luxembourg has no longer applied the previous system of withholding tax, and instead engages in the automatic exchange of information (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). Since 1 January 2016 the provisions of the expanded EU Administrative Cooperation Directive have been in effect.

In this context, Luxembourg paying agents (within the meaning of the Law of 23 July 2016) are required to report to the competent Luxembourg authorities all interest income and comparable income credited or disbursed to (or in the interests of) private individuals or so-called established entities resident or established in another Member State of the European Union or the territories as of 1 January 2015. The above-mentioned responsible Luxembourg authority will forward the information thus received on interest income or comparable income to the competent authorities of the state of residence of the natural person or the state in which the entity is established or exists. The definition of comparable income within the meaning of the Law of 23 July 2016 includes interest arising or realised in connection with the disposal, reimbursement or redemption of claims.

### ***Investors resident in Luxembourg***

Under the Luxembourg law of 23 December 2005 as amended from time to time (the "**Law of 23 December 2005**"), a withholding tax of 20 % applies for interest income and similar income paid out by Luxembourg paying agents to natural persons resident in Luxembourg who are the economic beneficiaries of the payments. The same applies to interest and similar income collected by them in the direct interests of such persons. The party owing the withholding tax is the Luxembourg paying agent.

Moreover, under the Law of 23 December 2005, natural persons resident in Luxembourg may opt for self-assessment for their private asset management and pay a 20 % levy if they are the economic beneficiaries of interest payments paid by a paying agent located in another member state of the European Economic Area or a state or territory that has entered into a treaty referring directly to the EU Savings Directive. The decision to pay the 20 % levy must apply to all interest payments made by paying agents to the economic beneficiary resident in Luxembourg during the entire calendar year.

The above-mentioned 20 % withholding tax and the 20 % levy applies as fully paid if the natural persons resident in Luxembourg are engaged in the management of their personal assets.

### **11.6 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 as any form of tax advice and has been prepared for informative purposes only, and the reader of this Base Prospectus cannot rely on the below information as a complete source of all tax consequences that may result from the investment decision. Tax advisory is a restricted activity under the Polish law and issuer of this Base Prospectus is not an entity authorised to render tax advice. The information below is based on Polish tax laws and, as its interpretation refers to the position as of the date of this Base Prospectus, it may be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their individual circumstances. Prospective purchasers of Securities are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of Securities.*

*The reference to "interest", as well as to any other terms in the paragraphs below, means "interest" or any other term, respectively, as understood in Polish tax law and relevant double tax treaties.*

### Personal income tax in Poland

According to the Personal Income Tax Act dated 26 July 1991, as amended (the "PIT Act") natural persons are subject to tax liability in the Republic of Poland relating to all their income (revenues) regardless of the location of the source of such revenues (unlimited tax liability) if they have their place of residence in the Republic of Poland (Polish tax residents). A person whose place of residence is in the Republic of Poland is a natural person who: (i) has his/her center of personal or economic interests (center of life interests) in the Republic of Poland; or (ii) stays in the Republic of Poland more than 183 days in a year (Article 3 Section 1 and 1a of the PIT Act).

Natural persons, if they do not reside in the territory of the Republic of Poland, are liable to pay tax only on income (revenue) earned in the territory of the Republic of Poland (limited tax liability - Article 3 Section 2a of the PIT Act). As per Article 3 Section 2b of the PIT Act income (revenues) gained in the Republic of Poland by tax non-resident persons includes, among others, income (revenues) from:

- 1) work performed in the territory of Poland based on a service relationship, employment relationship, outwork system and co-operative employment relationship, irrespective of the place where remuneration is paid,
- 2) activity performed in person in the territory of Poland irrespective of the place where remuneration is paid,
- 3) economic activity pursued in Poland, including through a foreign establishment located in Poland,
- 4) immovable property located in Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property,
- 5) securities and derivatives other than securities, admitted to public trading in Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them,
- 6) the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, or units in an investment fund or a collective investment undertaking, or income (revenue) resulting from receivables resulting from the holding of the shares to this company, rights and obligations in a partnership or units – if at least 50% of the value of assets of such company, partnership, investment fund or a collective investment undertaking is constituted, directly or indirectly, by immovable properties located in Poland, or rights to such immovable properties,



- 7) the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organizational units without legal personality, having their place of residence, registered office, or management board in Poland, irrespectively of the place of conclusion of the agreement and place of performance.

These principles apply without prejudice to double taxation treaties entered into by Poland (Article 4a of the PIT Act). In particular, these double tax treaties may define the "place of residence" in a different manner or further clarify the notion of the "center of life interests".

### ***Withholding Tax on Interest Income***

According to Article 30a of the PIT Act, income from interest, including discounts, derived by a Polish tax resident individual does not cumulate with general income subject to the progressive tax rate but is subject to a 19% flat rate tax. The tax is generally due upon receipt of interest.

With respect to Polish tax residents, in most double tax treaties, withholding tax imposed outside Poland could be deducted from the Polish tax liability up to an amount equal to the tax paid abroad, but not greater than 19% tax on the interest amount. Particular double tax treaties can provide other methods of avoiding double taxation. However, to benefit from relevant tax treaty deductions or exemptions, a Polish tax resident must provide the interest payer with valid certificate of his/her tax residency.

Under Article 41.4 of the PIT Act, an 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 (however this should be a subject of separate individual analysis as there are particular cases when such foreign payer would be obliged to act as a tax remitter). Under Article 41.4d of the PIT Act, tax on interest or a discount on securities is withheld by entities keeping securities accounts for taxpayers, in their capacity as tax remitters, if the income (revenue) is earned in the territory of Poland and is associated with the securities registered in these accounts, and, furthermore, if relevant payments are made to the taxpayers through those entities. However, given that 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, in certain cases under some tax rulings issued by the Polish tax authorities Polish banks or Polish brokerage houses maintaining securities accounts may refuse to withhold tax based on the fact that they are acting only as an intermediary and therefore should not be obliged under Polish law to remit due tax. According to Article 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

If an individual holds securities as a Polish business asset, in principle, interest should not be subject to withholding tax but taxed in the same way as other business income. The tax, at the

19% flat rate, or the 18% to 32% progressive tax rate, depends on the choice of the taxpayer and whether certain conditions are met by an individual. This should be settled by the individual himself/herself.

Payments resulting from securities could be subject to EU withholding tax pursuant to European Council Directive 2003/48/EC (the "**Savings Directive**"), if they are paid out by an Austrian paying agent to a natural person who has his or her domicile in Poland, unless certain disclosures are made regarding a given individual.

### *Income from Capital Investments*

Income other than interest derived by an individual who is a Polish tax resident from financial instruments, which are held as non-business assets, should in principle qualify as capital income according to Article 17 of the PIT Act. Such income (i.e. the difference between the sale price and the acquisition cost) derived from the sale of financial instrument prior to their maturity, does not cumulate with the general income subject to the progressive tax scale but is subject to a 19% flat rate tax. In principle taxable income on sale of securities arises at the moment when ownership is transferred to the purchaser. The payment receipt date has no influence on the tax point. The costs of acquiring the financial instruments are recognized at the time the revenue from their disposal is achieved.

Securities linked to base instruments such as shares, indexes, commodities, futures, funds and combinations thereof may be treated as financial derivatives for Polish tax purposes. The taxation of financial derivatives is a highly unregulated area and as such subject to varying tax rulings in Poland. Thus, it should be determined on the case by case basis.

In principle, revenue from the disposal of derivatives and the exercising of rights attached thereto is subject to the capital gain tax (under Article 17 of the PIT Act) levied at flat rate tax of 19% (under Article 30b of the PIT Act). Revenue under the exercise of rights attached to derivatives shall arise as at the moment of exercise of the rights. As of 1 January 2019, an additional tax of 4% will be applied in case the cumulative income of the individual person derived under Article 27, Article 30b and Article 30c of the PIT Act exceeds the threshold of PLN 1,000,000 in a tax year.

Under Article 23.1(38a) of the PIT Act, any expenses incurred in relation to the acquisition of financial derivatives may be tax deductible not earlier than on the date of realization of the derivatives, withdrawal from the derivatives or their disposal for consideration, unless the expenses are capitalized to the value of fixed assets/intangibles.

Additionally, if no tax is withheld by a tax remitter, after the end of a tax year, a taxpayer must, in the annual tax return, report income earned in said tax year from disposal of securities or derivatives and income from the exercising of rights attached thereto, and calculate the income tax due.

If an individual holds securities as a Polish business asset, in principle, the income should be taxed in the same way as other business income. The tax, at the 19% flat rate, or the 18% to 32% progressive tax rate depending on the choice of the taxpayer and whether the taxpayer is able to meet certain conditions, should be settled by the individual himself/herself.

A sale of shares/securities may, as a rule, be subject to a tax on civil law transactions at 1% of the market value of the instruments sold, unless, for instance, conducted through a brokerage house. The tax on civil law transaction should be settled by the purchaser.

Furthermore, individuals who have their habitual residence in Poland or Polish citizenship are subject to Polish inheritance and donation tax on the transfer of securities by way of either inheritance or donation. The tax rates depend on the valuation of the securities transferred and the relationship between the testator/donor and the inheritor/grantee. The inheritance and donation tax law provides certain exemptions and thresholds for lower tax rates (for example, in certain situation it may be possible to apply a tax exemption for disposals between the closest relatives such as children, parents, spouses, subject to the notification sent to the tax authority in due time).

Amounts denominated in a foreign currency should be converted into Polish currency pursuant to Article 11a of the PIT Act.

### ***Corporate tax resident in Poland***

According to the Corporate Income Tax dated 15 February, 1992, as amended (the "**CIT Act**") Polish corporate income taxpayers are legal persons, companies under organization and entities with no legal personality (other than companies and partnerships that are not afforded legal personality such as civil, general, limited partnerships and professional partnerships, which are deemed transparent for income tax purposes in Poland), as well as partnerships having their seats or places of management in other states if they are treated as legal persons under tax law provisions of a given state and they are liable to tax on the total amount of their incomes, irrespective of the place where they are earned. Effective from 1 January 2014, also limited joint-stock partnerships are Polish corporate taxpayers (Article 1 Section 1, 2 and 3 of the CIT Act).

Polish corporate taxpayers which have their registered office or place of management in the Republic of Poland (Polish tax residents) are subject to tax liability with respect to all their income, wherever generated (unlimited tax liability). Polish corporate taxpayers who have neither their seat nor their place of management in Poland are subject to tax liability in Poland only with respect to income (revenues) earned within the territory of Poland (limited tax liability) (Article 3 Section 1 and 2 of the CIT Act).

Income (revenues) gained in the Republic of Poland by non-resident tax entities must include, in particular, income (revenues) from:

## 11. Taxes

- 1) all types of activity pursued in the Republic of Poland through a foreign permanent establishment located in the Republic of Poland;
- 2) immovable property located in Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;
- 3) the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, or units in an investment fund or a collective investment undertaking, or income (revenue) resulting from receivables resulting from the holding of the shares to this company, rights and obligations in a partnership or units – if at least 50% of the value of assets of such company, partnership, investment fund or a collective investment undertaking is constituted, directly or indirectly, by immovable properties located in Poland, or rights to such immovable properties;
- 4) the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organizational units without legal personality, having their place of residence, registered office, or management board in Poland, irrespectively of the place of conclusion of the agreement and place of performance.

In principle, corporate income taxpayers will be subject to 19% income tax with respect to 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 of 1 January 2018, income from general business activity of a taxpayer is taxed separately from income from capital gains that are listed in Article 7b of the CIT Act. Small corporations, i.e. newly registered corporate income tax taxpayers or existing taxpayers where their gross revenue does not exceed EUR 1,200,000, as of 1 January 2019 are subject to a reduced tax rate of 9%. The 9% tax rate will not hover relate to taxation of capital gains. Typical investments funds or equivalent entities may apply for a tax exemption.

Securities linked to base instruments such as shares, indexes, commodities, futures, funds and combinations thereof may be treated as financial derivatives for Polish tax purposes. The taxation of financial derivatives is a highly unregulated area, and as such, is subject to varying tax rulings in Poland. Thus it should be determined on a case by case basis.

As a rule, for Polish income tax purposes, interest is recognized as revenue on a cash basis, i.e., when it is received and not when it has accrued. In principle, taxable income on the sale of securities arises at the moment when ownership is transferred to a purchaser. The payment receipt date has no influence on the tax point. Revenue under the exercise of rights attached to derivatives occurs at the moment of exercise of the rights.

With respect to capital gains, the cost of acquiring securities will be recognized at the time revenue is achieved. Any expenses incurred in relation to the acquisition of financial derivatives may be tax deductible, not earlier than at the date of realization of the derivatives, withdrawal from the derivatives or their disposal for consideration, unless the expenses are capitalized to the value of fixed assets/intangibles.

A tax loss may be used to reduce other earnings subject to CIT for the five consecutive taxable years (however no more than 50% in any given year). Since 2018, tax loss suffered on operating activity shall not be cumulated with loss on capital investments. Thus, both losses should be settled separately. Therefore, as generally loss from sale (realization) of securities should be considered as a loss from capital gains, such loss may be offset only with profits from capital gains. The remaining amount of loss may be used to reduce profits resulting from the same source of income in the next five years, provided that the amount of such reduction during any of the five years does not exceed 50% of the loss.

Should securities be issued in a currency other than PLN all income and costs will be converted for tax purposes into PLN pursuant to Article 12 (2) and Article 15 (1) of the Polish CIT Act. If the exchange rates differ between the date of the sale and the date of the purchase price receipt, the difference shall be calculated pursuant to Article 15a of the Polish CIT Act.

### ***Civil Law Activities Tax***

A sale of shares/securities may, as a rule, be subject to a 1% tax on civil law transactions on the market value of the instruments sold.. A civil law transaction should be settled the purchaser, and the transaction is taxable when (i) the securities are executed in Poland or (ii) securities are executed abroad but the purchaser is a resident in Poland and the transaction is carried out in Poland. Tax shall become due and payable within 14 days after conclusion of the sale agreement.

Pursuant to Article 9 item 9 of the Polish Civil Law Activities Tax Act the sale of securities to agencies maintaining securities accounts, as well as the sale of securities by means of agencies maintaining securities accounts, is exempt from Civil Law Activities Tax. Furthermore, the sale of securities is not taxable if the transaction is subject to value added tax.

### **Securities held by a non-Polish tax resident (natural person or corporation)**

Non-Polish residents are subject to Polish income tax only in relation to their income earned in Poland (for more information please refer to the relevant sections above: Personal income tax in Poland and Corporate tax resident in Poland). If securities are issued by a foreign entity, the interest may be considered earned in Poland. For instance, provided securities are traded on the regulated market in Poland, related to real estate located in Poland or, for ex-

ample, securities are attributed to the permanent establishment of a foreign entity (this issues should be subject to detailed analysis on a case by case basis). That should be, however, assessed in the view of the provisions of the relevant double tax treaties that may modify the rules stipulated in the Polish PIT or CIT Acts. Some treaties may, for example, provide an exemption from capital gain tax in Poland on the disposal of securities. To benefit from a relevant tax treaty, a foreign investor should present a valid certificate of its tax residency.

If a foreign recipient of income acts through a permanent establishment in Poland, as a matter of principle it should be treated in the same manner as a Polish tax resident with respect to the portion of income that is attributable to that permanent establishment.

### 11.7 U.S. Withholding Tax

#### **Payments under the Securities may be subject to withholding tax pursuant to the Foreign Account Tax Compliance Act (FATCA)**

Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended ("IRC") (commonly referred to as "FATCA"), generally impose a new reporting regime and a 30% withholding tax with respect to certain US-source payments (including dividends and interest) and with respect to gross proceeds from the disposition of property that may produce such US-source interest and dividends, and certain payments made by entities that are classified as financial institutions under FATCA, such as banks, insurance companies and many funds and capital markets issuers. A financial institution which is not exempted from the FATCA regime must either (i) enter into an agreement with the Internal Revenue Service (an "**FFI Agreement**") or (ii) comply with the terms of an applicable intergovernmental agreement ("**IGA**") regarding the implementation of FATCA to avoid the imposition of the 30% withholding tax. Under an FFI Agreement or an applicable IGA, a financial institution will be required to identify, disclose and report information on its direct and indirect US accountholders (including certain non-US accountholders with US ownership).

On 31 May 2013, the Federal Republic of Germany entered into an IGA with the United States. Under this IGA, as currently drafted, a financial institution that is treated as resident in Germany and that complies with the requirements of the respective IGA will not be subject to FATCA withholding on payments it receives and will not be required to withhold on payments of non-U.S. source income. As a result, the Issuer does not expect payments made on or with respect to the Securities to be subject to withholding under FATCA.

No assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Securities in the future. You should consult with your US tax advisor for further information regarding the potential impact of FATCA.

**Registered Office of the Issuer**

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