

*This document constitutes a base prospectus (the "**Base Prospectus**" or the "**Prospectus**") in respect of non-equity securities within the meaning of Article 22 Para. (6) No. 4 of the Commission Regulation (EC) No 809/2004 of April 29, 2004, as amended (the "**Commission Regulation**").*

Base Prospectus
1 June 2018

COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main, Federal Republic of Germany

€ 5,000,000,000

Credit Linked Note Programme

(the "**Programme**")

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent authority (the "**Competent Authority**") under the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended ("**Luxembourg Prospectus Law**"), which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010) (the "**Prospectus Directive**") into Luxembourg law for the approval of this Base Prospectus and to the Luxembourg Stock Exchange to list the credit linked bearer notes issued under the Programme (the "**Notes**") on the official list of the Luxembourg Stock Exchange and to trade Notes to be issued under the Programme for the period of twelve months from the date of the publication of this Prospectus on the Regulated Market "Bourse de Luxembourg" which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**") and amending Directives 2002/92/EC and Directive 2011/61/EU (recast). Notes may also be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms (as defined herein). By approving the Prospectus, CSSF does not give any undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Prospectus Law.

The Notes or securities, if any, to be delivered upon any redemption of the Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act. The Notes may be subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder and in Regulation S under the Securities Act). For more details, see "Selling Restrictions", page 239 et seq. hereof.

Interests in Notes issued in the form of a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership.

COMMERZBANK 

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Summary

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

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

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

Certain provisions of this summary appear in brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular Series of Notes and the completed summary in relation to such Series of Notes shall be appended to the relevant Final Terms.

Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus and the relevant Final Terms.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole and the relevant Final Terms by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus and the relevant Final Terms is brought before a court, the plaintiff investor might, under the national legislation of the EEA member states, have to bear the costs of translating the Prospectus and the Final Terms before the legal proceedings are initiated.</p> <p>Liability attaches to those persons who express to be, or are, responsible for the drawing up of 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 Prospectus or it does not provide, when read together with the other parts of the Prospectus, all necessary key information.</p>
A.2	Consent to the use of the Prospectus	<p>Not Applicable. The Notes are not being offered to the public in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a "Non-exempt Offer").</p>

Section B – Issuer

Element	Description of Element	Disclosure requirement								
B.1	Legal and commercial name of the Issuer	The legal name of the Bank is COMMERZBANK Aktiengesellschaft (the "Issuer", the "Bank" or "COMMERZBANK", together with its consolidated subsidiaries "COMMERZBANK Group" or the "Group"), the commercial name of the Bank is COMMERZBANK.								
B.2	Domicile /Legal Form /Legislation /Country of Incorporation	<p>The Issuer's domicile is in Frankfurt am Main, Federal Republic of Germany.</p> <p>COMMERZBANK is a stock corporation established and operating under German law and incorporated in the Federal Republic of Germany.</p>								
B.4b	Known trends affecting the Issuer and the industries in which it operates	The global financial market crisis and sovereign debt crisis in the eurozone in particular have put a very significant strain on the net assets, financial position and results of the operations of COMMERZBANK in the past, and it can be assumed that further materially adverse effects for COMMERZBANK can also occur in the future, in particular in the event of a renewed escalation of the crisis.								
B.5	Organisational structure	COMMERZBANK is the parent company of the COMMERZBANK Group. The COMMERZBANK Group holds directly and indirectly equity participations in various companies.								
B.9	Profit forecasts or estimates	<p>Not applicable.</p> <p>The Issuer currently does not make profit forecasts or estimates.</p>								
B.10	Qualifications in the auditors' report on the historical financial information	<p>Not applicable.</p> <p>Unqualified auditors' reports have been issued on the annual financial statements and management report for the 2017 financial year as well as on the consolidated financial statements and management reports for the 2016 and 2017 financial years.</p>								
B.12	Selected key financial information	<p>The following table sets forth selected key financial information of COMMERZBANK Group which has been derived from the respective audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2016 and 2017 as well as from the condensed consolidated interim financial statements as of 31 March 2018 (reviewed):</p> <table><tr><th><u>Balance Sheet</u> <u>(€m)</u></th><th><u>31 December</u> <u>2016¹⁾</u></th><th><u>31 December</u> <u>2017^{**)}</u></th><th><u>31 March</u> <u>2018</u></th></tr><tr><td>Total assets.....</td><td>480 436</td><td>452 493</td><td>470 032</td></tr></table>	<u>Balance Sheet</u> <u>(€m)</u>	<u>31 December</u> <u>2016¹⁾</u>	<u>31 December</u> <u>2017^{**)}</u>	<u>31 March</u> <u>2018</u>	Total assets.....	480 436	452 493	470 032
<u>Balance Sheet</u> <u>(€m)</u>	<u>31 December</u> <u>2016¹⁾</u>	<u>31 December</u> <u>2017^{**)}</u>	<u>31 March</u> <u>2018</u>							
Total assets.....	480 436	452 493	470 032							

		<table><tr><td>Equity</td><td>29,573</td><td>30,041</td><td>29,047</td></tr><tr><td></td><td colspan="2"><u>January – December</u></td><td><u>January – March</u></td></tr><tr><td colspan="4">Income Statement</td></tr><tr><td>(€m)</td><td><u>2016</u></td><td><u>2017</u></td><td><u>2017^{*)}</u></td></tr><tr><td>Pre-tax profit or loss</td><td>643</td><td>495</td><td>330</td></tr><tr><td>Consolidated profit or loss^{****)}</td><td>279</td><td>156</td><td>229</td></tr><tr><td></td><td></td><td></td><td>250</td></tr></table> <p>*) Figures in 2016 restated due to a change in reporting plus other restatements. **) Total assets and Equity as of 31 December 2017 were retrospectively adjusted due to restatements and are reported at EUR 452,513 million (Total assets) and EUR 30,046 million (Equity) in the unaudited consolidated interim financial statements as of 31 March 2018. ***) Figures in 2017 adjusted due to restatements. ****) Insofar as attributable to Commerzbank shareholders.</p>	Equity	29,573	30,041	29,047		<u>January – December</u>		<u>January – March</u>	Income Statement				(€m)	<u>2016</u>	<u>2017</u>	<u>2017^{*)}</u>	Pre-tax profit or loss	643	495	330	Consolidated profit or loss ^{****)}	279	156	229				250
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Pre-tax profit or loss	643	495	330																											
Consolidated profit or loss ^{****)}	279	156	229																											
			250																											
	Prospects of the Issuer, significant changes in the financial position	There has been no material adverse change in the prospects of COMMERZBANK Group since 31 December 2017. Not applicable. There has been no significant change in the financial position of COMMERZBANK Group since 31 March 2018.																												
B.13	Recent events which are to a material extent relevant to the Issuer's solvency	Not applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																												
B.14	Dependence of the Issuer upon other entities within the group	Not applicable. As stated under element B.5 COMMERZBANK is the parent company of the COMMERZBANK Group and is not dependent upon other entities within COMMERZBANK Group.																												
B.15	Issuer's principal activities, principal markets	COMMERZBANK offers a comprehensive portfolio of banking and capital markets services. Alongside its business in Germany, the Bank is also active internationally through its subsidiaries, branches and investments. The focus of its international activities lies in Poland and on the goal of providing comprehensive services to German companies in Western Europe, Central and Eastern Europe and Asia. The COMMERZBANK Group is divided into the three operating segments Private and Small-Business Customers, Corporate Clients and Asset & Capital Recovery (ACR) as well as in the Others and Consolidation division. Its business is focussed on two customer segments, Private and Small-Business Customers and Corporate Clients.																												

B.16	Controlling parties	<p>Not applicable.</p> <p>COMMERZBANK has not submitted its management to any other company or person, for example on the basis of a domination agreement, nor is it controlled by any other company or any other person within the meaning of the German Securities Acquisition and Takeover Act.</p>
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Section C – Securities

Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered / security identification number	<p>The obligations under these credit linked bearer notes (the "Notes") constitute direct, unsecured and, subject to the occurrence of a Credit Event, unconditional obligations of the Issuer.</p> <p>[Insert in the case of Notes which are represented by a global note: The Notes will be issued in bearer form.]</p> <p>[Insert in the case of Notes which are issued in dematerialised form under French law: The Notes will be issued in dematerialised form in accordance with the French Monetary and Financial Code (<i>Code monétaire et financier</i>) as well as the regulations, rules and operating procedures applicable to and/or issued by Euroclear France S.A.]</p> <p>The ISIN is [●] [and the Common Code is [●]] [and the WKN is [●]].</p> <p>[Insert for Series of Notes with respect to which the U.S. Treasury Regulation § 1.163-5 (c)(2)(i)(C) ("TEFRA C") applies, or for Notes with respect to which no TEFRA Rules apply: The Notes will be represented by a Permanent Global Note.]</p> <p>[Insert for Series of Notes with respect to which the U.S. Treasury Regulation § 1.163-5 (c)(2)(i)(D) ("TEFRA D") applies: The Notes will initially be represented by a Temporary Global Note. The Temporary Global Note will be exchanged for a Permanent Global Note not earlier than 40 days after the relevant issue date upon certification, subject to certain exceptions, of non-U.S. beneficial ownership.]</p> <p>The Notes are notes in respect of which [payment of interest and] repayment [is][are] subject to the non-occurrence a Credit Event with respect to [a][the specified] Reference [Entity][Entities]. A Credit Event occurs if certain circumstances occurred (or threaten to occur) having, from the perspective of the creditors of a Reference Entity, economically adverse effects in relation to such Reference Entity, in particular which affect the creditworthiness of such Reference Entity, such as, for example, the Reference Entity's default on its existing obligations or the insolvency of the Reference Entity.</p>
C.2	Currency	The Notes are issued in [●].
C.5	Restrictions on free transferability	Each issue of Notes will be made in accordance with the laws, regulations and legal decrees and any restrictions applicable in the relevant jurisdiction.

		Any offer and sale of the Notes is subject to the selling restrictions in particular in the United States, in the member states to the Agreement on the European Economic Area (EEA), in France and the United Kingdom.
C.8	Rights attached to securities	<p><u><i>Rights attached to Securities</i></u></p> <p><i>Interest Payments</i></p> <p>The Notes are [fixed rate Notes] [step-up Notes] [step-down Notes] [floating rate Notes] [fixed-to-floating rate Notes] [Notes with CMS as reference interest rate] [Notes in respect of which the interest rate is determined by reference to an inflation index] [zero coupon Notes].</p> <p><i>[Insert in the case of credit linkage of interest payment:</i> The payment of interest depends on the non-occurrence of a Credit Event with respect to one or more specified Reference Entities.]</p> <p><i>[Insert in the case of a Fixed Rate Note:</i> The Notes bear interest on their Principal Amount at a rate of [interest rate] per cent. per annum from and including [Interest Commencement Date] (the "Interest Commencement Date") to but excluding [the Maturity Date][date].</p> <p>Interest is payable [annually][semi-annually][quarterly][other time period] in arrear on [Interest Payment Date(s)] of each year (each an "Interest Payment Date"). [The first Interest Payment Date shall be [first Interest Payment Date] [(first [long][short] coupon)).] [The last Interest Payment Date shall be [the Maturity Date][last Interest Payment Date] [(last [long][short] coupon)).]</p> <p><i>[Insert in the case of a Step-up and Step-down Note:</i> The Notes bear interest as from [Interest Commencement Date] (the "Interest Commencement Date") (including) at a rate of:</p> <p>[•] per cent. per annum commencing on the Interest Commencement Date (including) until [date] (excluding), and</p> <p><i>[To be copied for further interest periods:</i> [•] per cent. per annum commencing on the [date] (including) until [date] (excluding), and]</p> <p>[•] per cent. per annum commencing on the [date] (including) until the Maturity Date (excluding).</p> <p>Interest is payable [annually][semi-annually][quarterly][other time period] in arrear on [Interest Payment Date(s)] of each year (the or each an "Interest Payment Date"). [The first interest payment shall be due on [first Interest Payment Date] [(first [long][short] coupon)).] [The last Interest Payment Date shall be [the Maturity Date][last Interest Payment Date] [(last [long][short] coupon)).]</p> <p>]</p> <p><i>[Insert in the case of a Floating Rate Note:</i> The Notes bear interest on their Principal Amount at an interest rate as from</p>

		<p>[Interest Commencement Date] (the "Interest Commencement Date") (including) up to the first Interest Payment Date (excluding) and thereafter as from any Interest Payment Date (including) up to the next following Interest Payment Date (excluding) (each such period being an "Interest Period").</p> <p>Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. "Interest Payment Date" means [Interest Payments Dates]. [The first Interest Payment Date shall be [first Interest Payment Date] [(first [long][short] coupon)).] [The last Interest Payment Date shall be [the Maturity Date][last Interest Payment Date] [(last [long][short] coupon)).]</p> <p>The interest rate for each Interest Period is equal to [•] per cent. per annum][the reference interest rate] [+/-] [margin] [and such aggregate] [multiplied by] [a factor of [factor] [and] [n/N] [+/-] [margin]] [multiplied by a factor of [factor][n/N]] and will be determined by [the Issuer] [name] ([also] the "Determination Agent").</p> <p>[If the interest rate is equal to the reference interest rate insert: The reference interest rate is [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency.]</p> <p>[If structured interest accrual is applicable:</p> <p>"N" means the actual number of Business Days in the relevant Interest Period;</p> <p>"n" means the number of Business Days in the relevant Interest Period on which the [accrual rate][reference spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]</p> <p>["Maximum Barrier" means [•][.]:] [and]</p> <p>["Minimum Barrier" means [•].]</p> <p>[The accrual rate is [if accrual rate is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)][if accrual rate is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am</p>
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		<p>Main][London][other financial centre] time))][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</p> <p>[The reference spread is [if accrual rate A is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time))][other time] for deposits in the issue currency)[if reference accrual rate A is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time))][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]] minus [if accrual rate B is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time))][other time] for deposits in the issue currency)[if accrual rate B is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time))][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</p> <p>[[The] [minimum [reference] interest rate is [minimum rate]] [and the] [maximum [reference] interest rate is [maximum rate]].]</p> <p>]</p> <p>[Insert in the case of a Fixed-to-Floating Rate Note: The Notes provide for a fixed interest term where the Notes bear interest at a rate of [fixed interest rate] as from [Interest Commencement Date] (the "Interest Commencement Date") (including) until [date] (excluding).</p> <p>Interest during this fixed interest term is payable [annually][semi-annually][quarterly][other time period] in arrear on [fixed interest payment date(s)] of each year (each a "Fixed Interest Payment Date"). The first Fixed Interest Payment Date shall be [first Fixed Interest Payment Date] [(first [long][short] coupon)].</p> <p>Following this fixed interest term the Notes provide for a floating interest term for the period from [date] (including) to [the Maturity Date][date] (excluding) where the Notes bear interest on their Denomination at an interest rate as from [date] (including) up to</p>
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		<p>the first Floating Interest Payment Date (excluding) and thereafter as from any Floating Interest Payment Date (including) up to the next following Floating Interest Payment Date (excluding) (each such period being a "Floating Interest Period").</p> <p>Interest is payable in arrear for each Floating Interest Period on the relevant Floating Interest Payment Date. "Floating Interest Payment Date" means <i>[interest payments date(s)]</i>. [The first Floating Interest Payment Date shall be <i>[first Floating Interest Payment Date]</i> [(first [long][short] coupon)).] [The last Floating Interest Payment Date shall be [the Maturity Date]<i>[last Floating Interest Payment Date]</i> [(last [long][short] coupon)).]</p> <p>The interest rate for each Floating Interest Period is equal to <i>[[•]</i> per cent. per annum<i>][the reference interest rate]</i> <i>[[plus][minus]</i> <i>[margin]</i> and such aggregate <i>[multiplied by]</i> <i>[a factor of [factor]</i> and] <i>[n/N]</i> <i>[[plus][minus]</i> <i>[margin]</i> <i>[multiplied by a factor of [factor][n/N]]</i> and will be determined by [the Issuer] <i>[name]</i> ([also] the "Determination Agent").</p> <p>[If the interest rate is equal to the reference interest rate insert: The reference interest rate is <i>[Number]</i>-months <i>[EURIBOR][LIBOR][•]</i>, expressed as a rate per annum published on screen page <i>[if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•]</i> (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London]<i>[other financial centre]</i> time)]<i>[other time]</i> for deposits in the issue currency.]</p> <p>[If structured interest rate accrual is applicable:</p> <p>"N" means the actual number of Business Days in the relevant Interest Period;</p> <p>"n" means the number of Business Days in the relevant Interest Period on which the <i>[accrual rate][reference spread]</i> is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]</p> <p>["Maximum Barrier" means <i>[•][.][:]</i> [and]]</p> <p>["Minimum Barrier" means <i>[•].]</i></p> <p>[The accrual rate is <i>[if accrual rate is a deposit rate: [Number]</i>-months <i>[EURIBOR][LIBOR][•]</i>, expressed as a rate per annum published on screen page <i>[if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•]</i> (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London]<i>[other financial centre]</i> time)]<i>[other time]</i> for deposits in the issue currency]<i>[if accrual rate is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the</i></p>
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		<p>interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</p> <p>[The reference spread is [if accrual rate A is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)][if accrual rate A is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]] minus [if accrual rate B is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)][if accrual rate B is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]]</p> <p>[[The] [minimum [reference] interest rate is [minimum rate]] [and the] [maximum [reference] interest rate is [maximum rate]].]</p> <p>]</p> <p>[Insert in the case of Notes with CMS as Reference Interest Rate: The Notes bear interest on their Principal Amount at an interest rate as from [Interest Commencement Date] (the "Interest Commencement Date") (including) up to the first Interest Payment Date (excluding) and thereafter as from any Interest Payment Date (including) up to the next following Interest Payment Date (excluding) (each such period being an "Interest Period").</p> <p>Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. "Interest Payment Date" means [interest payments dates]. [The first Interest Payment Date shall be [first Interest Payment Date] [(first [long][short] coupon)].]</p> <p>[The last interest payment date is [the Maturity Date] [last Interest Payment Date] [(last [long][short] coupon)].]</p>
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		<p>The interest rate for each Interest Period is equal to [•] per cent. per annum][the reference interest rate] [[plus][minus] [margin]] [and such aggregate] [multiplied by] [a factor of [factor] [and] [n/N]] [[plus][minus] [margin]] [multiplied by a factor of [factor][n/N]] and will be determined by [the Issuer] [name] ([also] the "Determination Agent").</p> <p><i>[If the interest rate is equal to the reference interest rate insert:</i> The reference interest rate is the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]</p> <p><i>[If structured interest accrual is applicable:</i></p> <p>"N" means the actual number of Business Days in the relevant Interest Period;</p> <p>"n" means the number of Business Days in the relevant Interest Period on which the [accrual rate][reference spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]</p> <p>"Maximum Barrier" means [•][.]: [and]</p> <p>"Minimum Barrier" means [•].</p> <p>[The accrual rate is <i>[if accrual rate is a deposit rate: [Number]-</i>months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page <i>[if EURIBOR:</i> Reuters EURIBOR01<i>[if LIBOR:</i> Reuters LIBOR01[•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency]<i>[if accrual rate is a CMS rate:</i> the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</p> <p>[The reference spread is <i>[if accrual rate A is a deposit rate: [Number]-</i>months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page <i>[if EURIBOR:</i> Reuters EURIBOR01<i>[if LIBOR:</i> Reuters LIBOR01[•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency]<i>[if accrual rate A is a CMS rate:</i> the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about</p>
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		<p>[11.00 a.m. ([Frankfurt am Main][London][other financial centre time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]] minus [if accrual rate B is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre time)][other time] for deposits in the issue currency][if accrual rate B is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</p> <p>[[The] [minimum [reference] interest rate is [minimum rate]] [and the] [maximum [reference] interest rate is [maximum rate]].]</p> <p>]</p> <p>[Insert in the case of floating rate Notes linked to an inflation index: The Notes bear interest on their Denomination at an interest rate as from [Interest Commencement Date] (the "Interest Commencement Date") (including) up to the first Interest Payment Date (excluding) and thereafter as from any Interest Payment Date (including) up to the next following Interest Payment Date (excluding) (each such period being an "Interest Period").</p> <p>Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. "Interest Payment Date" means [interest payments dates]. [The first Interest Payment Date shall be [first Interest Payment Date] [(first [long][short] coupon)].] [The last Interest Payment Date shall be [the Maturity Date][last Interest Payment Date] [(last [long][short] coupon)].</p> <p>The interest rate for each Interest Period is equal to [[•] per cent. per annum][the determined performance of the inflation index] [[plus][minus] [margin]] [and such aggregate] [multiplied by] [a factor of [factor] [and] [n/N]] [[plus][minus] [margin]] [multiplied by a factor of [factor][n/N]] and will be determined by [the Issuer] [name] ([also] the "Determination Agent").</p> <p>[If structured interest accrual is applicable:</p> <p>"N" means the actual number of Business Days in the relevant Interest Period;</p> <p>"n" means the number of Business Days in the relevant Interest Period on which the [inflation index performance][accrual rate][reference spread] is [greater than [or equal to] the Minimum</p>
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		<p>Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]</p> <p>["Maximum Barrier" means [•][.][:] [and]]</p> <p>["Minimum Barrier" means [•].]</p> <p>[The accrual rate is <i>[if accrual rate is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)[if accrual rate is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</i></p> <p>[The reference spread is <i>[if accrual rate A is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the interest determination date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)[if accrual rate A is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]] minus [if accrual rate B is a deposit rate: [Number]-months [EURIBOR][LIBOR][•], expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the issue currency)[if accrual rate B is a CMS rate: the rate published on screen page [Reuters page ISDAFIX2][•] on the interest determination date at or about [11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for a [Euro][other currency] denominated swap transaction with a maturity of [•] [years][months]].]</i> [The interest rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum.]</p> <p><i>[If reference inflation index is GBP-Non-revised Retail Price Index (UKRPI):</i> The interest rate will be determined for each</p>
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		<p>Interest Period by reference to the inflation index and calculated on each relevant interest determination date by the Determination Agent according to the formula as determined in the index annex.</p> <p>The following formula is an excerpt of the above mentioned formula for the performance of the inflation index as determined in the index annex:</p> $Max\left[\left(\frac{RPI_y}{RPI_{y-1}} - 1\right), 0.00\%\right]$ <p>"RPI_y" means the GBP-Non-revised Retail Price Index ("UKRPI"), or relevant Successor Index, measuring the average change in the price of goods and services bought for the purpose of consumption in the United Kingdom, expressed as an index and published by the relevant Index Sponsor on Bloomberg – UKRPI or any successor page of the aforementioned agency or a screen page of another agency (the "Screen Page") with the index level as fixed</p> <p>[Option 1: [two months]][other period] prior to the end of [the calculation period]][the relevant Interest Period]</p> <p>[Option 2: For [period] (the "Reference Period I")].</p> <p>"RPI_{y-1}" means the UKRPI, or relevant Successor Index, measuring the average change in the price of goods and services bought for the purpose of consumption in the UK, expressed as an index and published by the relevant Index Sponsor on the Screen Page with the index level as fixed</p> <p>[Option 1: [eleven months]][other period] prior to the end of [the calculation period]][the relevant Interest Period]</p> <p>[Option 2: for [period] (the "Reference Period II")].]</p> <p>[If reference inflation index is Harmonised Index of Consumer Prices (excluding Tobacco) (HICP):The interest rate will be determined for each Interest Period by reference to the inflation index and calculated on each relevant interest determination date by the Determination Agent.</p> <p>The performance of the inflation index will be calculated according to the following formula:</p> <p>[number] % x IAN(t)</p> <p>Where:</p> $IAN(t) = \left[\frac{Index_{RP(t)} - Index_{RP(t-1)}}{Index_{RP(t-1)}} \right]$ <p>"Index RP(t)" means the level of the Index that is published by reference to the Reference Period (t).</p>
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		<p>"Index RP(t-1)" means the level of the Index that is published by reference to the Reference Period (t-1).</p> <p>"RP(t)" means the Reference Period (t), i.e. [period].</p> <p>"RP(t-1)" means the Reference Period (t-1), i.e. [period].</p> <p>"Index" is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) ("HICP") for the euro-zone, which is calculated on a monthly basis by the statistical office of the European Union (the "EUROSTAT" or the "Index Sponsor") and published on the Bloomberg Page CPTFEMU. If the Bloomberg Page CPTFEMU ceases to exist and no official successor page is announced, the Determination Agent will determine other reference with respect to the Index. In case of any amendment of the published index level 24 hours after the first publication, the published index level at the first place shall, in any case, be applicable to the calculation.]</p> <p>[The inflation index is [insert in the case of UKRPI: the GBP-Non-revised Retail Price Index sponsored by UK Office of National Statistics (O.N.S.) and published on Bloomberg –UKRPI or any successor][insert in the case of HICP: the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) for the Euro-Zone calculated by the Statistical Office of the European Communities (EUROSTAT) and published on Bloomberg –CPTFEMU].]</p> <p>[[The] [minimum [reference] interest rate is [minimum rate]] [and the] [maximum [reference] interest rate is [maximum rate]].]</p> <p>]</p> <p>[Insert in the case of credit linkage of interest payment: The payment of interest depends on the non-occurrence of a Credit Event with respect to one or more specified Reference Entities.]</p> <p>[Insert in the case of redemption of the Cash Settlement Amount at maturity: In the case that the Cash Settlement Amount is redeemed at maturity, the Notes [will cease to bear interest] [continue to bear interest on the basis of the Cash Settlement Amount at the original interest rate] [continue to bear interest on the basis of the Cash Settlement Amount at a floating interest rate].]</p> <p>[Insert in the case of redemption of the Predefined Settlement Amount at maturity: In the case that the Predefined Settlement Amount is paid at maturity, the Notes [will cease to bear interest] [continue to bear interest on the basis of the Predefined Settlement Amount at the original interest rate] [continue to bear interest on the basis of the Predefined Settlement Amount at a floating interest rate].]</p> <p>[Insert in the case of Notes, in respect of which the loss amount upon the occurrence of a Credit Event is leveraged: The loss amount relevant to the Calculation of Cash Settlement</p>
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		<p>Amount upon the occurrence of a Credit Event may be leveraged, meaning that the Cash Settlement Amount of the respective Notes is lower than the Cash Settlement Amount of Notes without leverage.]</p> <p><i>[Insert in the case of a Zero-Coupon-Note:</i> Zero-coupon-Notes are offered and sold at a discount to their nominal amount and will not bear interest other than in the case of a payment default.]</p> <p><i>Repayment</i></p> <p>The maturity date is [date] (the "Maturity Date").</p> <p><i>[Insert in the case of more than one Reference Entity:</i> The Notes provide for repayment at par on the Maturity Date subject to the non-occurrence of a Credit Event with respect to one or more specified Reference Entities.]</p> <p><i>[Insert in the case of a single Reference Entity:</i> The Notes provide for repayment at par on the Maturity Date subject to the non-occurrence of a Credit Event with respect to the Reference Entity.]</p> <p><i>Early Redemption</i></p> <p>The Issuer is entitled to redeem the Notes prior to the Maturity Date for taxation reasons. Noteholders are entitled to call for redemption in case of an event of default.</p> <p><i>[Insert in the case of a call option of the Issuer:</i> In addition, the Issuer has the right to redeem the Notes prior to the Maturity Date on [date(s)], subject to prior publication of accordant notice.]</p> <p><i>[Insert in the case of a put option of the Noteholder:</i> In addition, each Noteholder is entitled to call its Notes for early repayment on [date(s)], subject to prior written notice to the principal paying agent.]</p> <p>Upon the occurrence of a Credit Event,</p> <p><i>[Insert in the case of a single Reference Entity:</i></p> <p>[the Notes will be redeemed [early] by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date]]</p> <p>[the Notes will be redeemed early by delivery of a Deliverable Obligation on the [Physical Settlement Date][Maturity Date] (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date]</p> <p>[the Issuer may in its reasonable discretion decide whether the Notes will be redeemed [early] either by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date] or by delivery of a Deliverable Obligation on the [Physical Settlement Date][Maturity Date] (and</p>
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		<p>payment of a cash amount in the case of any fractions)).]</p> <p><i>[Insert in the case of more than one Reference Entity and no Nth-to-Default:</i></p> <p>[[the Notes will be redeemed [early] by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date]]</p> <p>[the Notes will be redeemed by payment of the Adjusted Principal Amount, subject to the number of Reference Entities affected by the occurrence of a Credit Event, on the Maturity Date] [unless a Credit Event occurs with respect to each of the Reference Entities; in this case the Notes will be early redeemed by payment of [the Cash Settlement Amount][Predefined Settlement Amount] [the Adjusted Principal Amount]], such amount may be zero]</p> <p>[the Notes will be redeemed early by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date]</p> <p>[the Issuer may in its reasonable discretion decide whether the Notes will be redeemed [early] either by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date] or by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions)).]</p> <p><i>[Insert in the case of more than one Reference Entity and Nth-to-Default:</i></p> <p>[the Notes will be redeemed [early] by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date]] [the Notes will be redeemed by payment of the Adjusted Principal Amount on the Maturity Date]</p> <p>[the Notes will be redeemed early by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date]</p> <p>[the Issuer may in its reasonable discretion decide whether the Notes will be redeemed [early] either by payment of the [Cash Settlement Amount][Predefined Settlement Amount] on the [Cash Settlement Date][Maturity Date] or by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions)).]</p> <p><u>Ranking</u></p> <p>The obligations under the Notes constitute, direct, unsecured and, subject to the occurrence of a Credit Event, unconditional</p>
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		<p>obligations of the Issuer and rank <i>pari passu</i> among themselves. In the event of the Issuer's liquidation or insolvency, any claims of the Noteholders under the Notes will rank <i>pari passu</i> with the claims of all unsubordinated creditors of the Issuer, save for such exceptions as may exist from time to time under applicable law.</p> <p><u><i>Presentation Periods, Prescription</i></u></p> <p>The rights to payment of principal and interest (if any) under the Notes are subject to prescription unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the date on which the payment in question first becomes due.</p>
C.11	Trading of securities	<p>[Regulated Market "Bourse de Luxembourg"] [Spanish Corporate Debt Market AIAF (<i>Mercado de Renta Fija</i>)] [●]</p> <p>[Not applicable, as the Notes are not listed.]</p>
C.15	Affect of the underlying's value on the investment's value	<p>[Not applicable, as the Notes have a denomination of at least EUR 100,000.]</p> <p>[Credit Linked Notes are Notes in respect of which repayment at par is subject to the non-occurrence of a Credit Event with respect to one or more specified Reference Entities. If a Credit Event has occurred, the Notes will be redeemed</p> <p>[</p> <p>[In the case of cash settlement: at the Cash Settlement Amount. The Cash Settlement Amount will depend on the Final Price of a certain reference obligation of the Reference Entity with respect to which a Credit Event has occurred.]</p> <p>[In the case of a Predefined Settlement Amount: at the Predefined Settlement Amount. The Predefined Settlement Amount will be calculated by the Determination Agent and is equivalent to the outstanding principal amount multiplied by [●]%.]</p> <p>[In the case of Adjusted Principal Amount and linear basket: at an Adjusted Principal Amount calculated on the basis of the Principal Amount minus a certain weighted amount with respect to the affected Reference Entity. [In the case of zero recovery basket: If a Credit Event in relation to each Reference Entity in the Reference Entity basket has occurred such amount may be zero.]]</p> <p>[In the case of Adjusted Principal Amount and non-linear basket: at an Adjusted Principal Amount calculated on the basis of the Principal Amount minus a certain amount with respect to the affected Reference Entity [plus an amount depending on the Final Price of a certain reference obligation of the Reference Entity with respect to which a Credit Event has occurred] [multiplied by [●] per cent]. [In the case of zero recovery basket: If a Credit Event</p>

		<p>in relation to each Reference Entity in the Reference Entity basket has occurred such amount may be zero.]</p> <p>]</p> <p>[In the case of physical settlement: by delivery of Deliverable Obligations corresponding to an amount equal to the outstanding Denomination of such Note.]</p> <p>[In the case of cash or physical settlement: at the discretion of the Issuer either (i) at a Cash Settlement Amount depending on the final price of a certain reference obligation of the Reference Entity with respect to which a Credit Event has occurred, (ii) at a Predefined Settlement Amount or (iii) by delivery of Deliverable Obligations corresponding to an amount equal to the outstanding Denomination of such Note.]</p> <p>The Notes provide for the following Credit Events: [Failure to Pay][.], [Obligation Acceleration][.], [Restructuring][.], [Bankruptcy][.], [Repudiation/Moratorium][.], [Governmental Intervention].]</p>
C.16	Expiration or maturity date of derivative securities / Exercise date or Final reference date	<p>The Notes will be redeemed at par on the Maturity Date unless a Credit Event has occurred.</p> <p>[In the case of Adjusted Principal Amount: If a Credit Event has occurred with respect to each Reference Entity within the period from and including [date] and ending on and including [date] [the Maturity Date] the Notes will redeem early.]</p> <p>[In all other cases: The Notes will be redeemed early [In the case of only one Reference entity: after the occurrence of a Credit Event] [In the case of more than one Reference Entity: after the occurrence of a Credit Event in relation to [the Nth Reference Entity][a Reference Entity][each Reference Entity]] within the period from and including [date] and ending on and including [date] [the Maturity Date].]</p> <p>[Insert in case of a call option of the Issuer: The Issuer has the right upon not less than [number of days] days' prior notice to redeem prior to the Maturity Date all, but not less than all, of the outstanding Notes on [Date(s)].]</p> <p>[Insert in case of a put option of the Noteholder: Each Noteholder is entitled to call its Notes upon not less than [number of days] days' prior written notice for advance repayment on [Date(s)].]</p>
C.17	Settlement procedure of derivative securities	<p>[Insert in the case of cash settlement: The Cash Settlement Amount will be determined on the basis of the Final Price of a Reference Obligation (as further described below) of the affected Reference Entity. However, it will, as a rule, not take into account the value of obligations relating to Reference Entities which have</p>

		<p>not been affected by a Credit Event. The calculation of the Cash Settlement Amount may differ depending on the Final Terms and what kind of Credit Event has occurred.]</p> <p><i>[In the case of a Predefined Settlement Amount and in the case of cash or physical settlement:</i> The Predefined Settlement Amount will be calculated by the Determination Agent and is equivalent to the outstanding principal amount multiplied by [●]%.]</p> <p><i>[Insert in the case of an Adjusted Principal Amount:</i> The Adjusted Principal Amount will cause an adjustment of the (Early) Redemption Amount, which would be paid if no relevant Credit Event occurred, or be equal to the amount payable upon redemption. Each calculation of an Adjusted Principal Amount will be based on <i>[Insert in case of a linear basket:</i> the Weighted Amount with respect to the affected Reference Entity.] <i>[Insert in case of a non-linear basket:</i> the Final Price of a Reference Obligation (as further described below) of the affected Reference Entity.] However, the number of Credit Events that have already occurred as well as the fact that a number of Reference Entities (if any) have not been affected by Credit Events will be taken into account. Thus, the Adjusted Principal Amount may successively decrease taking into account any Credit Event which may subsequently occur.]</p> <p><i>[Insert in the case of cash settlement and in the case of an Adjusted Principal Amount and non-linear basket:</i> The final price of the Reference Obligation will be based on the market value of such obligation of the affected Reference Entity after the occurrence of the Credit Event as compared to its nominal value. The Final Terms provide for specific valuation or quotation methods <i>[Insert in the case of ISDA auction:</i> (including an auction organised by the International Swaps and Derivatives Association, Inc. ("ISDA"))] for the purposes of calculating the Final Price. Such calculations will be made subsequent to the occurrence of the Credit Event on the relevant pre defined Valuation Date.]</p> <p><i>[Insert in the case of physical settlement:</i> The Physical Settlement Amount will be determined as the pro-rata portion of the Outstanding Principle Balance or Due and Payable Amount of the Deliverable Obligation(s), which in general will equal the outstanding aggregate Principal Amount of the Notes. Deliverable Obligation(s) are obligations of the Reference Entity selected by the Issuer which satisfy the relevant Deliverable Obligation Categories and Deliverable Obligation Characteristics set out in the Final Terms. The market value of the selected Deliverable Obligation(s) delivered following the occurrence of the Credit Event will not be taken into account.</p> <p>In the case of a remaining fraction of the Deliverable Obligation(s) the Issuer shall pay a cash amount equal to the value of such</p>
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		<p>fraction of the Deliverable Obligation. Under certain circumstances, e.g. if the delivery of the Deliverable Obligation is unlawful, the Issuer is not obliged to transfer the Deliverable Obligations. In this case the Issuer shall pay the Partial Cash Settlement Amount based on the Final Price of such Undeliverable Obligation.</p> <p>Such Final Price will be based on the market value of such obligation after the occurrence of the Credit Event as compared to its nominal value. The Final Terms provide for specific valuation or quotation methods <i>[Insert in the case of ISDA auction: (including an auction organised by the International Swaps and Derivatives Association, Inc. ("ISDA"))]</i> for the purposes of calculating the Final Price. Such calculations will be made subsequent to the occurrence of the Credit Event on the relevant pre defined Cash Settlement Valuation Date.]]</p>
C.18	Return on derivative securities	<p><i>[Insert in the case of Notes which are not Zero-Coupon-Notes: [Subject to the non-occurrence of a Credit Event, the][The] Notes will bear interest.]]</i></p> <p><i>[Insert in the case of a Zero-Coupon-Note: Zero-coupon-Notes are offered and sold at a discount to their nominal amount and will not bear interest other than in the case of a payment default.]</i></p> <p>The Notes will not be redeemed at an amount higher than their outstanding principal amount.</p>
C.19	Exercise price or final reference price of the underlying	<p>Upon occurrence of a Credit Event the Notes will be redeemed by [payment of the [Cash Settlement Amount]][Predefined Settlement Amount]]</p> <p>[delivery of a Deliverable Obligation (and payment of a cash amount in the case of any factions), under certain circumstances, by payment of the Partial Cash Settlement Amount]</p> <p>[by payment of the Adjusted Principal Amount].</p>
C.20	Type of the underlying / Source of information on the underlying	<p>[The Reference Entit[y][ies] [is][are] [●] and the[ir] respective successor[s].]</p> <p>[The Reference Entit[y][ies] [is][are] [a] sovereign reference entit[y][ies], being [●] and the[ir] respective successor[s].]</p> <p>[The Reference Entities are [●] and sovereign reference entities being [●] and, in each case, the[ir] respective successor[s].]</p> <p><i>[Insert relevant website(s)]</i></p>

Section D – Risks

Element	Description of Element	Disclosure requirement
D.2	Key risks specific to the Issuer	<p>The following risks are key risks specific to the Issuer.</p> <p>Each Tranche of Notes entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that COMMERZBANK becomes temporarily or permanently unable to meet its obligations to pay interest and/or the redemption amount.</p> <p>Furthermore, COMMERZBANK is subject to various risks within its business activities. Such risks comprise in particular the following types of risks:</p> <p><i>Global Financial Crisis and Sovereign Debt Crisis</i></p> <p>The global financial crisis and sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence. The Group holds sovereign debt. Impairments and revaluations of such sovereign debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future.</p> <p><i>Macroeconomic Environment</i></p> <p>The Group's results, and the Group's heavy dependence on the economic environment, particularly in Germany, may result in further substantial negative effects in the event of any renewed economic downturn.</p> <p><i>Counterparty Default Risk</i></p> <p>The Group is exposed to default risk (credit risk), including in respect of large individual commitments, large loans and commitments, concentrated in individual sectors, referred to as "bulk" risk, as well as loans to debtors that may be particularly affected by the sovereign debt crisis. The run-down of the ship finance portfolio and the Commercial Real Estate finance portfolio is exposed to considerable risks in view of the current difficult market environment and the volatility of ship prices and real estate prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the value of ships held as</p>

		<p>collateral, ships directly owned, directly-owned real estate and real estate held as collateral. The Group has a substantial number of non-performing loans in its portfolio and defaults may not be sufficiently covered by collateral or by write-downs and provisions previously taken.</p> <p>Market Risks</p> <p>The Group is exposed to a large number of different market risks such as market price risks in relation to the valuation of equities and fund units as well as in the form of interest rate risks, credit spread risks, currency risks, volatility and correlation risks, commodity price risks.</p> <p>Strategic Risks</p> <p>There is a risk that the Group may not benefit from its strategy, or may be able to do so only in part or at higher costs than planned, and that the implementation of planned measures may not lead to the achievement of the desired strategic objectives.</p> <p>Risks from the Competitive Environment</p> <p>The markets in which the Group is active, particularly the German market(and, in particular, the private and corporate customer business and investment banking activities) and the Polish market, are characterized by intense competition on price and on transaction terms, which results in considerable pressure on margins.</p> <p>Liquidity Risks</p> <p>The Group is dependent on the regular supply of liquidity and a market-wide or company-specific liquidity shortage can have material adverse effects on the Group's net assets, financial position and results of operations.</p> <p>Operational Risks</p> <p>The Group is exposed to a large number of operational risks including the risk that employees will enter into excessive risks on behalf of the Group or will violate applicable rules, laws or regulations while conducting business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements. The Bank's operational systems are subject to an increasing risk of cyber attacks and other internet crime, which could result in losses of customer information, damage the Bank's reputation and lead to regulatory proceedings and financial losses.</p> <p>Risks from Bank-Specific Regulation</p> <p>Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely</p>
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		<p>affect the Group's competitive position, reduce the Group's profitability, or make the raising of additional equity capital necessary. Other regulatory reforms proposed in the wake of the financial crisis, for example, charges such as the bank levy, a possible financial transaction tax, the separation of proprietary trading from deposit-taking business, or stricter disclosure and organizational obligations, may materially influence the Group's business model and competitive environment.</p> <p>Legal Risks</p> <p>Legal disputes may arise in connection with COMMERZBANK's business activities, the outcomes of which are uncertain and which entail risks for the Group. The outcome of such proceedings as well as regulatory, supervisory and judicial proceedings may have material adverse effects on the Group that go beyond the claims asserted in each case.</p> <p>Rating</p> <p>A downgrade in the rating of the Issuer or its subsidiaries by a rating agency may have an adverse effect on the market price of the Notes.</p>
D.6	Key risks specific to the securities and Risk warning	<p>The following risks are key risks specific to the Notes.</p> <p>General Risks relating to the value of the Notes and related investment costs and expenses</p> <p>The market for debt securities issued by German companies and banks is influenced by economic and market conditions in Germany and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. With respect to inflation, investors have to consider the impact of a reduction in monetary value of their investment if the Notes are not subject to any inflationary adjustment.</p> <p>There can be no assurance that an active trading market will develop or be maintained for all Notes, irrespective of whether the Notes will be admitted to trading on an exchange platform. If an active trading market for the Notes does not develop or is not maintained, the market or trading price of the Notes and the possibility to sell the Notes at any time may be adversely affected. If a listing on an exchange platform has taken place, the Issuer assumes no responsibility to maintain such listing. A later withdrawal of the Notes from an exchange platform may adversely affect their tradeability, their market price and the possibility for investors to sell them prior to Maturity.</p> <p>The Issuer does not intend to act as market maker with respect to the Notes and even if it does, the quotations thus provided may not correspond to the actual market value of the Notes or the</p>

		<p>value the Notes would have had in a liquid market. Market making may in fact negatively impact the liquidity and the market price of the Notes.</p> <p>Should no liquid market in the Notes develop, investors may be compelled to hold the Notes until maturity or may only be able to sell them at a loss.</p> <p>When Notes are purchased or sold, several types of incidental and consequential costs (including transaction fees, commissions and deposit fees) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the profit potential of the Notes.</p> <p>Investors have to check for themselves whether there are any restrictions or prohibitions applicable to them in relation to the purchasing or holding of the Notes.</p> <p>[In case of physical settlement investors may be required to bear all costs, fees, expenses and taxes associated with the delivery of the Deliverable Obligations.]</p> <p>Noteholders should not rely on being able to enter into transactions during the term of the Notes which would enable them to exclude any risks in connection with their Notes.</p> <p>Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes.</p> <p>Any interest paid may only be invested at the market interest rate applicable from time to time, which may not have developed as expected.</p> <p>If the purchase of Notes is financed through loans and there is a subsequent delay or failure in payments of the Issuer with regard to the Notes or if a Credit Event occurs or the price decreases considerably, the Noteholder does not only have to accept the loss incurred but also pay interest on and redeem the loan. This may considerably increase the risk of loss. A Noteholder should not rely on the prospect of being able to redeem the loan or pay interest on the loan out of transaction profits.</p> <p><i>[Insert in the case of Notes represented by a global note:</i> The Terms and Conditions will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change in English law or administrative practice after the date of this Prospectus.]</p> <p><i>[Insert in the case of Notes issued in dematerialised form under French law:</i> The Terms and Conditions will be governed by English law, except for the constituting of such Notes which will be governed by French law. No assurance can be given as to the</p>
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		<p>impact of any possible judicial decision or change in English law or in French law or in administrative practice after the date of this Prospectus.]</p> <p><i>Payment Risks unrelated to the credit linkage of the Notes</i></p> <p><i>[Insert in the case of fixed rate notes:</i> A holder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate.]</p> <p><i>[Insert in the case of floating rate notes:</i> Due to varying interest income, Noteholders are not able to determine a definite yield of floating rate Notes at the time they purchase them.]</p> <p><i>[Insert in the case of fixed-to-floating rate notes:</i> Fixed-to-floating rate Notes commonly bear interest at a rate which changes at certain pre-determined points in time. For the period during which a fixed interest rate is applicable, investors are exposed to the risk that the market value of the Notes decreases following a change in market interest rates. For the period during which a floating interest rate is applicable, investors are exposed to the risks of fluctuating interest levels and thus uncertain interest earnings.]</p> <p><i>[Insert if reference interest rate is applicable:</i></p> <p>A Noteholder is exposed to the risks associated with the reform of LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "Benchmark" and together, the "Benchmarks"). On 30 June 2016, the EU regulation ((EU) 2016/1011) on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") entered into force and is fully applicable since 1 January 2018. The Benchmark Regulation could have a material impact on Notes linked to a 'benchmark' rate or index. The disappearance of a 'benchmark' or changes in the manner of administration of a Benchmark, including in any of the following circumstances:</p> <ul style="list-style-type: none"> • a rate or index which is a Benchmark may not be used according to the Benchmark Regulation (subject to applicable transitional provisions) if its administrator does not obtain authorisation or is not registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is not considered equivalent (Art. 30 Benchmark Regulation) pending such decision the administrator is not recognised (Art. 32 Benchmark Regulation) or the benchmarks is not endorsed (Art. 33 Benchmark Regulation). In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be impacted; and
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		<ul style="list-style-type: none"> the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including Calculation Agent determination of the rate. <p>In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks. Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.]</p> <p>[Insert in the case of a maximum interest rate: The application of a maximum interest rate means that the overall return investors may expect for the term of the Notes is limited beforehand.]</p> <p>[Insert in the case of an inflation index linked notes: If the Notes refer to an inflation index (consumer price index), the yield of the Notes is directly linked to the development of such index. Potential investors should bear in mind that such index may not correspond to the actual inflation rate to which they are exposed. Any adjustment to the interest rate to reflect changes of such inflation index under the Notes may therefore not be capable of in fact compensating investors for a reduction in purchasing power of any returns received under the Notes.]</p> <p>[Insert in the case of CMS reference interest rate: Due to varying swap rates, Noteholders are not able to determine a definite yield of Notes with CMS as reference interest rate at the time they purchase them.]</p> <p>[Insert in the case of zero coupon notes: Changes in market interest rates have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par, which is due to the discounting.]</p> <p>[Insert in the case of an ordinary termination right: The Notes may be terminated and redeemed by the Issuer prior to the scheduled Maturity Date. The Issuer may terminate the Notes with prior notice in which case they are redeemed in full at a specified date at the early redemption amount.]</p> <p>Furthermore, in certain circumstances the Issuer may have the right to terminate the Notes extraordinarily without prior notice and redeem them at a date which is to be determined by the Issuer in its reasonable discretion. Depending on the grounds for such termination, the cash settlement or physical settlement (as the</p>
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		<p>case may be and if applicable) may then only occur up to 60 business days following the notice of such redemption without any obligation on part of the Issuer to make any other payments (including interest) to investors between the exercise of its termination right and the scheduled Maturity Date.</p> <p>The early redemption of a Note may lead to negative deviations from the expected yield and the repaid redemption amount of the Notes may be lower than the purchase price paid by the Noteholder and thus, the invested capital may be partially or completely lost. Furthermore, there is the possibility that Noteholders may invest the amounts received upon early redemption only at a rate of return which is lower than that of the Notes redeemed.</p> <p>A holder of a Note denominated in a foreign currency is exposed to the risk of any unfavourable changes in currency exchange rates which may affect the yield of such Notes.</p> <p>Investors should generally bear in mind that the eventual redemption amount may be lower than the initial purchase price which depends inter alia on the occurrence of a Credit Event. Investors may also incur losses if they attempt to sell the Notes on the secondary market depending on their market performance.</p> <p><i>Risk Factors relating to the credit linkage of the Notes</i></p> <p>The Notes to be issued are linked to one or more private sector entities and/or public sector entities, as the case may be (the "Reference Entities") and are therefore subject to the occurrence of one or more Credit Events (as defined below) related to those Reference Entities.</p> <p>A credit event occurs if during the Observation Period certain circumstances occur, having economically adverse effects on a Reference Entity. Such circumstances are [Failure to Pay][,] [Obligation Acceleration][,] [Restructuring][,] [Bankruptcy][,] [Repudiation/Moratorium][,] [Governmental Intervention] (each a "Credit Event").</p> <p><i>[In the case of Failure to Pay and Grace Period Extension:</i></p> <p>With respect to the Credit Event Failure to Pay, investors should be aware that the term of the Notes may be prolonged by the Issuer to the effect that the Notes may be redeemed only after the Maturity Date. Upon the occurrence of such Credit Event, a grace period extension is initiated in relation to the obligation to pay of the Reference Entity. Due to this grace period extension, it may not be excluded that another Credit Event with respect to a Reference Entity may occur even after the scheduled Maturity Date and investors may lose up to their entire investment including any outstanding interest payments after such date.]</p> <p><i>[In the case of Repudiation/Moratorium:</i> With respect to the Credit Event Repudiation/Moratorium, investors should be aware</p>
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		<p>that the term of the Notes may be prolonged by the Issuer to the effect that the Notes may be redeemed only after the Maturity Date. Upon the occurrence of such Credit Event, a grace period extension is initiated in relation to the obligation to pay of the Reference Entity. Due to this grace period extension, it may not be excluded that another Credit Event with respect to a Reference Entity may occur even after the scheduled Maturity Date and investors may lose up to their entire investment including any outstanding interest payments after such date.]</p> <p>[In the case of Potential Failure to Pay: The Final Terms provide for Potential Failure to Pay. A Potential Failure to Pay is not a Credit Event. However, it occurs if a Failure to Pay threatens to occur because a grace period under the payment obligation which has not expired by the end of the Observation Period has to be taken into account. If in this case a Failure to Pay eventually occurs upon expiry of the grace period and/or a corresponding extension period under the Notes (resulting from the corresponding Potential Failure to Pay), such Failure to Pay, in spite of having occurred only after the end of the relevant Observation Period is deemed to be a relevant Credit Event which can be notified to the Noteholders and thus may have effects on the Notes.]</p> <p>[In the case of Potential Repudiation/Moratorium: The Final Terms provide for Potential Repudiation/Moratorium. A Potential Repudiation/Moratorium is not a Credit Event. However, it occurs if a Repudiation/Moratorium threatens to occur because a grace period under the payment obligation which has not expired by the end of the Observation Period has to be taken into account. If in this case a Repudiation/Moratorium eventually occurs upon expiry of grace period and/or a corresponding extension period under the Notes (resulting from the corresponding Potential Repudiation/Moratorium), such Repudiation/Moratorium, in spite of having occurred only after the end of the relevant Observation Period is deemed to be a relevant Credit Event which can be notified to the Noteholders and thus may have effects on the Notes.]</p> <p>[Upon the occurrence of a Credit Event, [the Notes cease to bear interest] [interest is payable on a reduced basis].]</p> <p>A Credit Event may also occur prior to the issuing of the Notes. Neither the Issuer nor the Determination Agent or any of their affiliates is responsible to inform investors of such occurrence or to mitigate its consequences. This means that investors may lose up to their entire investment only one day after the issuing of the Notes.</p> <p>[In the case of cash settlement or physical settlement: In addition, such Credit Event leads to [an early redemption at a [Cash Settlement Amount]][Predefined Settlement Amount] on the</p>
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		<p>Cash Settlement Date] [an redemption at a Cash Settlement on the Maturity Date] [an early redemption by delivery of a certain number of bonds, loans or any other deliverable obligations of a Reference Entity ("Deliverable Obligation") specified in the Final Terms and selected by the Issuer in its own discretion] [an early redemption by either payment of a [Cash Settlement Amount][Predefined Settlement Amount] or delivery of a certain number of bonds, loans or any other deliverable obligations of a Reference Entity ("Deliverable Obligation") specified in the Final Terms and selected by the Issuer in its own discretion].]</p> <p>Hence, by purchasing the Notes, prospective investors are also making an investment decision with respect to the Reference Entity[ies]. [The determination of the Cash Settlement Amount is based on the market value of certain Reference Obligations of the affected Reference Entity.] The value of the [Reference Obligation(s)] [Deliverable Obligation(s)] may after the occurrence of a Credit Event be significantly lower than their principal amount. Hence, repayments to be made at maturity may not be made at all or only on a reduced basis.</p> <p>[In the case of redemption at the Cash Settlement Amount: In the case of payment of the Cash Settlement Amount at maturity, the Notes [will cease to bear interest] [continue to bear interest on the basis of the Cash Settlement Amount at the original interest rate] [continue to bear interest on the basis of the Cash Settlement Amount at a floating interest rate]. [The Noteholders bear the risk of receiving no interest.] [The Noteholders bear the risk of receiving only a reduced interest in respect of the Cash Settlement Amount.]]</p> <p>[In the case of redemption at the Predefined Settlement Amount: In the case of payment of the Predefined Settlement Amount at maturity, the Notes [will cease to bear interest] [continue to bear interest on the basis of the Predefined Settlement Amount at the original interest rate] [continue to bear interest on the basis of the Predefined Settlement Amount at a floating interest rate]. [The Noteholders bear the risk of receiving no interest.] [The Noteholders bear the risk of receiving only a reduced interest in respect of the Predefined Settlement Amount.]]</p> <p>[In the case of redemption at the Adjusted Principal Amount: In addition, such Credit Event leads to a redemption at maturity at an Adjusted Principal Amount, which may be zero. The Notes are linked to a basket of Reference Entities with respect to which the Final Terms provide for a continuous, computed cash settlement following each Credit Event that occurs with respect to the Reference Entities, while the Notes at the same time will be subject to an adjustment of the (Early) Redemption Amount, which would be paid if no Credit Event occurred, taking into account the applicable Final Price for the relevant Reference Obligation.]</p>
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		<p>The Issuer, the Determination Agent or any of their affiliates do not make any representation in relation to the creditworthiness of the Reference Entities or the correctness of any publicly available information in relation to them.</p> <p>Investors should also bear in mind that if the Notes relate to several Reference Entities which are economically active in the same market or geographic area, adverse macro-economic effects may lead to certain concentration risks increasing the overall likelihood of the occurrence of a Credit Event with respect to those Reference Entities.</p> <p>Reference Entities may be situated in the jurisdiction of a developing country or a threshold country. An investment in Notes which relate to one or more of such Reference Entity entails additional legal, political and economic risks including (but not limited to) a decline in the currency exchange rate or the risk of considerable inflation.</p> <p>Investors should be aware that the Issuer, the Determination Agent and their affiliates are not in a position to make any statements as to the likelihood of the occurrence of a Credit Event.</p> <p>The Notes do not provide for capital protection, nor are they subject to any guarantee by the Reference Entities.</p> <p>Therefore, if a Credit Event occurs investors may only receive a fraction of the invested capital or may suffer a total loss of the capital invested and loss of interest. In addition, there is a reinvestment risk.</p> <p><i>[Insert in the case of a basket of Reference Entities:</i> The effects of a Credit Event on the Notes may be leveraged, meaning that (i) where the Principal Amount of the Note is lower than the sum of the Weighted Amounts of all Reference Entities, Credit Events do not affect the payments under the Notes proportionally to their weighting within the basket but by the absolute Weighted Amount of the respective Reference Entity, or (ii) the Weighted Amount of the respective Reference Entity is multiplied by a factor. With respect to the basket of Reference Entities, the composition of Reference Entities within the basket may change over time. The substitution of Reference Entities by way of a succession event within the basket entails the risk that it may no longer represent the risk profile applicable to the original basket and may also lead to higher concentration risks.]</p> <p><i>[Insert in the case of a note, in respect of which the loss amount upon the occurrence of a Credit Event is leveraged:</i> The effect of a Credit Event on the Notes may be leveraged, meaning that the Cash Settlement Amount of the respective Notes is lower than the Cash Settlement Amount of Notes without leverage, as the result of the loss amount of the Note being</p>
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		<p>multiplied by the Leverage Factor when calculating the Cash Settlement Amount.]</p> <p>Further, Credit Events may not have direct effects on the payments under the Notes in cases where Credit Events below a certain threshold are not taken into account.</p> <p>[In case of (early) redemption by physical delivery prospective investors must be aware that, as a result of such a physical delivery, investors and their investment no longer depend on the creditworthiness of the Issuer but on the value of the Deliverable Obligations actually delivered.</p> <p>The value of any such delivered obligation might be significantly less than the capital invested by the investor and may, in extreme cases, even be zero.]</p> <p>Insofar as interest payments on and the redemption of the Notes are subject to the occurrence of a Credit Event, investors are directly exposed to the credit risk of the Reference Entities. The credit risk of the Notes is therefore comparable to the risks which a direct investment in the Reference Entities would entail. However, investors in the Notes at hand additionally bear the credit risk of the Issuer.</p> <p>Following the occurrence of a Credit Event, the investors do not benefit from any positive economic developments with respect to the Reference Entities. In particular, the consequences of a Credit Event will not be revoked. This means that an investment in the Notes may in fact be riskier than a direct investment in the obligations of the Reference Entities. If an event occurs which adversely affects the creditworthiness of the Reference Entities but which does not amount to a Credit Event, the market price of the Notes may decline. Thus, investors which seek to sell their Notes at such point in time may incur considerable losses on the secondary market.</p> <p>The Notes do not create any legal relationship between the Noteholders (the "Noteholders") and the Reference Entities, and the Noteholders will not have any right of recourse against the relevant Reference Entity in the event of any loss.</p> <p>If during the term of the Notes, the creditworthiness of [the Reference Entity] [one or more Reference Entities] deteriorates significantly without the occurrence of a Credit Event being imminent, this may materially adversely affect the market price of the Notes.</p> <p>[Insert in the case of a basket of Reference Entities: The correlation between Reference Entities may affect the market price of the Notes. Depending on the structure of the Notes, a change in correlation can have a positive or negative effect on the market value of the Notes.]</p>
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		<p>institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund and amending Regulation (EU) No 1093/2010 ("SRM Regulation") applies, to the greatest extent possible, to participating credit institutions having their seat within the European Union.</p> <p>In this connection, the SAG and the SRM Regulation include provisions stipulating that additional decision-making and other powers be granted to regulatory authorities, that additional organisational and reporting requirements be imposed on banks and that creditors be required to participate in possible losses, as well as provisions regarding a single resolution fund.</p> <p>Furthermore, the competent resolution authorities are granted certain resolution powers. In particular, the competent resolution authorities are granted the power to write down certain unsecured receivables of an ailing institution's creditors and to convert receivables into equity (so-called "bail-in tool").</p> <p>Under the bail-in tool, upon the occurrence of certain events, existing shares will be cancelled, liabilities eligible for bail-in (i.e. own funds instruments, such as subordinated securities and other subordinated debt, and even non-subordinated debt, subject to exceptions in respect of certain liabilities) of an ailing institution will be written down or such eligible liabilities of an ailing institution will be converted into equity at certain rates of conversion representing appropriate compensation to the affected creditor for the loss incurred as a result of the write-down and conversion, in order to strengthen the institution's financial position and allow it to continue as a going concern subject to appropriate restructuring.</p> <p>A write-down (or conversion into equity) in accordance with the bail-in tool will not result in an early redemption. Consequently, any amounts so written down will be irrevocably lost and the creditors of the relevant receivables will cease to have any claims thereunder, regardless of whether or not the institution's financial position is restored. However, if bail-in tools are applied, the creditors of the relevant receivables may not be put in a position worse than that in which they would be had regular insolvency proceedings been instituted.</p> <p><i>Risks in connection with procedures pursuant to KredReorgG and KWG</i></p> <p>Actions taken by the Issuer or the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin</i>) pursuant to the German Banking Act (<i>Gesetz über das Kreditwesen, Kreditwesengesetz, KWG</i>) or the German Act on the Reorganisation of Credit Institutions (<i>Kreditinstitute-Reorganisationsgesetz, KredReorgG</i>) can lead to the partial or complete loss of the invested capital for</p>
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		<p>the holders of the Notes.</p> <p><i>Risks in connection with the proposed financial transactions tax (FTT)</i></p> <p>The European Commission has proposed a common financial transactions tax (FTT) to be implemented in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. However, Estonia has since stated that it will not participate. The proposed financial transactions tax could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. However, the financial transactions tax is still subject to negotiation between the participating EU Member States. Additional EU Member States may decide to participate. Furthermore, it is currently uncertain when the financial transactions tax will be enacted and when the tax will enter into force with regard to dealings with the Notes.</p> <p><i>[Insert in case the Notes are rated:</i></p> <p><i>Risks in connection with rated Notes</i></p> <p>The value of the Notes could be affected by the ratings given to them by rating agencies. A downgrade in the rating of the Notes by a rating agency may have an adverse effect on their market price.]</p> <p><i>Risks in connection with a substitution of the Issuer</i></p> <p>If the conditions are met, the Issuer is entitled at any time, without the consent of the Noteholders, to appoint another company as the new Issuer with regard to all obligations arising out of or in connection with the Notes in its place. In that case, the holder of the Notes will generally also assume the insolvency risk with regard to the new Issuer.</p> <p>Should one or several of the aforementioned risks occur, this could lead to a material decline in the price of the Notes or, in the worst-case scenario, to a total loss of interest and of the amount invested by the investors.</p>
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Section E – Offer

Element	Description of Element	Disclosure requirement
E.2b	Reasons for the offer and use of proceeds	[The net proceeds of each issue of Notes will be used for general corporate purposes.][●]
E.3	Terms and conditions of the offer	[Not applicable. The Notes are not being offered to the public as part of a Non-Exempt Offer.] [●]

E.4	Any interest that is material to the issue/offer including conflicts of interests	<p>[So far as the Issuer is aware, no person involved in the offer of the Notes is subject to any conflict of interest material to the offer.]</p> <p><i>[Insert description of conflicts of interest (if any).]</i></p>
E.7	Estimated expenses charged to the investor by the Issuer or the Offeror	<p>[•]</p>

Risk Factors

The purchase of Notes issued under the Programme is associated with certain risks. The information set forth below is a disclosure of risk factors that, are known to COMMERZBANK Aktiengesellschaft ("**COMMERZBANK Aktiengesellschaft**", "**COMMERZBANK**", the "**Bank**" or the "**Issuer**" and together with its consolidated subsidiaries and affiliated companies "**COMMERZBANK Group**" or "**Group**") at the date of this Base Prospectus, and are in its opinion material to the Notes in order to assess the market risk associated with these Notes. Additional risks that are not known at the date of this Prospectus or currently believed to be immaterial could likewise have an adverse effect on the value of the Notes.

The onset of one or several of these risks, in isolation or in combination with other factors, can seriously affect the business operations of the Group and have adverse effects on the net assets, financial standing and profitability of the Group or on the price of securities of COMMERZBANK. The risks described below, are possibly not the only risks to which the Group is exposed. Other risks, which are currently not known to the Bank or are considered unimportant at present, may also affect the business operations of the Group and have serious adverse effects on the business activity and the net assets, financial standing and profitability of the Group.

In order to reach an informed purchase decision with respect to the Notes, investors should read all relevant documents in connection with the offering besides the risk factors set out in this section, including the information contained in the Base Prospectus, all documents incorporated by reference and the relevant Final Terms. In this respect, investors should, together with the other information on the Issuer and the Notes contained in the Base Prospectus, also consider the risks set out herein for their investment decision.

The order of the risks described herein does not imply any statement about the likelihood of occurrence of each risk or the influence of such risk factor on the value of the Notes. Prospective investors should also bear in mind that the presented risk factors may, if they materialise, mutually reinforce each other.

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances. An investment in the Notes requires a thorough understanding of the nature of the relevant transaction. Prospective investors should take into account their current financial situation and their investment objectives before deciding whether to invest in the Notes. In this context, they should take into consideration the risks of an investment in the Notes set out below in particular, in addition to the other information contained elsewhere in this Prospectus. Prospective investors are also advised to consult their own tax advisers, legal advisers, accountants or other relevant advisers as to the risks associated with, and consequences of, the purchase, ownership and disposition of the Notes including the effect of any laws of each country of which they are residents.

Should one or several of the following risks occur, this could lead to a material decline in the price of the Notes or, in the worst-case scenario, to a total loss of the capital invested by the investors.

Expressions defined or used in the Terms and Conditions or elsewhere in the Base Prospectus shall have the same meaning in this section "Risk Factors".

An investment in the Notes might not be suitable for investors who have insufficient knowledge of the finance sector. An investment in the Notes requires exact knowledge of the respective

transaction. Investors should have reasonable knowledge of and experience in financial and business matters and be experienced with investments in Notes linked to certain events relating to the creditworthiness of one or more Reference Entities and have sufficient knowledge and experience to make a meaningful evaluation of the associated risks. Due to the complexity of the offered Notes and the considerable risks which an investment in them entails, potential investors should obtain independent investment advice prior to their purchase.

Risk Factors relating to the Notes

General Risks relating to the value of the Notes and related investment costs and expenses

Market Conditions

The market for debt securities issued by German companies and banks is influenced by economic and market conditions in Germany and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, other European countries or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

To the extent that the Notes are not subject to any inflationary adjustment, potential investors have to consider the impact of a reduction in monetary value. The higher the current inflation rate, the lower the effective returns on the Notes become. Should the inflation rate correspond to or exceed the nominal returns under the Notes, the effective returns investors may expect therefore may be zero or even negative.

Secondary Market

There can be no assurance that an active trading market for Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

The Notes may or may not be admitted to trading on an exchange platform. Irrespective of whether such admission takes place, there is no assurance that an active trading market will develop. Likewise, the Issuer assumes no responsibility to maintain a listing (if one has taken place) of the Notes on an exchange platform. Should the Notes be withdrawn from an exchange platform at a later stage, this may adversely affect their tradeability as well as their market price. In particular, in the absence of an official quotation, investors may find it difficult or impossible to sell the Notes prior to maturity.

The Issuer, the Determination Agent or their affiliates are entitled to buy and sell the Notes for their own account or for the account of others, and to issue further Notes. The Issuer, the Determination Agent or their affiliates may also issue further Notes or other securities, some of which may relate to the same underlyings. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Issuer does not intend to act as market maker with respect to the Notes. Market making means the provision of regular quotations at which the Issuer or any of its affiliates would be willing to trade the Notes at a certain volume. Even if the Issuer or any of its affiliates decides to engage in market making activities in respect of the Notes at a later stage, the quotations thus provided may not correspond to their actual market value or the value the Notes would have had in a liquid market in the absence of market making. Market making may in fact negatively impact the liquidity and the market price of the Notes.

Liquidity

Potential investors should bear in mind that the liquidity of the Notes depends on a variety of factors, most prominently on the volume of the series and the availability of quotations. Should no active trading in the Notes develop, investors may be compelled to hold the Notes for the full term without having the possibility to sell them prior to maturity. Even if investors manage to sell their holdings in the Notes, the spread between the original purchase price and the price at which the Notes are sold on the secondary market may be disadvantageous. As a result, investors may incur considerable losses or they will potentially have missed the opportunity to reap profits they would have made, had they instead invested in comparable financial instruments.

Transaction Costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Legality of Purchase of the Notes

Investors have to check for themselves whether there are any restrictions or prohibitions applicable to them in relation to the purchasing or holding of the Notes.

Credit Risk relating to Borrowings by the Investor

If a loan is used to finance the acquisition of the Notes and the Notes subsequently go into default, or if one or more Credit Event occur or if the trading price diminishes significantly, the Noteholder not only has to face a potential loss on his investment but he will also have to repay the loan and pay interest thereon. This may significantly increase the risk of a loss. Noteholders should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, potential investors should assess their financial

situation prior to an investment, as to whether they are able to pay interest on the loan, or to repay the loan on demand, even if they may suffer losses instead of realising gains.

Hedging

Investors should not rely on being able to enter into transactions during the term of the Notes which would enable them to exclude any risks in connection with their investment.

Taxation

Investors should be aware that duties and other taxes and/or expenses, including any stamp duty, depositary charges, transaction charges and other charges, may be levied in accordance with the laws and practices in the countries where the Notes are transferred and that it is the obligation of an investor to pay all such duties, other taxes and/or expenses. Investors should consult with their own tax adviser in this respect.

All payments made under the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, in case of payments under the Notes and save in limited circumstances, and unless excluded in the Final Terms, be required to pay additional amounts to cover the amounts so withheld or deducted ("**Additional Amounts**") and such event will allow the Issuer to redeem them early as this would be an 'Gross up Event'. In no event will Additional Amounts be payable in respect of U.S. withholding taxes pursuant to the Foreign Account Tax Compliance Act.

Investors should be aware that payments made under the Notes and/or capital gains from the sale or redemption of the Notes may be subject to taxation in the jurisdiction of the holder of the Notes or in other jurisdictions in which the holder of the Notes is required to pay taxes. Section "Taxation" below contains a general description of certain tax considerations relating to the purchasing, holding and disposing of the Notes in relation to the Federal Republic of Germany, France, Luxembourg and Spain.

Change in tax law

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Notes. Any such change may cause the tax treatment of the Notes to change from the tax position at the time of purchase and may render the statements in this Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Notes. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to redeem the Notes.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

According to the coalition agreement between the German Christdemocratic Party and the German Socialdemocratic Party the current German government still has the intention to introduce a FTT. However, no further plans or details are yet available in this respect.

The FTT proposal remains subject to negotiation between (certain) EU Member States and the scope of such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU Member States and when it will take effect with regard to dealings in the Notes.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

Risks in connection with the resolution regime for banks

On 12 June 2014, Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (the so-called Bank Recovery and Resolution Directive, "**BRRD**") was published in the Official Journal of the European Union.

The BRRD has been implemented into German law by the German Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*, "**SAG**"). It came into force on 1 January 2015. The SAG was amended by the German Act Adapting National Bank Resolution Law to the Single Resolution Mechanism and the European Bank Levy Requirements (*Gesetz zur Anpassung des nationalen Bankenabwicklungsrechts an den Einheitlichen Abwicklungsmechanismus und die europäischen Vorgaben zur Bankenabgabe (Abwicklungsmechanismusgesetz)*) of 2 November 2015.

In addition, as of 1 January 2016, Regulation (EU) No 806/2014 establishing a single procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund and amending Regulation (EU) No 1093/2010 ("**SRM Regulation**") applies, to the greatest extent possible, to participating credit institutions having their seat within the European Union.

This legal framework is intended to ensure that, throughout the EU, credit institutions, investment firms and financial holding companies, amongst others – in particular at a point of non-viability of an institution – may recover or (if necessary) be resolved without adverse effects on the stability of the financial markets.

In this connection, the SAG and the SRM Regulation include provisions stipulating that additional decision-making and other powers be granted to regulatory authorities, that additional organisational and reporting requirements be imposed on banks and that creditors be required to participate in possible losses, as well as provisions regarding a single resolution fund.

Furthermore, the competent resolution authorities are granted certain resolution powers. In particular, the competent resolution authorities are granted the power to write down certain unsecured receivables of an ailing institution's creditors and to convert receivables into equity (so-called "**bail-in tool**").

Under the bail-in tool, upon the occurrence of certain events, existing shares will be cancelled, liabilities eligible for bail-in (i.e. own funds instruments, such as subordinated securities and other subordinated debt, and even non-subordinated debt, subject to exceptions in respect of certain liabilities) of an ailing institution will be written down or such eligible liabilities of an ailing institution will be converted into equity at certain rates of conversion representing appropriate compensation to the affected creditor for the loss incurred as a result of the write-down and conversion, in order to strengthen the institution's financial position and allow it to continue as a going concern subject to appropriate restructuring.

A write-down (or conversion into equity) in accordance with the bail-in tool will not result in an early redemption. Consequently, any amounts so written down will be irrevocably lost and the creditors of the relevant receivables will cease to have any claims thereunder, regardless of whether or not the institution's financial position is restored. However, if bail-in tools are applied, the creditors of the relevant receivables may not be put in a position worse than that in which they would be had regular insolvency proceedings been instituted.

Such statutory provisions and/or regulatory actions may severely affect the rights of holders of the Notes, as in the event of non-viability or resolution of the Issuer, they may result in the loss of the entire investment in the Notes or may adversely affect the market price of the Notes – even prior to the point of non-viability or resolution.

In addition, the EU Commission, in its notice on the application of state aid rules to support measures in favour of banks in the context of the financial crisis as of 1 August 2013 ("**Banking Communication**") (2013/C 216/01) stated that, as a rule, state aid for banks facing financial difficulties may be granted only if all possibilities offered by bail-in tools have been exhausted.

Risks in connection with procedures pursuant to KredReorgG and KWG

The Issuer may be subject to procedures instigated by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") pursuant to Articles 45 et seqq. of the German Banking Act (*Gesetz über das Kreditwesen*, *Kreditwesengesetz*, *KWG*). Pursuant to the so-called moratorium BaFin is authorised to temporarily impose a ban on sales and payments by the institution, order that the institution is closed for business with customers, and under certain conditions prohibit the acceptance of payments.

Pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, *KredReorgG*) the Issuer may take actions which affect the rights of the holders of the Notes. Such actions can be the reduction of existing claims and the suspension of payments.

For the holders of the Notes such actions can lead to the partial or complete loss of the invested capital.

Governing Law

The Terms and Conditions will be governed by English law, with the constituting of the Notes being governed by French law in the case of dematerialised Notes. No assurance can be

given as to the impact of any possible judicial decision or change in English or French law or any administrative practice after the date of this Prospectus.

Risks unrelated to the Credit Linkage

Fixed Rate Notes

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Note, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Note is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of a Fixed Rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. Changes in the market interest rate are particularly with relevance to such holder who wants to sell the Notes prior to the maturity date or if the Notes will be redeemed prior to maturity (also by the Issuer as the case may be).

Floating Rate Notes

The interest income on floating rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest rates. Investors are exposed to the reinvestment risk if market interest rates decline. That means investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, it may not be excluded that a reference interest rate applicable to floating rate Notes may lean towards zero or even becomes negative. This may have detrimental effects on the investment of Noteholders.

Fixed-to-Floating Rate Notes

Fixed-to-floating rate Notes commonly bear interest at a rate which may be changed from a fixed to a floating rate at certain pre-determined points in time.

For the fixed rate interest periods, the risks outlined above under "Fixed Rate Notes" and for the floating rate interest periods, the risks outlined above under "Floating Rate Notes", are equally relevant.

Benchmarks

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which is fully applicable since 1 January 2018.

The Benchmark Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Art. 30 Benchmark Regulation), the administrator is recognised (Art. 32 Benchmark Regulation) or the Benchmark is endorsed (Art. 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could have impact the Notes, including Calculation Agent determination of the rate.

Amounts payable under floating rate Notes issued under the Programme may be calculated by reference to one or several specific Benchmark(s), such as (but not limited to) (i) EURIBOR which is provided by the European Money Markets Institute ("**EMMI**"), or (ii) LIBOR which is provided by the ICE Benchmark Association ("**IBA**").

As at the date of this Prospectus, the specific Benchmark(s) are not yet determined. The Final Terms will set out on their cover page the name of the specific Benchmark(s) and the relevant administrator. They will further specify if the relevant administrator appears or does not appear to be on the register of administrators and benchmarks (the "**Register**") established and maintained by European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation.

As at the date of this Base Prospectus, EMMI does not appear on the Register while IBA has been included therein as of 30 April 2018. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Under the Terms and Conditions certain Benchmark fall-back provisions will apply in case a Benchmark used as a reference for calculation of amounts payable under the Notes issued under this Programme has discontinued. The application of these fall-back provisions could result in the relevant Notes effectively becoming fixed rate instruments.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced

that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of any Notes linked to such Benchmark.

Maximum Interest Rate

There may be a maximum interest rate applicable to the Notes. This means that the overall return investors may expect for the term of the Notes is limited beforehand, even if the Notes bear interest at a floating rate.

Inflation Index

If the Final Terms provide for an inflation index (also known as consumer price index), the interest rate of the Notes is directly linked to the development of such index. Inflation indices indicate the change in purchasing power of a unit of currency in respect of certain goods or services over a specific period of time within a certain market or a certain geographical area. The change in purchasing power is usually established by reference to a specific basket of goods or services meaning that the selection of such goods or services plays a key role in the determination of an inflation index. Potential investors should therefore bear in mind that the index may not correspond to the actual inflation rate to which they are exposed. Any adjustment to the interest rate to reflect changes of such inflation index under the Notes may therefore not be capable of in fact compensating investors for a reduction in purchasing power of any returns received under the Notes. Moreover, consumer price indices are usually not determined in real time. This means that the relevant time period for which a change in consumer prices is considered does not necessarily correspond to the respective interest period or the term of the Notes. A complete inflationary adjustment is thus not to be expected by investors.

The consequence of a negative consumer price index (i.e. deflation) may be that investors do not receive any returns on their investment.

Constant Maturity Swap

Insofar as the Notes bear interest at a floating rate, the Final Terms may provide that interest payments may depend on the difference between two reference interest rates with different terms or inflation rates, respectively ("**Constant Maturity Swap**" or "**CMS**"). Any risk factors mentioned in relation to floating interest rates and consumer price indices are hereby to be taken into account and investors should note that, depending on the development of the reference interest rates in relation to each other, the afore-mentioned risks may also mutually reinforce each other. Due to varying swap rates, investors are not able to determine a definite yield of Notes with CMS as reference interest rate at the time they purchase the Notes.

Zero-Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Hence, zero coupon Notes are a type of investment associated with a particularly high price risk.

Notes containing Early Redemption Rights of the Issuer

There may be a non credit linked right of termination of the Issuer. Such non credit linked right of early redemption is often provided for notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received upon redemption may be lower than expected, and the early redemption amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such a case would not receive the total amount of the capital invested. Furthermore, there is the possibility that Noteholders may invest the amounts received upon early redemption only at a rate of return which is lower than that of the Notes redeemed.

Foreign Currency Notes

A holder of Notes denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of Notes denominated in a currency other than Euro and a corresponding change in the Euro value of interest and principal payments made in a currency other than in Euro. If on the one hand the exchange rate underlying the Notes falls and on the other hand the value of the currency of the Notes correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder falls and the redemption amount may be lower than the amount invested.

Redemption and Term of the Notes

Upon maturity, the Notes will be redeemed at the redemption amount (the "**Redemption Amount**"). The Redemption Amount may or may not be lower than the initial purchase price which depends inter alia on the occurrence of a Credit Event. By the same token, investors may also incur losses on their investment if they attempt to sell the Notes on the secondary market depending on the market performance of the Notes.

The Final Terms may provide for a fixed term for the Notes in the course of which they cannot be redeemed. In these circumstances, investors may not be able to recoup their investment prior to maturity in order to, for instance, reinvest their capital.

Ordinary Termination

The Notes may be terminated and redeemed by the Issuer prior to the scheduled Maturity Date on pre-determined dates. The Terms and Conditions may entitle the Issuer to terminate

the Notes with prior notice in which case they are redeemed in full at a specified date at the early redemption amount.

Extraordinary Termination

Furthermore, due to a change in tax law, the Issuer may have the right to terminate the Notes without prior notice and redeem them at a date which is to be determined by the Issuer in its reasonable discretion. The cash settlement or physical delivery (as the case may be) may then occur up to 60 calendar days following the notice of such redemption without any obligation on part of the Issuer to make any other payments (including interest) to investors between the exercise of its termination right and the scheduled Maturity Date.

Risks relating to Reinvestment

With respect to a redemption prior to maturity following the termination of the Notes by the Issuer, notwithstanding any notice, investors also bear a risk in relation to any reinvestments should the market conditions have worsened compared to those at the time of the purchase of the Notes. Under these circumstances, it may not be possible to find investment opportunities with equal returns or a similar risk profile.

Rating

Rating agencies may provide a rating with respect to the Notes. These ratings do not necessarily take into account the implications of all relevant risk factors and may in part rely on a subjective assessment. In spite of its wide-spread application a rating is merely a condensed measure of assessing the ability of an issuer to meet its payment obligations. The factors influencing the way ratings are arrived at are not always transparent. The rating agencies expressly state that their ratings should be used as an assistance in preparing, but not as a substitute for, one's own analysis. Thus, a rating is not a recommendation to buy, hold or sell the Notes.

Moreover, a downgrade in the rating of the Issuer, its subsidiaries or of the Notes themselves may have a material influence on the market price of the Notes.

No collateralization

Investors in the Notes should be aware that the obligations under the Notes are unsecured. They are neither secured by any collateral nor protected by the Deposit Protection Fund (*Einlagensicherungsfonds*) of the Federal Association of German Banks (*Bundesverband deutscher Banken e.V.*) or any comparable protection mechanisms such as the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs – und Anlegerentschädigungsgesetz*). This means that investors bear the risk that the Issuer cannot or can only partially fulfil the attainments due under the Notes. A total loss of the invested capital is therefore possible.

Substitution of the Issuer

Subject to certain conditions, the Issuer is entitled, without the consent of the Noteholders, to appoint another company as the new Issuer with regard to all obligations arising out of or in connection with the Notes in its place at any time. In that case, the holder of the Notes will generally also assume the insolvency risk with regard to the new Issuer which may differ from COMMERZBANK's insolvency risk.

Risks related to the Credit Linkage

The Notes to be issued are linked to the occurrence of one or more credit events (the "**Credit Events**") with respect to the creditworthiness of one or more Reference Entities, as the case may be. As a result of this, a purchase of the Notes constitutes a riskier investment compared to regular fixed-income debt instruments. In case of Notes with a credit linkage to a portfolio of Reference Entities, different weightings or weighting amounts may be assigned to each Reference Entity which may increase or mitigate the effects of Credit Events depending on the weighting of the affected Reference Entity within the portfolio.

A Reference Entity may be a private sector or a public sector entity (e.g. a sovereign state).

A Credit Event occurs if during the Observation Period certain circumstances occur having economically adverse effects on a Reference Entity. Such circumstances may be Bankruptcy, Failure to Pay, Restructuring, Obligation Acceleration, Repudiation/Moratorium or Governmental Intervention. Investors should note that their Credit Events are determined on an abstract basis, irrespective of any hedging transactions of the Issuers or holdings of obligations of the relevant Reference Entity by the Issuer.

Upon the occurrence of a Credit Event, the interest scheduled to accrue in relation to the current and/or subsequent interest periods may cease to accrue completely or accrue on a reduced basis. Therefore, the yield of the Notes may be lower than the market yield of investments having a comparable (remaining) term to maturity.

The term of the Notes may be prolonged by the Issuer according to the Terms and Conditions to the effect that the Notes may be redeemed only after the Maturity Date. This may occur if (i) the Credit Event "Failure to Pay" and "Grace Period Extension" or (ii) the Credit Event "Repudiation/Moratorium" is specified as applicable in the Final Terms. In these circumstances, a grace period extension (the "**Grace Period Extension**") with respect to the obligation to pay of the Reference Entity is initiated upon the occurrence of the respective afore-mentioned Credit Events, which may extend the term beyond the scheduled Maturity Date. Due to this Grace Period Extension, it may not be excluded that a Credit Event with respect to a Reference Entity may occur even after the scheduled Maturity Date and investors may lose up to their entire investment including any outstanding interest payments after such date.

For this reason, potential investors may not expect to receive the Redemption Amount at the Maturity Date following the occurrence of a Credit Event. They should also bear in mind that for the duration of the Grace Period, no interest payments will be made compensating for the delayed redemption.

Pursuant to the Final Terms, a Credit Event may also occur prior to the issuing of the Notes. Neither the Issuer nor the Determination Agent or any of their affiliates is responsible to inform investors of such occurrence or to mitigate its consequences. This means that investors may lose up to their entire investment only one day after the issuing of the Notes.

In addition, the Final Terms may provide for Potential Failure to Pay or Potential Repudiation/Moratorium. A Potential Failure to Pay or a Potential Repudiation/Moratorium is not a Credit Event. However, it occurs if a Failure to Pay or a Repudiation/Moratorium threatens to occur because a grace period under the payment obligation which has not expired by the end of the Observation Period has to be taken into account in accordance with the Final Terms. If in this case a Failure to Pay or a Repudiation/Moratorium eventually occurs upon expiry of grace period and/or a corresponding extension period under the Notes (resulting from the corresponding Potential Failure to Pay or the corresponding Potential

Repudiation/Moratorium), such Failure to Pay or Repudiation/Moratorium, in spite of having occurred only after the end of the relevant Observation Period is deemed to be a relevant Credit Event which can be notified to the Noteholders and thus may have effects on the Notes in accordance with the Final Terms. If the Final Terms do not provide for Potential Failure to Pay or Potential Repudiation/Moratorium, the risk that a Failure to Pay or a Repudiation/Moratorium occurs is even higher since grace periods (if any) under the payment obligation are not taken into account, e.g. a Failure to Pay would occur immediately if payments of a certain threshold amount are not made as they become due.

The Notes do not provide for capital protection, i.e. such Credit Events may, in addition, lead to a redemption at maturity or an early redemption (i) at a Cash Settlement Amount, (ii) Predefined Settlement Amount or (iii) by delivery of a certain number of Deliverable Obligations of the affected Reference Entity. Therefore, if a Credit Event occurs investors may only receive a fraction of the invested capital of a Note or may suffer a total loss of the capital invested and loss of interest.

In the case of more than one Reference Entity, investors may receive interest payments and/or capital, as the case may be, only on a reduced basis with respect to each Credit Event that occurs. However, if Credit Events in relation to all of the Reference Entities have occurred, the Notes may cease to bear interest and/or will be redeemed early and/or will be redeemed (early) at an Adjusted Principal Amount which may be zero.

Risks in case of Redemption in Cash

Notes providing for a cash settlement following the occurrence of only one Credit Event with respect to a single Reference Entity or a Reference Entity portfolio or following the occurrence of a pre specified number of Credit Events with respect to different Reference Entities in the Reference Entity Portfolio ("**Nth Reference Entity**"), may be redeemed early or at maturity following the occurrence of the relevant Credit Event at the Cash Settlement Amount or at the Predefined Settlement Amount. Such amount is determined on the basis of the Final Price (as defined below) of a reference obligation of the affected Reference Entity after the relevant Credit Event. Reference Obligations may be chosen by the Determination Agent and may be any kind of non-subordinated and unsecured or subordinated Obligations of the Reference Entity affected by a Credit Event with a term to maturity of up to 30 years and, e.g. certain nominal amount or as specified in the Final Terms ("**Reference Obligations**"). Alternatively, the Reference Obligations may be stipulated and listed in the Final Terms.

Importantly, under no circumstances are investors entitled to receive the Reference Obligations. Furthermore, it is to be noted that a Credit Event may occur even if the Reference Obligations in respect of which a Credit Event has been determined is not enforceable.

In case of a redemption of the Cash Settlement Amount or of the Predefined Settlement Amount at maturity, if specified in the relevant terms, the Notes may continue to bear interest, may cease to bear interest or bear floating rate interest on the basis of the Cash Settlement Amount or the Predefined Settlement Amount. Compared to an early redemption of the Cash Settlement Amount or of the Predefined Settlement Amount, redemption at maturity comprises the risk that Noteholders receive less interest on this amount for the relevant period than they would receive from an investment with comparable risks.

Notes linked to a portfolio of Reference Entities with a continuous, computed cash settlement following each Credit Event that occurs with respect to the Reference Entities will be subject to

an adjustment of the (Early) Redemption Amount, which would be paid if no Credit Event occurred, taking into account the applicable Final Price for the relevant Reference Obligation.

The final price of the Reference Obligation will be based on the market value of such obligation of the affected Reference Entity after the occurrence of the Credit Event as compared to its nominal value (the "**Final Price**"). It will be determined by the Determination Agent who solicits quotations from five reference banks at which such banks would be prepared to purchase the Reference Obligation, if less than two banks submit a quotation to the Determination Agent, the Determination Agent determines the Final Price in its reasonable discretion. The market value of such Reference Obligation(s) may decrease significantly following the occurrence of a Credit Event and may be subject to significant upward or downward fluctuations both prior to and following the notification of the Credit Event (on the Event Determination Date). The proceeds of cash settlement are not expected to be sufficient to purchase other obligations with the same nominal amount as the Reference Obligation(s).

The Final Price may also be determined by an auction organised by the International Swaps and Derivatives Association, Inc. ("**ISDA**") with respect to such Reference Entity and its obligations. 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 standard terms and conditions as well as documentation materials in agreement with market participants.

Potential investors should be aware that their investment in the Notes and any loss following a Credit Event is then dependent on the result of such ISDA auctions, as are the investments of other market participants who have invested in credit derivative instruments documented under ISDA standard terms. Noteholders take the risk that where the Auction Final Price is used, this may result in a lower recovery value than a Reference Entity or Reference Obligation would have if such Auction Final Price had not been used. Also, the Issuer may have a conflict of interest to the extent that it participates in any auction or other process used to determine the Credit Event and is under no obligation to consider the interests of the Noteholders when so acting.

In the case of a Predefined Settlement Amount the loss of Noteholders following the occurrence of a Credit Event is predefined and, hence, may be higher than any loss determined by reference to a final price determined by reference to market quotations or an ISDA auction.

The effects of Credit Events on the Notes may be leveraged, meaning that (i) where the Principal Amount of the Note is lower than the sum of the Weighted Amounts of all Reference Entities, Credit Events do not affect the payments under the Notes proportional to their weighting within the portfolio but by the absolute Weighted Amount of the respective Reference Entity, (ii) the Weighted Amount of the respective Reference Entity is multiplied by a factor, or (iii) the loss amount of the Note being multiplied by the Leverage Factor when calculating the Cash Settlement Amount. Consequently, the loss to be borne by the investor will be significantly increased by the effects of the leverage.

Further, Credit Events may not have direct effects on the payments under the Notes in cases where Credit Events below a certain threshold are not taken into account.

In addition, the investor may be required to bear all costs, fees, expenses and taxes associated with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position.

Risks in case of Redemption by Physical Delivery

The Notes may be redeemed by delivery of a given number of bonds, loans or any other deliverable obligation ("**Deliverable Obligation**") of a Reference Entity and not by cash, except in special circumstances. Hence, by purchasing the Notes, prospective investors are also making a potential investment decision with respect to the Reference Entity or the Reference Entities, as the case may be. If more than one type, series or issue of Deliverable Obligations of the affected Reference Entity is available, the Issuer may choose in its own discretion which of such Deliverable Obligation it will deliver and the Issuer will usually choose such Deliverable Obligation that is the cheapest to deliver, i.e. result in the highest loss for Noteholders.

Prospective investors must be aware that, as a result of such a physical delivery, should it occur, investors and their investment no longer depend on the creditworthiness of the Issuer but on the value of the Deliverable Obligations actually delivered.

Furthermore, investors should note that no fractions of Deliverable Obligations will be delivered. Hence, the number of Deliverable Obligations to be delivered may be rounded down to the nearest number of Deliverable Obligations and the Issuer may be required to pay a cash compensation for undeliverable fractions thereof.

The value of any such delivered obligation might be significantly less than the capital invested by the investor and may, in extreme cases, even be zero. If such delivered obligations are denominated in a currency other than the Specified Currency of the Notes, Noteholders are exposed to the risk of exchange rate fluctuations. Such a risk exists in addition to the risk of a fall in value of such delivered obligation. In addition, the Deliverable Obligations may not be liquid at all or only to a limited extent. The liquidity of the Deliverable Obligation will typically change in accordance with fluctuations of the underlying market, the conditions of the relevant economy, national and international political developments, the development in any particular industry and the creditworthiness of the relevant issuer. Further, the Deliverable Obligation may be subject to selling or transfer restrictions.

The investor is required to bear all costs, fees, expenses and taxes associated with the delivery of the obligations and may also be required to bear all costs, fees, expenses and taxes associated with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position. Furthermore, delivery of Deliverable Obligations may be impossible or delayed due to various circumstances including the occurrence of a delivery disruption event. Such delivery disruption event may have the consequence that the delivery of the Deliverable Obligations will occur later than scheduled. If a delivery is unlawful under the laws of any applicable jurisdiction or for any other reason impossible, the Issuer would be entitled to pay the Partial Cash Settlement Amount with respect to such undeliverable obligation.

If, following the occurrence of a Credit Event, Deliverable Obligations are delivered, the term to maturity of such Deliverable Obligations will typically not be identical to the initially scheduled remaining term to maturity of the Notes at the time of occurrence of the Credit Event. This means that the initial investment horizon of the investor will change. Moreover, the market value of delivered long-term obligations compared to their nominal value is typically lower than

in the case of obligations with a shorter term. In addition, if Deliverable Obligations with a term to maturity longer than that of the Notes at the time of occurrence of the Credit Event are delivered, the risk of a potential increase in general interest rate levels following delivery of such Deliverable Obligations will be higher than as compared to the investor's initial investment. In the case of a Restructuring Credit Event, the Issuer may deliver Deliverable Obligations with a term to maturity that is customary in the credit derivatives market for credit default swaps having the same term as the relevant Notes. These risks will be borne by the investor.

Reference Entity Risks

Insofar as interest payments on and the redemption of the Notes are subject to the occurrence of a Credit Event (Bankruptcy, Failure to Pay, Restructuring, Obligation Acceleration, Repudiation/Moratorium, or Governmental Intervention) with respect to one or more Reference Entity (or one of its successors) during a pre-defined period (the "**Observation Period**"), investors are directly exposed to the credit risk of the Reference Entities. The credit risk of the Notes is therefore comparable to the risks which a direct investment in the Reference Entities would entail. However, investors in the Notes additionally bear the credit risk of the Issuer.

If an event occurs which adversely affects the creditworthiness of the Reference Entities but which does not amount to a Credit Event, the market price of the Notes may decline. Thus, investors who seek to sell their Notes at such point in time on the secondary market may incur considerable losses.

Investors should take into account that, on the one hand, the Issuer, the Determination Agent or any of their affiliates do not make any representation in relation to the creditworthiness of the Reference Entities or the correctness of any publicly available information in relation to them. On the other hand, the Notes are neither subject to a guarantee by the Reference Entity nor are the obligations of the Reference Entities collateralised in any way. This should be taken into consideration for the investment decision and the assessment of the risk profile of the Notes.

Investors should also bear in mind that if the Notes relate to several Reference Entities which are economically active in the same market, industry or geographic area, adverse macro-economic effects may lead to certain concentration risks increasing the overall likelihood of the occurrence of a Credit Event with respect to those Reference Entities.

Reference Entities may be situated in the jurisdiction of a developing country or a threshold country. An investment in Notes which relate to one or more of such Reference Entity entails additional legal, political and economic risks including (but not limited to) a decline in the currency exchange rate or the risk of considerable inflation. Political or economic instability may also adversely affect the trust of investors which in turn may negatively impact currency exchange rates or the market price of the Notes. Moreover, fewer public information may be available in relation to such Reference Entities due to less stringent regulatory requirements such as reporting and transparency obligations or accounting standards.

Likelihood of the Occurrence of a Credit Event

Investors should be aware that the Issuer, the Determination Agent and their affiliates are not in a position to make any statements as to the likelihood of the occurrence of a Credit Event. Such occurrence is generally dependent on a variety of factors (such as e.g. general macro-

economic conditions, trends within certain markets, political or legal developments) which are impossible to foresee or to quantify.

No Recourse

The Notes do not create any legal relationship between the Noteholders and the Reference Entities. The Noteholders will not have any right of recourse against the relevant Reference Entity in the event of any loss.

Neither the Issuer nor any other person on behalf of the Issuer makes any representation or warranty or accepts any responsibility whatsoever with respect to the creditworthiness of any Reference Entity or otherwise that no Credit Event will occur with respect to any Reference Entity.

Volatility Risk due to Credit Linkage

If during the term of a Note, the creditworthiness of one or more Reference Entities deteriorates significantly without the occurrence of a Credit Event being imminent, this may materially adversely affect the market price of the Notes; such effect may also depend on the correlations between the Reference Entities in the case of more than one Reference Entity (see "*Correlation Risks*" below).

Moreover, the price of the Notes depends on the development of market prices of other credit default swaps relating to the Reference Entity or Reference Entities.

Such credit default swap prices, in turn, are subject to volatility. Changes in the market price of the relevant credit default swap may differ from the change in price of the Notes following the deterioration of the creditworthiness of any relevant Reference Entity. Such a deterioration in the creditworthiness of any relevant Reference Entity may cause the price of the Note to go down.

Furthermore, the change in the market price of the credit default swap does not only depend on the expected creditworthiness in relation to the relevant Reference Entity or Reference Entities, but also on factors such as the expectation of the market regarding the likelihood of debtors defaulting in general. This may result in a negative impact on the price of the Notes due to price changes in the overall default swaps market, even if no change has occurred regarding the expected creditworthiness with respect to the Reference Entity or Reference Entities underlying the Notes. The market price of Notes linked to credit events on the market is subject to greater levels of risk than is the market price of other notes.

Correlation Risks

The correlation between Reference Entities may affect the market price of the Notes linked to more than one of the Reference Entities.

The term "**correlation**" as used herein refers to any correlation of at least two Reference Entities, expressed as a percentage, whereby 100% means absolute positive correlation and – 100% means absolute negative correlation.

A positive correlation indicates that the probability of the occurrence of Credit Events of any two Reference Entities (event probability) tend to move in the same direction, a negative correlation indicates that the event probabilities move in opposite directions. In the case of independent movement of the event probability the correlation would be zero.

Correlation can change over time. Depending on the structure of the Notes, a change in correlation can have a positive or negative effect on the market value of the Notes.

Conflicts of interest in relation to Reference Entities

The Issuer, the Determination Agent and their affiliates are entitled to purchase and sell the Notes for their own account or for the account of others, to issue further Notes and to engage in transactions (including hedging transactions) with respect to the Reference Entities or Reference Obligations of the Reference Entities. The Issuer, the Determination Agent and their affiliates are also entitled to exercise a function in relation to the Notes other than the present function and to issue additional derivative instruments in relation to the potential Reference Obligations or the Reference Entities. Such transactions may favourably or adversely affect the market price of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. The Issuer, the Determination Agent and their affiliates are entitled in connection with any future securities issues by the Reference Entities to act as managers, financial advisers for the relevant Reference Entity or as commercial bank for a Reference Entity. Such activities may result in conflicts of interest.

The Issuer, the Determination Agent and their affiliates may on the issue date of the Notes or at any time thereafter be in possession of information in relation to any Reference Entities that may be material to holders of any Notes and that may not be publicly available or not known to the Noteholders. There is no obligation on the part of the Issuer, the Determination Agent or their affiliates to disclose any such information to the Noteholders.

Discretion of the Issuer and the Determination Agent

The Issuer and the Determination Agent are vested with certain discretion, in particular in relation to the credit linked provisions of the Notes. Although the Issuer and the Determination Agent are mostly obliged to exercise any such discretion reasonably, Noteholders should be aware of the conflicts of interest outlined in the previous paragraph. Furthermore, Noteholders should make themselves familiar with the market standards developed in the credit derivatives market which are likely to be taken into account by the Issuer and the Determination Agent when exercising any discretionary rights under the Notes.

In particular, the Issuer may or may not hedge its obligations under the Notes, for example, by holding the relevant Reference Obligations and/or Deliverable Obligations of the Reference Entity. If the Issuer is not hedging its exposure under the Notes, any loss of Noteholders under the Notes is ultimately the gain of the Issuer. In such a scenario Noteholders should be aware of the conflicts of interests on the side of the Issuer in circumstances where it is in the discretion of the Issuer or the Determination Agent to determine whether a Credit Event has occurred or not and the amount of the loss under the Notes in relation to such Credit Event. Any such discretionary decision of the Issuer or the Determination Agent is likely to be also influenced by each of their own interests resulting from such decision.

Potential Conflicts of Interest

The Issuer may be subject to a conflict of interest if, following the occurrence of a Credit Event in relation to a Reference Entity, the Issuer partakes in an auction for the determination of the price of a Reference Obligation. In these instances, the Issuer will not have to act in the interest of investors but is free to assert its own interests.

Reference Portfolio

The Final Terms may provide that the Notes may be linked to a portfolio of Reference Entities within which individual Reference Entities may be given a different weight. Investors should take the weighing of all Reference Entities into account when assessing the risk profile of the Notes.

The effects of a Credit Event on the Notes may be leveraged, meaning that a Leverage Factor will be applied regarding the calculation of the cash settlement amount. In such a case Credit Events will disproportionately affect the Notes negatively.

Substitution of Reference Entities or of the Reference Portfolio

As a result of mergers or other events involving Reference Entities, the Reference Entity or, in the case of more than one Reference Entity, the composition of the Reference Entities within the portfolio of Reference Entities may change. This could result in the risk that the Reference Entity or the portfolio of Reference Entities, as the case may be, following such changes can, in economic terms, no longer be compared with the relevant Reference Entity or the portfolio of Reference Entities prior to such changes. A substitution may also lead to higher concentration risks. Any risk which may result from such a change of Reference Entities will be borne by the Noteholders.

A Reference Entity may succeed (as defined in the Terms and Conditions) to some or all of the Relevant Obligations of another Reference Entity thereby becoming its Successor. If a Credit Event has already occurred and been notified accordingly in relation to such Successor prior to the relevant event as a result of which Successor succeeds to some or all of the Relevant Obligations of another Reference Entity, such previous Credit Event will not prevent the occurrence and determination of a (new) Credit Event in relation to such Successor, even if with respect to each Reference Entity only one notified Credit Event is taken into account.

Redemption of the Cash Settlement Amount at Maturity upon occurrence of a Credit Event

Despite the occurrence of a Credit Event, the Notes may only be redeemed at maturity. In this case, the Notes may, if specified in the Final Terms, continue to bear interest, may cease to bear interest or may bear floating rate interest on the basis of a nominal amount which will be reduced by the related loss following the occurrence of the Credit Event. The Noteholders bear the risk of receiving no interest or receiving only a reduced interest in respect of the reduced nominal amount.

Maturity Extension

In the case of the occurrence of a Credit Event immediately prior to the Maturity Date the Notes will be redeemed on the related Cash Settlement Date which may be after the Maturity Date. Depending on the valuation and the settlement process following the occurrence of a Credit Event, Noteholders bear the risk that the Notes may only be redeemed at a significantly later date and should not rely on a redemption of the Notes on the Maturity Date.

Furthermore, in the case of a Potential Failure to Pay or a Potential Repudiation / Moratorium the maturity of the Notes may be extended in order to determine whether the relevant circumstances have lead to a Credit Event. Noteholders should be aware that in these specific circumstances a Credit Event may even crystallise after the Maturity Date and the redemption of the Notes may fall after the Maturity Date.

Redemption of the Predefined Settlement Amount at Maturity upon occurrence of a Credit Event

Despite the occurrence of a Credit Event, the Notes may be redeemed at maturity. In this case, the Notes may, if specified in the Final Terms, continue to bear interest, may cease to bear interest or bear floating rate interest on the basis of a nominal amount which will be reduced following the occurrence of the Credit Event. The Noteholders bear the risk of receiving no interest or receiving only a reduced interest in respect of the reduced nominal amount.

Implementation of Resolutions of the "Credit Derivatives Determination Committee"

ISDA has established Credit Derivatives Determination Committees (each a "**Committee**") that comprise of dealers in and buyers of credit derivative instruments for the purpose of resolving matters and questions in connection with ISDA standard terms or an auction organised by ISDA.

The Determination Agent may take any applicable resolutions of the relevant Committee into account when applying the Final Terms and the Terms and Conditions and in exercising its discretion. Potential investors should therefore be aware that their investment in Credit Linked Notes and any loss following a Credit Event could be dependent on resolutions of such Committee.

Resolutions of a Committee may in particular be made with respect to the following events and circumstances:

- occurrence (or non-occurrence) of a Credit Event with respect to a Reference Entity and the time of such occurrence;
- whether an auction will be hold in respect of such Reference Entity and the parameters and timing of such auction, including the actual Deliverable Obligations of such Reference Entity;
- occurrence (or non-occurrence) of an event as a result of which the Successor succeeds to some or all of the Relevant Obligations of another Reference Entity, the time of such occurrence and the identity of the Successor;
- occurrence of a Potential Failure to Pay on behalf of the Reference Entity;
- replacement of the Reference Entity's reference obligation by another obligation; and
- other circumstances brought before the Committee for resolution by market participants.

The resolutions made by a relevant Committee will be published on the website <http://www.isda.org/credit/>.

Risks related to the COMMERZBANK Group

Risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes to be issued under this Programme are set out in the section "Risk Factors" on pages 4 to 21 in the Registration Document, which is incorporated by reference in, and forms part of, this Prospectus (see "Documents incorporated by Reference").

These risk warnings do not substitute advice by the investor's bank or by legal, business or tax advisers, which should in any event be obtained in order to be able to assess the consequences of an investment in the Notes. Investment decisions should not be made solely on the basis of the risk warnings set out in the Prospectus since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned.

Important Notice about the Prospectus

The Prospectus should be read and construed with any amendment or supplement to the Prospectus and with any other documents incorporated by reference and, in relation to any series of Notes (each a "**Series**" or "**Series of Notes**") should be read and construed together with the relevant Final Terms (as defined under "Description of the Notes – Introduction" below). Any websites included in the Prospectus are for information purposes only and do not form part of the base prospectus

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with the Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

The Prospectus has been prepared solely for the purposes of article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003, as amended by Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010 (the "**Prospectus Directive**"). Neither the Prospectus nor any other information supplied in connection with the Programme or the Notes is intended to be used, or to provide a basis, for any other evaluation, including any other credit evaluation, and neither should any of the aforesaid documents or information be considered as a recommendation by the Issuer that any recipient of the Prospectus or any other information supplied in connection with the Programme or the Notes should purchase any of the Notes. Investors contemplating an investment in the Notes should obtain individual advice by the investor's bank or legal, business or tax advisers, tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned, in order to be able to assess the consequences of an investment in the Notes in light of investors' personal requirements. None of the Prospectus, any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any of the Notes.

Notwithstanding that the Issuer may be required to provide a supplement, the delivery of the Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

The distribution of the Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of the Notes in the United States, the European Economic Area, France and the United Kingdom (see "Selling Restrictions" on page 239).

The Notes or securities, if any, to be delivered upon any redemption of the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act. The Notes may be subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or

to, or for the account or benefit of, U.S. Persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder and Regulation S of the Securities Act).

The Issuer does not represent that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in the jurisdictions, to which notification has been made pursuant to Article 17 Directive 2003/71/EC, Luxembourg Prospectus Law and the rules of the competent authority. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances which are in compliance with any applicable laws and regulations.

The Prospectus may only be used for the purpose for which it has been published.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Issuer nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

BENCHMARK REGULATION - STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION – Amounts payable under floating rate Notes issued under the Programme may be calculated by reference to one or several specific benchmark(s), such as (but not limited to) (i) EURIBOR which is provided by EMMI, or (ii) LIBOR which is provided by IBA.

As at the date of this Prospectus, the specific benchmark(s) are not yet determined. The Final Terms will set out on their cover page the name of the specific benchmark(s) and the relevant administrator. They will further specify if the relevant administrator appears or does not appear to be on the Register.

As at the date of this Base Prospectus, EMMI does not appear on the Register while IBA has been included therein as of 30 April 2018. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

In connection with any Series of Notes under the Programme, the purchaser (if any, as the case may be) will act as a stabilising agent (the "**Stabilising Agent**"). The identity of the Stabilising Agent will be disclosed in the relevant Final Terms.

In connection with the issue of any tranche of Notes, the Stabilising Agent may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation activities may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant tranche of Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the relevant tranche of Notes and 60 days after the date of the allotment of the relevant tranche of Notes or, as the case may be, such other date(s) as may be applicable to any such stabilising activities in the jurisdiction where such stabilising activities are to be effected. Any stabilisation action or over-allotment must be conducted by the Stabilising Agent in accordance with all applicable laws and rules.

General Information

The Issuer, COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany, assumes responsibility for the information contained in this Prospectus. The Issuer hereby declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no material omission. The Issuer has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Offer and Sale

The Issuer will permanently issue Notes during the term of this Prospectus under the Programme. The conditions and timetable of such issues shall be subject to the Final Terms, as applicable from time to time. Since the Final Terms and characteristics of the Notes as well as the terms of the offer may only be determined when the Notes are issued, this description and the Terms and Conditions set out below should be read in conjunction with the relevant Final Terms.

Delivery of the Notes

The Notes will be delivered on the issue date specified in the applicable Final Terms via the relevant Clearing System. In the case the Notes have been purchased after the issue date the Notes will be delivered according to the locally applicable market practice via the Clearing System specified in the Final Terms.

Potential Investors

The Notes may be offered to retail clients, professional clients and other eligible counterparties.

Notification

The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a notification.

Availability of Documents

The Prospectus and supplements thereto (if any) are available for viewing in electronic form at the website of COMMERZBANK Aktiengesellschaft (www.commerzbank.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main.

Authorisations

The establishment of the Programme has been duly authorised by resolution of the Board of Managing Directors on April 11, 2006. For the issue of any Series of Notes under the Programme no separate resolution of the Board of Managing Directors of the Issuer is necessary.

Use of Proceeds

Unless otherwise specified in the applicable Final Terms, the net proceeds of each issue of Notes will be used for general corporate purposes.

Post Issuance Information

In the case of Notes where payment of interest and/or principal is linked to an underlying, the Issuer will not provide any post issuance information regarding such underlying.

Legal proceedings

The companies in the Group are involved as defendant, claimant or in another capacity in court, arbitration and regulatory proceedings in both Germany and other countries (including the United States). There are also other legal disputes in which the Bank or its subsidiaries are not directly involved, but which could have an impact on the Group due to their fundamental importance for the banking industry.

The Group recognizes provisions for potential losses from contingent liabilities in accordance with the relevant accounting rules. However, the Group's actual final liability may differ from the recognized provisions, since assessing the probability and valuing the contingent liabilities from such legal proceedings requires extensive valuation and estimation which may prove to be incorrect in the further course of the proceedings in question.

Apart from proceedings described below, COMMERZBANK is not currently aware of any governmental, legal or arbitration proceedings which have arisen or been concluded in the past twelve months (including proceedings which to COMMERZBANK's knowledge are pending or threatened) in which COMMERZBANK or one of its subsidiaries is involved as defendant or in any other capacity and which may have or have had significant effects on the financial position or profitability of the Bank or the Group.

Flawed investment advice

COMMERZBANK and its subsidiaries provide investment advice, especially in the Private and Small-Business Customers segment. Several years ago case law significantly (retrospectively) tightened the requirements for the suitability of product and investor advice. COMMERZBANK and its subsidiaries were and are therefore involved in numerous judicial and non-judicial proceedings where investors are claiming they were given flawed investment advice, primarily in connection with corporate equity holdings, and are seeking damages.

As new proceedings are constantly being notified and ongoing proceedings completed, the amount of claims for damages for alleged flawed investment advice is changing all the time.

Cancellation of loan agreements

COMMERZBANK is exposed to claims from customers owing to "cancellation joker" ("*Widerrufsjoker*") issues. Following a change in the law, according to which any right to cancel loan agreements concluded between 2002 and 2010 could lapse no later than on 21 June 2016, many borrowers cancelled their agreements and asserted that the information given to them about cancellation when they concluded the agreement had been deficient. Some of them took legal action against the Bank when it refused to accept their cancellation, intending to immediately pay back the loan prior to the expiry of the fixed interest term without having to compensate the Bank for the loss incurred as a consequence of the early repayment. The Bank contested these actions.

Claims against a subsidiary of COMMERZBANK, inter alia, in connection with former holdings in South American banks

A subsidiary of COMMERZBANK had holdings in two South American banks whose assets are now the subject of bankruptcy proceedings. In various lawsuits in Uruguay and Argentina,

a number of investors and creditors of these banks have brought actions against the subsidiary and, in some cases, also COMMERZBANK for alleged shareholder liability and for alleged breaches of duty by individuals appointed by the subsidiary to the supervisory board of the banks. In addition, the subsidiary participated in two funds that acquired monies and allowed them to be managed by Bernhard L. Madoff. The liquidators of these funds have launched court proceedings in the USA demanding the repayment of amounts received by the subsidiary from the funds.

Prospectus liability suit

An investor is claiming damages from COMMERZBANK and other defendants because of an alleged defective prospectus in connection with a company's IPO. The company's insolvency administrator is also filing recourse claims against the Bank arising out of joint and several liability and other legal grounds. In the first instance, the Regional Court of Hamburg (*Landgericht*) dismissed the action against COMMERZBANK to the full extent. The claimants are appealing against this decision. A comprehensive taking of the evidence took place in the appellate proceedings before the Higher Regional Court (*Oberlandesgericht*) of Hamburg. The proceedings are not yet concluded. Should the claimants win their appeal in the second instance, COMMERZBANK believes that it has recourse claims against third parties and other members of the consortium based in part on the contractual agreements.

Anti-money laundering ("AML") and sanctions-related matters

In June 2012, COMMERZBANK and COMMERZBANK AG New York branch (the "**New York Branch**") entered into a written agreement with the Federal Reserve Bank of New York ("**FRBNY**") requiring COMMERZBANK and the New York Branch to ensure (i) compliance with all applicable requirements under the U.S. Bank Secrecy Act of 1970 and anti-money laundering regulation ("**BSA/AML**") for bulk cash transactions and (ii) the implementation of effective procedures for monitoring and reporting suspicious activity in respect of bulk cash transactions (the "**2012 Written Agreement**").

In October 2013, COMMERZBANK and the New York Branch also entered into a consent cease-and-desist order (the "**2013 C&D**") with the Board of Governors of the Federal Reserve System (the "**FRB**"). The 2013 C&D required the implementation of an effective compliance risk management program across COMMERZBANK's U.S. businesses, including (i) the establishment of enhanced management oversight of the New York Branch's compliance with BSA/AML requirements; (ii) the mitigation of BSA/AML risks associated with the New York Branch's foreign correspondent business; and (iii) improvements to customer due diligence and suspicious activity reporting procedures. The 2013 C&D also requires COMMERZBANK and the New York Branch to conduct a review of U.S. dollar clearing transactions from 1 May 2012 through 31 October 2012. COMMERZBANK is continuing to take steps to address the requirements of the 2012 Written Agreement and the 2013 C&D, which remain in effect until terminated by the FRBNY or the FRB, respectively.

In March 2015, COMMERZBANK and the New York Branch entered into agreements with U.S. government agencies regarding past inadequate compliance with the BSA/AML and sanctions laws (collectively, the "**2015 Settlement**"). Among those agreements, COMMERZBANK and the New York Branch entered into three-year deferred prosecution agreements with (i) the U.S. Department of Justice, the U.S. Attorney's Office for the District of Columbia and the U.S. Attorney's Office for the Southern District of New York (the "**U.S. DPA**"); and (ii) the New York County District Attorney (the "**DANY DPA**"). The U.S. DPA and the DANY DPA contain extensive cooperation obligations and reporting requirements related to BSA/AML and

sanctions laws investigations and to violations of U.S. law. COMMERZBANK and the Branch also consented to a cease-and-desist order with the FRB (the "**2015 C&D**") that requires the implementation of a U.S. Law Compliance Program to ensure compliance with applicable BSA/AML and sanctions laws by COMMERZBANK's global business lines. In addition, COMMERZBANK is required to have an independent consultant acceptable to the FRB verify compliance with U.S. sanctions laws (the "**OFAC Regulations**") on an annual basis. COMMERZBANK and the New York Branch further entered into a consent order under N.Y. Banking Law §§ 39 and 44 with the New York Department of Financial Services ("**DFS**") (the "**DFS Consent Order**"), pursuant to which the Bank agreed to engage for a period of two years an independent monitor (the "**Monitor**") selected by DFS to evaluate the compliance structures, processes and guidelines for implementing the BSA/AML and OFAC Regulations in connection with business activities involving the Branch and monitor any required remedial measures. In addition, COMMERZBANK and the Branch entered into an agreement with the Office of Foreign Assets Control ("**OFAC**") regarding historical transactions involving parties subject to OFAC sanctions (the "**OFAC Settlement**"). The 2015 C&D, the DFS Consent Order and the OFAC Settlement remain in effect until terminated by the respective agency.

Under the Settlement, COMMERZBANK and the Branch made payments totaling USD 1.452 billion to the U.S. authorities. In April 2015, the U.S. District Court for the District of Columbia approved the U.S. DPA and confirmed its jurisdiction over the implementation of that agreement as well.

The Monitor has been onsite at COMMERZBANK in Frankfurt and New York since the start of 2016 and started working for selected foreign locations at the start of 2017. The Monitor's first audit report was submitted to the DFS and COMMERZBANK on 31 October 2016. The written plans of COMMERZBANK to improve management oversight and the BSA/AML/OFAC compliance function were also submitted to the DFS and the Monitor on time on 30 November 2016. In addition, the Monitor supplied his first quarterly report on progress in implementing the measures to the DFS and COMMERZBANK on 31 March 2017. COMMERZBANK and the Branch assume that they are in compliance with all current obligations under the 2015 Settlement.

These settlements with the U.S. authorities do not preclude private litigation against COMMERZBANK. In April 2015, COMMERZBANK was included in pending litigation that was filed last year in the U.S. District Court for the Eastern District of New York on behalf of U.S. soldiers killed or injured in Iraq between April 2004 and November 2011 and their family members. In July 2016, two further parties were joined and additional facts and circumstances regarding COMMERZBANK were added to the claim. A similar claim was also submitted by other claimants in November 2016 to the U.S. District Court for the Southern District of Illinois, which passed the suit to the court dealing with the first proceedings in April 2017. Besides COMMERZBANK, both claims are directed against internationally active banks that have previously settled claims of violations against U.S. sanctions and three Iranian banks (together, the "**Defendants**"). The claimants essentially allege that the Defendants conspired to violate the U.S. Anti-Terrorism Act by altering or falsifying payment messages involving Iran, Iranian parties and Iranian banks for transactions processed through the United States. Both sets of proceedings are still at an early stage. Based on the facts known to date, COMMERZBANK is at present unable to give any forecast on the ultimate outcome of these proceedings. This also applies to the potential timing of any decision and the possible impact on COMMERZBANK.

Divestment of Bank Forum

Following the divestment of its stake in the Ukrainian Public Joint Stock Company Bank Forum completed in 2012, COMMERZBANK received notices from the acquirers stating that the acquirers are making a claim under the sale and purchase agreement and challenging the sale and purchase agreement as such on grounds of bad faith. The parties initiated arbitration proceedings at the International Criminal Court ("ICC") based on the contractual arbitration agreements. The acquirers sought the declaration of the invalidity of the sale and purchase agreement, unwinding of the purchase, repayment of purchase price installments and reimbursement for any damages incurred by them in this connection. COMMERZBANK asserted claims arising from outstanding payments and guarantees vis-à-vis the acquirers and the guarantor's securing of the purchase price. On 29 August 2016 the court issued the ruling in the agreed wording. Following this, the parties withdrew all the claims and counterclaims addressed in the arbitration, and the arbitration proceedings were declared ended. Formally, the arbitration proceedings were ended by the ruling being confirmed by the ICC, issued and served on the parties.

Customer claim for repayment of interest and release of security assets

On 12 April 2016, a claim by a customer was served on COMMERZBANK regarding the payment of about EUR 239 million. The claimant is demanding, among other things, the repayment of interest that the claimant believes was wrongly paid to COMMERZBANK. The claimant is also seeking the release of collateral which is being held as security for a claim by COMMERZBANK against the claimant. COMMERZBANK and the claimant are in dispute over the existence of the secured claim. COMMERZBANK strongly opposes these claims.

Legal action against the former Hypothekbank Frankfurt in Hungary regarding alleged violation of contract

COMMERZBANK has been sued in Hungary for damages totaling around EUR 166.7 million. After a former customer of Hypothekbank Frankfurt, a subsidiary of COMMERZBANK, had not remedied multiple breaches of contract under the loan agreement, Hypothekbank Frankfurt terminated the loan agreement and did not make any further loan advances. The borrower, now in liquidation, is now claiming damages from COMMERZBANK of (i) about EUR 86 million as compensation for an alleged loss of the book value of property to be financed by the borrower; (ii) about EUR 38.2 million as compensation for alleged non-material damages; and (iii) about EUR 42.5 million as compensation for alleged lost profit. COMMERZBANK estimates the likelihood of the claim succeeding as low and strongly consists the claims.

Independent from the legal action against COMMERZBANK described above, a company belonging to the same group of companies as the borrower, initiated separate court proceedings before the Regional Court of Budapest for non-contractual damages against COMMERZBANK alleging that by Hypothekbank Frankfurt breaching the contract under the loan agreement, it created a loss for the third party claimant predecessors, and thus COMMERZBANK needs to pay compensation for the damages suffered due to this breach. The claim consist of (i) about EUR 60.4 million as compensation for the loss of the market value of shares of two companies, liquidated due to the breach of the above mentioned contract, and of (ii) about 453.6 million as the compensation for the lost profits. COMMERZBANK estimates the likelihood of the claim succeeding as low.

Claims against mBank following the insolvency of an investment service provider

Following the insolvency of an investment service provider, a large number of its customers claimed to have incurred damages due to fraudulent activities of the management of the provider in connection with transactions in the foreign exchange market. Besides the claims against the investment service provider, these customers are also claiming damages from mBank, which the investment service provider used to process transactions. The customers argue that mBank participated in the fraudulent activities undertaken by the investment service provider. In the meantime the claims of a number of customers have been purchased by a company; the company acquiring the claims is now collectively asserting these claims against mBank. mBank believes the claims are unsustainable and will defend itself against them.

Cum-ex and cum-cum transactions

The Frankfurt Prosecutor's Office is investigating in connection with equity transactions around the dividend due date (so-called cum-ex transactions) of COMMERZBANK and former Dresdner Bank. COMMERZBANK is cooperating closely with the authorities. It had already commissioned a forensic analysis of the cum-ex transactions at the end of 2015, which was completed at the beginning of 2018 in respect of equity transactions of COMMERZBANK but is still ongoing with regard to equity transactions of former Dresdner Bank.

By letter from the German Federal Ministry of Finance (BMF) of 17 July 2017, the financial administration issued a statement on the treatment of cum-cum transactions. As such, it intends to critically assess the past under the aspect of the abuse of law. According to the opinion stated in the letter from the BMF, an abuse of law within the meaning of Section 42 German Fiscal Code can be assumed, insofar as there is no commercially reasonable reason for the transaction conducted and the business case has a tax-induced design (tax arbitrage). The letter contains a non-exhaustive list of case designs, which are tax-assessed by the BMF.

In a letter dated 18 July 2017, the Bundesbank asked COMMERZBANK to assess the financial repercussions of the potential application of the BMF circular by means of a survey form. On the basis of the conducted analyses of cum-cum transactions, the Bank formed provisions as a precaution for potentially refundable capital gains.

As regards cum-cum securities lending transactions, COMMERZBANK is facing compensation claims from third parties due to the crediting claims denied. COMMERZBANK estimates the chances of such claims being successful on the basis of the analyses carried out to be neither probable, nor remote. Under these circumstances, COMMERZBANK estimates the potential financial impact based on its analysis as contingent liability in the upper double-digit million range, including interest on arrears.

For the further cum-cum-relevant transactions, COMMERZBANK concludes that there are no inappropriate legal designs within the meaning of Section 42 German Tax Code for the corresponding transactions.

It cannot be ruled out in full that another assessment may arise within the framework of further developments, for instance from the assessment by the tax authorities and financial / civil courts.

Class action proceedings against mBank regarding the efficacy of index clauses in loan contracts denominated in foreign currency

On 4 April 2016 the ombudsman as representative of various private clients of mBank lodged a class action against mBank at the Regional Court in Łódź. The subject of the dispute is the

efficacy of the index clause for loan contracts denominated in Swiss francs. mBank lodged an appeal against the admittance of the class action by the Regional Court of Łódź, which was rejected by the appellate court in Łódź in March 2017. Then in May 2017 the class action was admitted by the Regional Court of Łódź, and an announcement was issued that the class action proceedings had been initiated. By the time of the deadline set by the Regional Court, a considerable number of claimants had joined in the class action. mBank will contest the claims.

Prospectus liability claim in connection with the participation in a customer's capital increase

A number of shareholders' representatives, among them the Dutch investors' protection association (*Vereniging van Effectenbezitters* ("**VEB**")), have made claims on COMMERZBANK outside court on account of rights of recourse against the banks which underwrote the capital increases of a customer in 2013 and 2014 and have thus called upon the Bank to enter into negotiations towards a settlement. The VEB justifies its claims on the grounds that the underwriting banks are responsible for the loss sustained by the investors in the capital increases in 2013 and 2014 due to the inaccuracies in the published prospectuses offering the securities. According to the VEB, these prospectuses do not reflect the customer's economic situation at that time. The Bank has rejected the claims, the amount of which has not been specified yet and refused negotiations for a settlement. Legal action in pursuit of claims against the banks underwriting the capital increases in 2013 and 2014 and hence also against COMMERZBANK cannot be ruled out.

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017 as well as from the condensed consolidated interim financial statements as of 31 March 2018 (together, the **Financial Statements**).

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Documents incorporated by Reference

The following documents shall be incorporated by reference in, and form part of, this Base Prospectus:

Document	Pages of Document incorporated by reference
Registration Document dated 20 September 2017 of COMMERZBANK Aktiengesellschaft (the "Registration Document") (English version)	
D. Risk Factors relating to the COMMERZBANK Group	p. 4 – p. 21
E. Description of COMMERZBANK Aktiengesellschaft	
Name, registered office, corporate purpose and financial year	p. 22
Description of the Business of the COMMERZBANK Group	
Overview	p. 22
Segments	p. 22 – p. 26
Group structure and corporate investments	p. 27
Board of Managing Directors and Supervisory Board	p. 29 – p. 32
Potential Conflict of Interest	p. 32 – p. 33
Major Shareholders	p. 33
Trend Information	p. 33
Significant Change in the Financial Position	p. 33
Auditors	p. 33 – p. 34
Material agreements	p. 34
F. Documents on Display	p. 40
First Supplement dated 14 November 2017 to the Registration Document dated 20 September 2017 (English version)	
Amendments to the following sub-sections of section "E. Description of COMMERZBANK"	
Board of Managing Directors and Supervisory Board	p. 2 - p. 3
Auditors	p. 3
Amendment to the section "F. Documents on Display"	p. 3
Second Supplement to the Registration Document of Commerzbank Aktiengesellschaft, dated 4 April 2018 (English version)	
Amendments to the risk factor no. 41 of section "D. Risk Factors relating to the COMMERZBANK Group"	p. 2
Amendments to the following sub-sections of section "E. Description of Commerzbank"	
Trend Information	p. 2
Auditors	p. 3
Amendment to the section "F. Documents on Display"	p. 4
Third Supplement to the Registration Document of Commerzbank Aktiengesellschaft, dated 23 May 2018 (English version)	
Amendments to the following sub-sections of section "E. Description of COMMERZBANK"	
Board of Managing Directors and Supervisory Board	p. 2 - p. 4
Auditors	p. 4 - p. 5
Amendment to the section "F. Documents on Display"	p. 5

Financial Information

COMMERZBANK Group Annual Report 2016 which has been filed with the *Commission de Surveillance du Secteur Financier*,

Luxembourg (English version)

Group Financial Statements	
Statement of comprehensive income	p. 127 – p. 129
Balance sheet	p. 130 – p. 131
Statement of changes in equity	p. 132 – p. 133
Cash flow statement	p. 134 – p. 135
Notes	p. 136 – p. 295
Responsibility statement by the Board of Managing Directors	p. 297
Independent auditors' report	p. 298 – p. 304
Disclaimer (reservation regarding forward-looking statements)	p. 320

COMMERZBANK Group Annual Report 2017 which has been filed with the *Commission de Surveillance du Secteur Financier*, Luxembourg (English version)

Group Financial Statements	
Statement of comprehensive income	p. 139 – p. 141
Balance sheet	p. 142 – p. 143
Statement of changes in equity	p. 144 – p. 145
Cash flow statement	p. 146 – p. 147
Notes	p. 148 – p. 289
Responsibility statement by the Board of Managing Directors	p. 291
Independent auditors' report	p. 292 – p. 298
Disclaimer (reservation regarding forward-looking statements)	p. 312

Financial Statement and Management Report 2016 of COMMERZBANK:

Income statement	p. 73
Balance sheet	p. 74 – p. 77
Notes	p. 78 – p. 116
Responsibility statement by the Board of Managing Directors	p. 117
Independent auditor's report	p. 118 – p. 123
Disclaimer (reservation regarding forward-looking statements)	p. 124

Financial Statement and Management Report 2017 of COMMERZBANK:

Income statement	p. 73
Balance sheet	p. 74 – p. 77
Notes	p. 78 – p. 119
Responsibility statement by the Board of Managing Directors	p. 120
Independent auditor's report	p. 121 – p. 126
Disclaimer (reservation regarding forward-looking statements)	p. 127

COMMERZBANK Group Interim Report as at 31 March 2018 which has been filed with the *Commission de Surveillance du Secteur Financier*, Luxembourg (English version)

Interim Financial Statements	
Statement of comprehensive income	p. 32 – p. 35
Balance sheet	p. 36 – p. 37
Statement of changes in equity	p. 38 – p. 39
Cash flow statement (condensed version)	p. 40
Selected notes	p. 41 – p. 102
Review report	p. 105
Disclaimer (reservation regarding forward-looking statements)	p. 107

Documents incorporated by reference have been published on the website of the Issuer (www.commerzbank.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The non-incorporated parts of the documents referred to above are either not relevant for the investor or are covered elsewhere in the Base Prospectus. Documents

incorporated by reference have been published on the website of the Issuer (www.commerzbank.com).

Description of COMMERZBANK Aktiengesellschaft

The description of the Issuer for the purpose of this Base Prospectus is set out in the Registration Document of COMMERZBANK Aktiengesellschaft dated 20 September 2017, as supplemented by the first supplement dated 14 November 2017, by the second supplement dated 4 April 2018, by the third supplement dated 23 May 2018 and any future supplement hereto, which is, together with the financial information, incorporated by reference in, and form part of, this Base Prospectus (see the section "Documents Incorporated by Reference").

Description of the Notes

The information set out below provides an overview of material terms of the types of Notes which may be issued under this Programme.

Since the final terms and characteristics of the Notes as well as the terms of the offer may only be determined when the Notes are publicly offered and/or issued, such information and the Programme Terms and Conditions of the Notes set out below should be read in conjunction with the relevant Final Terms which will be published upon each listing of Notes on a regulated market in the Member States of the European Union in accordance with Art. 16 of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*).

General Description of the Programme

Issuer:	COMMERZBANK Aktiengesellschaft
Determination Agent:	COMMERZBANK Aktiengesellschaft or any entity specified as such in the relevant Final Terms.
Principal Paying Agents:	COMMERZBANK Aktiengesellschaft
Currencies:	Subject to any applicable legal or regulatory restrictions, and requirements of relevant central banks, Notes may be issued in Euro or such other freely transferable currencies or currency units (each an " Alternative Currency ") as may be specified in the Final Terms.
Amount:	The maximum aggregate principal amount of all Notes outstanding at any one time under the Programme will not exceed € 5,000,000,000 (or its equivalent in an Alternative Currency).
Listing and admission to trading:	Application will be made to list the Notes to be issued under the Programme on the official list of the Luxembourg Stock Exchange and to be traded on the regulated market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission (Regulated Market " Bourse de Luxembourg "). Notes may also be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms.
Selling Restrictions:	<p>Each issue of Notes will be made in accordance with the laws, regulations and legal decrees and any restrictions applicable in the relevant jurisdiction.</p> <p>Any offer and sale of the Notes is subject to the selling restrictions in particular in the United States, in the member states to the Agreement on the European Economic Area (EEA), in France and the United Kingdom.</p>

General Information Concerning the Notes

The following section contains the information relating to the terms that apply, or may apply pursuant to the Final Terms, to all Notes to be issued under the Programme.

Under the Programme, the Issuer may issue bearer notes subject to English law, in global form. Notes may also be issued in dematerialised form in accordance with the French Monetary and Financial Code (*Code monétaire et financier*) as well as the regulations, rules and operating procedures applicable to and/or issued by Euroclear France S.A.

The obligations under the Notes constitute, direct, unsecured and, subject to the occurrence of a Credit Event, unconditional obligations of the Issuer.

All calculations to be made under the Programme will be made by the Determination Agent, which, in this regard, acts as a calculation agent.

Generally the Notes provide for repayment on a certain maturity date. The applicable Final Terms may provide for events of early redemption at the option of the Issuer. Also specific early redemption events are provided for the Noteholder in case of an event of default or optionally provided for in the Final Terms. Redemption rights granted to Noteholders pursuant to mandatory law, if any, shall not be affected.

The Issuer may at any time purchase and afterwards cancel the Notes in the open market at any price.

The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules, any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Issuer nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Final Terms may provide for fixed rate Notes, step-up and step-down Notes, floating rate Notes, fixed-to-floating rate Notes, Notes with CMS as reference interest rate, Notes in respect

of which the interest rate is determined by reference to an inflation index and zero coupon Notes.

Fixed rate Notes

In the case of fixed rate Notes, interest will be determined by multiplying the Denomination of the Notes with a fixed percentage per annum as set out in the Final Terms.

Step-up and step-down Notes

In case of step-up and step-down Notes, interest will be determined by multiplying the Denomination of the Notes with predetermined fixed percentages per annum. Such fixed percentage will be specified for each interest period as set out in the Final Terms.

Floating rate Notes

Floating rate Notes will bear interest at a reference interest rate for the relevant period of time plus or minus a margin, if any (each as set out in the applicable Final Terms of each Series of Notes).

The reference interest rate may be EURIBOR, LIBOR, or such other interest rate as set out in the applicable Final Terms.

"EURIBOR" (Euro Interbank Offered Rate) means the interbank interest rate (i.e. the rate at which banks lend to each other), daily calculated as the average of the quotations for one to twelve months observed at 11:00 a.m. Frankfurt am Main time.

"LIBOR" (London Interbank Offered Rate) is the rate at which an individual contributor panel bank could borrow funds, were it to do so by asking for and then accepting interbank offers in reasonable market size, just prior to 11:00 a.m. London time.

The Final Terms may, however, provide that interest at the applicable interest rate (either a specified fixed rate or a reference interest rate) only accrues on days when the benchmark rate is above or equal to the minimum threshold and/or below or equal to the maximum threshold (each as set out in the applicable Final Terms of each Series of Notes). Such benchmark rate may (as set out in the applicable Final Terms of each Series of Notes) be:

- (i) the accrual rate EURIBOR, LIBOR, CMS Rate or any other interest rate set out in the applicable Final Terms of each Series of Notes; or
- (ii) a reference spread, expressed as the difference between two EURIBOR, LIBOR, CMS Rates or other interest rates set out in the applicable Final Terms of each Series of Notes.

"CMS Rate" means, with respect to a constant maturity swap, the interest rate which is periodically reset with reference to a market swap rate.

The Final Terms may furthermore provide that the applicable interest rate will be increased or decreased by a margin and/or multiplied with a factor, each as the case may be.

These Notes may also be subject to a maximum and/or minimum interest rate and/or a maximum and/or minimum reference interest rate.

Interest on these Notes in respect of each interest period will be payable on such interest payment dates specified in the applicable Final Terms and will be calculated as indicated in the applicable Final Terms.

Fixed-to-floating rate Notes

Fixed-to-floating rate Notes bear interest at a fixed rate during an initial fixed rate period. Following such period the Notes bear interest at a floating rate during the final floating rate period.

The Final Terms may, however, provide that interest at the applicable interest rate (either a specified fixed rate or a reference interest rate) only accrues on days when the benchmark rate is above or equal to the minimum threshold and/or below or equal to the maximum threshold (each as set out in the applicable Final Terms of each Series of Notes). Such benchmark rate may (as set out in the applicable Final Terms of each Series of Notes) be:

- (i) the accrual rate EURIBOR, LIBOR, CMS Rate or any other interest rate set out in the applicable Final Terms of each Series of Notes; or
- (ii) a reference spread, expressed as the difference between two EURIBOR, LIBOR, CMS Rates or other interest rates set out in the applicable Final Terms of each Series of Notes.

The Final Terms may furthermore provide that the applicable interest rate will be increased or decreased by a margin and/or multiplied with a factor, each as the case may be.

These Notes may also be subject to a maximum and/or minimum interest rate and/or a maximum and/or minimum reference interest rate.

Interest on these Notes in respect of (i) the fixed interest term will be payable on such fixed interest payment dates specified in the applicable Final Terms and (ii) each floating interest period will be payable on such floating interest payment dates specified in the applicable Final Terms and will be calculated as indicated in the applicable Final Terms.

Notes with CMS as reference interest rate

In the case of Notes with CMS as reference interest rate the reference interest rate may be the constant maturity swap rate.

The Final Terms may, however, provide that interest at the applicable interest rate (either a specified fixed rate or a reference interest rate) only accrues on days when the benchmark rate is above or equal to the minimum threshold and/or below or equal to the maximum threshold (each as set out in the applicable Final Terms of each Series of Notes). Such benchmark rate may (as set out in the applicable Final Terms of each Series of Notes) be:

- (i) the accrual rate EURIBOR, LIBOR, CMS Rate or any other interest rate set out in the applicable Final Terms of each Series of Notes; or
- (ii) a reference spread, expressed as the difference between two EURIBOR, LIBOR, CMS Rates or other interest rates set out in the applicable Final Terms of each Series of Notes.

The Final Terms may furthermore provide that the applicable interest rate will be increased or decreased by a margin and/or multiplied with a factor, each as the case may be.

These Notes may also be subject to a maximum and/or minimum interest rate and/or a maximum and/or minimum reference interest rate.

Interest on these Notes in respect of each interest period will be payable on such interest payment dates specified in the applicable Final Terms and will be calculated as indicated in the applicable Final Terms.

Notes in respect of which the interest rate is determined by reference to an inflation index

In the case of Notes in respect of which the interest rate is determined by reference to an inflation index, interest will be determined by the Determination Agent in accordance with the formula on the basis of the reference inflation index for the relevant period of time.

The reference inflation index may be UKRPI or HICP, as set out in the applicable Final Terms.

UKRPI (UK Retail Price Index) measures the average change in the price of goods and services bought for the purpose of consumption in the UK. The index is published by UK Office for National Statistics (ONS).

HICP (Harmonised Index of Consumer Prices) measures the changes over time in the prices of consumer goods and services acquired by households. The index gives comparable measures of inflation in the Euro zone, the EU, the European Economic Area and for other countries including accession and candidate countries. The index is calculated by the statistical office of the European Union (Eurostat).

Both indices will be taken into account on a non-revised basis, which means that the first publication or announcement of a level of the index for a reference month is final and conclusive and later revisions to the level for such reference month will not be used in any calculations.

The Final Terms may, however, provide that interest at the applicable interest rate (either a specified fixed rate or a rate determined by reference to an inflation index) only accrues on days when the benchmark rate is above or equal to the minimum threshold and/or below or equal to the maximum threshold (each as set out in the applicable Final Terms of each Series of Notes). Such benchmark rate may (as set out in the applicable Final Terms of each Series of Notes) be:

- (i) the performance of the reference inflation index as described above; or
- (ii) the accrual rate EURIBOR, LIBOR, CMS Rate or any other interest rate set out in the applicable Final Terms of each Series of Notes; or
- (iii) a reference spread, expressed as the difference between two EURIBOR, LIBOR, CMS Rates or other interest rates set out in the applicable Final Terms of each Series of Notes.

The Final Terms may furthermore provide that the applicable interest rate will be increased or decreased by a margin and/or multiplied with a factor, each as the case may be.

These Notes may also be subject to a maximum and/or minimum interest rate and/or a maximum and/or minimum reference interest rate.

Interest on these Notes in respect of each interest period will be payable on such interest payment dates specified in the applicable Final Terms and will be calculated as indicated in the applicable Final Terms.

Zero-Coupon-Notes

Zero coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of a payment default.

Specific Information Concerning the Credit Linkage of the Notes

Credit linked notes are notes in respect of which repayment and/or payment of interest are subject to the non-occurrence of a Credit Event with respect to one or more specified Reference Entities. A Credit Event occurs if certain circumstances occurred (or threaten to occur) having, from the perspective of the creditors of a Reference Entity, economically adverse effects in relation to such Reference Entity, in particular which affect the creditworthiness of such Reference Entity, such as, for example, the Reference Entity's default on its existing obligations or the insolvency of the Reference Entity. See under "Credit Events" for a more detailed list of Credit Events applicable in the context of the Notes.

The Final Terms may provide that Credit Events are relevant if they have occurred before the issue date of the Notes.

In addition to the Issuer's creditworthiness, the Notes are dependent on the creditworthiness of one or more specified Reference Entities. **Upon the occurrence of a Credit Event and depending on the payment structure of the relevant Notes, Noteholders may therefore suffer a partial or total loss of principal and/or interest.**

The Notes include the following pay-off and interest structures in relation to one or more Credit Events:

A. Credit Linked Notes linked to a single Reference Entity only

If the applicable Final Terms provide for a credit linkage to one Reference Entity (*single* Reference Entity) only, payments under the Notes are linked to the occurrence of a Credit Event in relation to such Reference Entity.

Credit Events

The Final Terms may provide for one or more of the following Credit Events:

- Failure to Pay;
- Obligation Acceleration;
- Restructuring;
- Bankruptcy;
- Repudiation/Moratorium;
- Governmental Intervention;

each as defined in the Programme Terms and Conditions.

Effect of Credit Events on interest payments

Upon the occurrence of a Credit Event in case of a *single* Reference Entity, the Final Terms may provide that:

- the Notes bear interest irrespective of such event, or
- the Notes will cease to bear interest; or
- the Notes will bear floating interest on the basis of the Cash Settlement Amount or the Predefined Settlement Amount.

Effect of Credit Events on capital payments

In addition, the Final Terms may provide that upon the occurrence of a Credit Event in case of a *single* Reference Entity:

- the Notes will be redeemed (early) by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date, or
- the Notes will be redeemed (early) by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date, or
- the Issuer may in its reasonable discretion decide whether the Notes will be redeemed early either by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date or by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions).

B. Credit Linked Notes linked to more than one Reference Entity

The applicable Final Terms may provide for a credit linkage to *more than one* Reference Entity:

"Nth-to-Default"

If the applicable Final Terms provide for *more than one* Reference Entity, "Nth-to-Default", payments under the Notes are linked:

- to the occurrence of a Credit Event in relation to a specified Reference Entity (e.g. a Credit Event occurs in relation to the fifth Reference Entity out of a basket of ten Reference Entities).

Effect of Credit Events on interest payments

Upon the occurrence of a Credit Event, in the case of *more than one* Reference Entity, "Nth-to-Default", the Final Terms may provide that:

- the Notes bear interest irrespective of such event, or
- the Notes will cease to bear interest, or
- the Notes will bear floating interest on the basis of the Cash Settlement Amount or the Predefined Settlement Amount.

Effect of Credit Events on capital payments

In addition, the Final Terms may provide that upon the occurrence of a Credit Event, in the case of *more than one* Reference Entity in the version "Nth-to-Default":

- the Notes will be redeemed (early) by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date, or
- the Notes will be redeemed (early) by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date, or

- the Issuer may in its reasonable discretion decide whether the Notes will be redeemed (early) either by payment of the Cash Settlement Amount or Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date or by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), or
- the Notes will be redeemed by payment of the Adjusted Principal Amount.

Other structures with more than one Reference Entity

If the applicable Final Terms provide for a linkage to more than one Reference Entity (other than "Nth-to-Default"), payments under the Notes are linked:

- to the occurrence of the first Credit Event in relation to any of the Reference Entities, or
- to the occurrence of Credit Events limited only to the number of Reference Entities, with each Credit Event affecting payments under the Notes, whereas no more than one Credit Event may occur in relation to any one Reference Entity.

Effect of Credit Events on interest payments

Upon the occurrence of a Credit Event, the Final Terms may provide that in the case of *more than one* Reference Entity (other than "Nth-to-Default"):

- the Notes bear interest irrespective of such event, or
- the Notes will cease to bear interest, or
- the Notes will bear interest on the basis of a nominal amount which will be reduced for interest purposes (successively taking into account any Credit Event which may subsequently occur); or
- the Notes will bear floating interest on the basis of a nominal amount which will be reduced for interest purposes.

Effect of Credit Events on capital payments

In addition, the Final Terms may provide that upon the occurrence of a Credit Event in the case of *more than one* Reference Entity (other than "Nth-to-Default"):

- the Notes will be redeemed (early) by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date, or
- the Notes will be redeemed (early) by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), under certain circumstances, by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date, or
- the Issuer may in its reasonable discretion decide whether the Notes will be redeemed (early) either by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date or by delivery of a Deliverable Obligation on the Physical Settlement Date (and payment of a cash amount in the case of any fractions), or
- the Notes will be redeemed by payment of the Adjusted Principal Amount, subject to the number of Reference Entities affected by the occurrence of a Credit Event, on the Maturity Date.

In case of a basket of Reference Entities the Final Terms may provide that in case a Credit Event occurs with respect to each of the Reference Entities the Notes shall be redeemed early by payment of either the Cash Settlement Amount, the Predefined Settlement Amount or the Adjusted Principal Amount and such amount may be zero.

As the redemption amount is determined by reference to the occurrence of one or more Credit Events the redemption amount at maturity may be significantly less than the capital invested, and in extreme cases, investors may incur a total loss of the capital invested and of interest.

C. Information regarding the Early Redemption upon the Occurrence of a Credit Event and Redemption at Maturity upon the Occurrence of a Credit Event that are relevant for all Credit Linked Notes

Redemption upon the Occurrence of a Credit Event and Cash Settlement

Upon the occurrence of one or more Credit Events, the Issuer will redeem the Notes by payment of the Cash Settlement Amount or the Predefined Settlement Amount or the Adjusted Principal Amount on the Cash Settlement Date or the Maturity Date.

Cash Settlement Amount

The Cash Settlement Amount will be determined with respect to the actual market price of a certain Reference Obligation of the affected Reference Entity following the occurrence of a Credit Event (the "**Final Price**").

Determination of the Final Price by quotes received by the Issuer

For the purposes of determining the Final Price, inquiries may be made with banks concerning bid prices with respect to a Reference Obligation and thus effectively as to the market value of such obligation following the occurrence of a Credit Event. Such Final Price may be well below 100% of the nominal value of the Reference Obligation and investors may therefore suffer a loss in the amount of the difference between 100% and the Final Price expressed as a percentage. The determination of the Final Price will take place on the Valuation Date after the occurrence of the Credit Event. The Determination Agent will determine the relevant Valuation Date in its reasonable discretion. The period between the Event Determination Date of the Credit Event and the Valuation Date may be several days, but also up to 122 Business Days. The date of payment of the Cash Settlement Amount will be deferred accordingly, without any interest being owed on the payable Cash Settlement Amount by the Issuer during such deferral period.

Determination of the Final Price by ISDA auction

The Cash Settlement Amount may be calculated by taking into consideration a price for Reference Obligations of the relevant Reference Entity that is determined during an auction organised by *International Swaps and Derivatives Association, Inc.* ("**ISDA**") with respect to such Reference Entity and its Obligations (the "**Auction Final Price**"). (See below under "ISDA Auction Settlement").

Unwind costs and leverage

The Final Terms may provide that the Noteholders will be responsible for the payment of any and all unwind costs.

In addition, the Final Terms may provide that the loss amount of the Notes will be multiplied by the Leverage Factor when calculating the Cash Settlement Amount resulting in an increased loss for investors.

Predefined Settlement Amount

The Predefined Settlement Amount is an amount pre-determined on the Issue Date. Such Predefined Settlement Amount is unlikely to reflect any valuation based on a Final Price or Auction Final Price and, hence, may be higher or lower than the respective Cash Settlement Amount.

Adjusted Principal Amount

The Adjusted Principal Amount, which may be applicable in the case of baskets of Reference Entities, will be calculated on the Valuation Date. Such amount will generally be calculated as a reduction of the specified Denomination by taking into account the specified weight of the Reference Entity in relation to which a Credit Event has occurred.

Early Redemption upon the Occurrence of a Credit Event and Physical Settlement

In the case of the occurrence of a Credit Event in relation to the (relevant) Reference Entity, the Issuer's obligation to redeem the Notes in cash shall be discharged in full by delivery of the Physical Settlement Amount. The Physical Settlement Amount will be determined as the pro-rata portion of the Outstanding Principal Balance or Due and Payable Amount of the Deliverable Obligation(s), which in general will equal the outstanding aggregate Principal Amount of the Notes. The Deliverable Obligations are either specified in the Final Terms or have to meet certain categories and characteristics specified in the Final Terms. The market value of the selected Deliverable Obligation(s) to be delivered following the occurrence of the Credit Event will not be taken into account.

If several Deliverable Obligations of a Reference Entity may be selected, the Issuer may select at its own discretion the Deliverable Obligations to be delivered; in particular, the Issuer shall, as a rule, select at its own discretion the Deliverable Obligation which is cheapest to deliver. Furthermore, the Final Terms may provide for delivery of subordinated Deliverable Obligations of the Reference Entity.

The Physical Settlement Date and the Deliverable Obligations will be specified in the Final Terms. The Final Terms may provide (i) if the determination of the relevant portion of the Deliverable Obligations to be delivered to any Noteholder will lead to fractions, that such fractions will not be delivered and that the Issuer will pay an amount equal to the value or the Currency Amount of such fraction, or, (ii) in the case of the impossibility or illegality of a physical delivery, that the Issuer will pay the Partial Cash Settlement Amount in accordance with the Final Terms.

The settlement procedure in relation to a physical delivery of Deliverable Obligations will be specified in the Final Terms. The Noteholders will be responsible for the payment of any and all delivery expenses and the Final Terms may provide that the Noteholders will bear any unwind costs.

If a Delivery Disruption Event exists on the Physical Settlement Date, the Final Terms will provide for delivery to be postponed, which is notified accordingly.

Redemption upon the Occurrence of a Credit Event and either Cash or Physical Settlement

The Final Terms may also provide that the Issuer may in its absolute discretion decide whether the Notes will be redeemed early either by payment of the Cash Settlement Amount or the Predefined Settlement Amount on the Cash Settlement Date or the Maturity Date or by delivery of a Deliverable Obligation on the Physical Settlement Date (see "Early Redemption upon the occurrence of a Credit Event by Cash Settlement" and "Early Redemption upon the occurrence of a Credit Event by Physical Settlement").

Redemption at Maturity upon the Occurrence of a Credit Event

The Final Terms may provide for redemption at maturity at an Adjusted Principal Amount. The Final Terms will specify and explain the mathematical relation between the Principal Amount, the number of Credit Events (in the case of more than one Reference Entity) and/or the performance of any Reference Obligation, if applicable. The Final Terms may provide for specific valuation or quotation methods for the purposes of calculating the Final Price, if applicable, of a Reference Obligation. Such calculation will be made on the relevant Valuation Date as specified in the Final Terms subsequently to the occurrence of a Credit Event and notified.

However, the number of Credit Events that have already occurred as well as the fact that a number of Reference Entities (if any) have not been affected by Credit Events will be taken into account in calculating the Adjusted Principal Amount. Thus, the Adjusted Principal Amount will successively decrease taking into account any Credit Event which may subsequently occur. In the case of Zero Recovery Notes, the Adjusted Principal Amount will be zero, if a Credit Event has occurred in relation to each Reference Entity in the basket.

Following the occurrence of a Credit Event, the Final Terms may provide that the Cash Settlement Amount or the Predefined Settlement Amount of the Notes will be paid at maturity. As specified in the Final Terms, the Notes will continue to bear interest, may cease to bear interest or bear floating rate interest at the Cash Settlement Amount or the Predefined Settlement Amount.

D. Information regarding the Credit linkage of the Notes that are relevant for all Credit Linked Notes

Reference Entities and Reference Obligations

The applicable Final Terms will specify one or more Reference Entities and/or one or more Reference Obligations of the Reference Entity or Reference Entities or certain categories and characteristics the Reference Obligations have to meet, as the case may be. The Final Terms may provide for different weightings of the individual Reference Entities. Reference Entities may be any entity or government and Reference Obligations may be any kinds of obligation, including but not limited to bonds or loans.

Reference Entities and Reference Obligations may be subject to substitution or adjustment (including the adjustment of their weightings) upon the occurrence of certain events in accordance with the applicable Final Terms.

Successors

Upon the occurrence of an event as a result of which the Successor succeeds to some or all of the Relevant Obligations of another Reference Entity (a "**Succession Event**") with respect to any Reference Entity, such Reference Entity will be replaced by a Successor. A Successor is either a person that assumes the position of such Reference Entity due to the occurrence of a Succession Event as determined by the Determination Agent or, in the case of a Sovereign Reference Entity, such Successor will be selected by the Determination Agent. In the case of substitution by more than one Successor, the occurrence of the Credit Event in relation to any of the Successors will be taken into account either pro rata only or with respect to each Successor.

Substitute Reference Obligation

The applicable Final Terms provide for circumstances pursuant to which a Reference Obligation may be replaced by another Reference Obligation.

If with respect to a Reference Entity "Standard Reference Obligation" is specified in the applicable Final Terms but there is no Standard Reference Obligation, then the Reference Obligation will be the Non-Standard Reference Obligation to but excluding the first date of the publication of a new Standard Reference Obligation and from such date, such new Standard Reference Obligation.

If, pursuant to the applicable Final Terms, the Reference Obligation is a Non-Standard Reference Obligation, then the Determination Agent will determine the Substitute Reference Obligation in accordance with the terms of the applicable Final Terms.

If, pursuant to the applicable Final Terms, the Reference Obligation is determined pursuant to the list of standard reference obligations as published by ISDA on its website but no such obligation can be determined on the basis of the list, then the Determination Agent will determine the Substitute Reference Obligation in accordance with the terms of the applicable Final Terms.

ISDA and the ISDA Auction Settlement

The Terms and Conditions of the Credit Linked Notes are based on standard terms and conditions for credit linked financial instruments ("**Credit Derivatives**") that have been published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). 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 standard terms and conditions as well as documentation materials ("**ISDA Terms**") in agreement with market participants. ISDA Terms are prepared in the English language and governed by English law or the New York state law.

The uniform application of the ISDA Terms is supported by way of statements, protocols and interpretation instructions agreed between ISDA and market participants ("**ISDA Statements**") and/or by resolutions of a determination committee ("**Committee**") established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments for the purposes of resolving certain matters and questions in connection with the ISDA Terms ("**Committee Resolutions**").

If a Credit Event occurs with respect to a Reference Entity, ISDA may, pursuant to the ISDA Terms, conduct an auction in respect of such Reference Entity and obligations of such Reference Entity. In the context of such an Auction Settlement, market participants will submit market offers and market bids for certain obligations of the Reference Entity selected by the Committee. The parameters of such Auction Settlement (Auction Settlement Terms) will be determined by the Committee. The Auction Final Price as determined during the auction in accordance with the ISDA Terms provides the basis for the settlement of Credit Derivatives that are subject to the ISDA Terms. In line with the Auction Settlement, the Committee will also determine the list of Deliverable Obligations of the Reference Entities.

Instructions for the use of the Programme Terms and Conditions

These Programme Terms and Conditions of the Notes (the "**Programme Terms and Conditions**") apply to a Series of Notes.

The terms of the Final Terms (the "**Final Terms**") applicable to the respective Series of Notes complete and specify the Programme Terms and Conditions. The completed and specified Final Terms together with the Programme Terms and Conditions represent the conditions applicable to the relevant Series of Notes (the "**Notes Terms**"). If and to the extent that the Programme Terms and Conditions deviate from the Notes Terms, the Notes Terms shall prevail.

The Programme Terms and Conditions in certain places contain placeholders or a variety of possible options for a provision. These are marked with square brackets and corresponding comments. The Final Terms provide the missing information and specify which of the possibilities provided by the Programme Terms and Conditions shall apply with respect to specific conditions.

The Programme Terms and Conditions are then to be read as if they contained the appropriately completed and specified provisions.

Part I of the applicable Final Terms relating to a Series of Notes and Programme Terms and Conditions will be attached to the respective temporary and/or permanent global bearer note (the "**Global Note**").

Programme Terms and Conditions
(Notes which are represented either by a global note or issued in
dematerialised form under French law)¹

The following § 1 shall be applicable for Notes represented by a global note.

§ 1
(FORM)

- [(1) This series of Notes of COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued on **[insert date]** (the "**Issue Date**") in **[currency]** ("**[currency abbreviation]**") (the "**Issue Currency**") in the aggregate principal amount of **[currency abbreviation]** **[amount]** (in words: **[currency]** **[amount]**) (the "**Principal Amount**") represented by notes payable to bearer and ranking *pari passu* among themselves (the "**Notes**") in the denomination of **[currency]** **[denomination]** each (the "**Denomination**").

The following paragraph shall only be applicable in case of an increase.

[The Notes are to be consolidated and form a single series with the **[aggregate principal amount]****[number of the relevant previous tranche(s)]** **[title of Notes]** (series **[insert number of series]** (tranche **[insert number of tranche]**)) issued on **[insert date of relevant tranches]**.]

The following paragraphs shall only be applicable to Notes with respect to which TEFRA C applies or for Notes with respect to which no TEFRA Rules apply.

- [(2) The Notes will be represented by a permanent global bearer note (the "**Global Note**") without interest coupons. The Global Note shall be deposited with

[Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn ("**CBF**")]

[Renta 4 Sociedad de Valores y Bolsa, S.A., Paseo de la Habana 74, 28036 Madrid, Kingdom of Spain as common depositary (the "**Common Depositary**") for Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S. A., Plaza de la Lealtad, 1, 28014 Madrid, Kingdom of Spain]

(the "**Clearing-System**").]

[[Deutsche Bank Aktiengesellschaft][•] as common depositary (the "**Common Depositary**") for Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels ("**Euroclear**") (together the "**Clearing-System**").]

[[**other international clearing system, address**] (the "**Clearing-System**").]

- (3) The Global Note shall only be valid if it bears the hand-written signatures of two authorised representatives of the Issuer and the control signature of a person instructed by COMMERZBANK Aktiengesellschaft.]

The following paragraphs shall only be applicable to Notes with respect to which TEFRA D applies.

- [(2) The Notes will initially be represented by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons, which will be exchanged not earlier than 40 calendar days after their Issue Date for a permanent global bearer note (the "**Permanent Global Note**");

¹ These Programme Terms and Notes are to be used exclusively for Notes which are represented either by a global note or issued in dematerialised form under French law.

the Temporary Global Note and the Permanent Global Note hereinafter together the "**Global Note**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall be deposited with

[Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn ("**CBF**")]

[Renta 4 Sociedad de Valores y Bolsa, S.A., Paseo de la Habana 74, 28036 Madrid, Kingdom of Spain as common depositary (the "**Common Depositary**") for Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S. A., Plaza de la Lealtad, 1, 28014 Madrid, Kingdom of Spain]

(the "**Clearing-System**").]

[[Deutsche Bank Aktiengesellschaft][●] as common depositary (the "**Common Depositary**") for Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels ("**Euroclear**") (together the "**Clearing-System**").]

[[*other international clearing-system, address*] (the "**Clearing-System**").]

The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons.

- (3) The Temporary Global Note and the Permanent Global Note shall only be valid if they bear the hand-written signatures of two authorised representatives of the Issuer and the control signature of a person instructed by COMMERZBANK Aktiengesellschaft.]
- (4) Definitive Notes and interest coupons will not be issued and the right of the Noteholders to request the issue and delivery of definitive Notes shall be excluded.
- (5) The term "**Noteholder**" in these terms and conditions of the Notes (the "**Terms and Conditions**") refers to the bearer of the Note.]

The following § 1 shall be applicable in case of Notes issued in dematerialised form under French law.

§ 1 (FORM)

- [(1) This series of Notes of COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued on [*insert date*] (the "**Issue Date**") in [*currency*] ("*currency abbreviation*") (the "**Issue Currency**") in the aggregate principal amount of [*currency abbreviation*] [*amount*] (in words: [*currency*] [*amount*] (the "**Principal Amount**") represented by notes ranking *pari passu* among themselves (the "**Notes**") in the denomination of [*currency*] [*denomination*] each (the "**Denomination**").
- (2) The Notes will be issued in dematerialised form (*dématisation*). Title to the Notes will be evidenced by book entries (*inscriptions en compte*) in accordance with the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) (currently, Articles L. 211-3 et seq. and R. 211-1 et seq. of the French Monetary and Financial Code). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French Monetary and Financial Code) will be issued in respect of the Notes.
- (3) Transfers of the Notes and other registration measures shall be made in accordance with the French Monetary and Financial Code, the regulations, rules and operating procedures applicable to and/or issued by Euroclear France S.A., 66 rue de la Victoire, 75009 Paris, French Republic (the "**Clearing-System**").
- (4) The term "**Noteholder**" in these terms and conditions of the Notes (the "**Terms and Conditions**") refers to any person holding notes through a financial intermediary entitled to hold accounts with the Clearing-System on behalf of its customers (the "**Note Account Holder**") or, in the case of a Note Account Holder acting for its own account, such Note Account Holder.]

§ 2
(STATUS IN THE LIQUIDATION OR INSOLVENCY OF THE ISSUER)

The Notes constitute, direct, unsecured and, subject to the occurrence of a Credit Event pursuant to § 6, unconditional obligations of the Issuer and rank *pari passu* among themselves. In the event of the Issuer's liquidation or insolvency, any claims of the Noteholders under the Notes will rank *pari passu* with the claims of all unsubordinated creditors of the Issuer, save for such exceptions as may exist from time to time under applicable law.

The following § 3 shall be applicable to all interest bearing Notes (except Zero-Coupon-Notes).

§ 3
(INTEREST)

The following paragraph (1) shall only be applicable to fixed rate Notes.

- [(1) Subject to paragraph (2) below, the Notes bear interest on their Principal Amount at a rate of **[interest rate]** per cent. per annum from and including **[date]** to but excluding **[date]**. Interest is payable **[annually][semi-annually][quarterly][other time period]** in arrear on **[Interest Payment Date(s)]** of each year (the or each an "Interest Payment Date"). **[The first interest payment shall be due on [first Interest Payment Date] [(first [long][short] coupon)].]** **[The last Interest Payment Date shall be [the Maturity Date][last Interest Payment Date] [(last [long][short] coupon)].]**

Business Day Convention

The following paragraph shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]]

The following paragraph (1) shall only be applicable to step-up and step-down Notes.

- [(1) Subject to paragraph (2) below, the Notes bear interest on their Principal Amount from and including **[Interest Commencement Date]** (the "Interest Commencement Date") at a rate of:
- [•]** per cent. per annum from and including the Interest Commencement Date to but excluding **[date]**.
- ²**[[•]** per cent. per annum from and including **[date]** to but excluding **[date]**.]
- [•]** per cent. per annum from and including **[date]** to but excluding the Maturity Date.

² Further periods to be inserted.

Interest is payable [annually][semi-annually][quarterly][other time period] in arrear on **[Interest Payment Date(s)]** of each year (the or each an "Interest Payment Date"). [The first interest payment shall be due on **[first Interest Payment Date]** [(first [long][short] coupon)).] [The last Interest Payment Date shall be [the Maturity Date]**[last Interest Payment Date]** [(last [long][short] coupon)).]

Business Day Convention

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following paragraphs (1) to (5) shall only be applicable to floating rate Notes.

- [(1) Subject to paragraph [(6)][(7)][(8)] below, the Notes bear interest on their Principal Amount at an interest rate determined in accordance with paragraph (3) below (the "Interest Rate") from and including **[date]** to but excluding the first Interest Payment Date and thereafter from and including any Interest Payment Date to but excluding the next following Interest Payment Date (each such period being an "Interest Period"). Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. Subject to paragraphs (2) and [(6)][(7)][(8)] below, "Interest Payment Date" means **[Interest Payment Dates]** of each year. [The first Interest Payment Date shall be **[first Interest Payment Date]** [(first [long][short] coupon)).] [The last Interest Payment Date shall be [the Maturity Date]**[last Interest Payment Date]** [(last [long][short] coupon)).]

Business Day Convention

The following provision shall be inserted if "Floating Rate Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day (as defined in § 8 (3)), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Interest Payment Date would have fallen had it not been subject to adjustment.]

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]

- (2) Subject to paragraph [(6)][(7)][(8)] below, the Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

The Interest Rate shall be determined in accordance with paragraph[s] (3) [and (4)] below.

- (3) The Interest Rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This Interest Rate is equal to [[•] per cent. per annum][the Reference Interest Rate determined in accordance with paragraph (4) below] [[plus][minus] **[margin]**] [and such aggregate] [multiplied by] [a factor of **[factor]** [and] n/N]] [[plus][minus] **[margin]**] [multiplied by a factor of **[factor]** n/N], and shall be determined for each Interest Period

[[•] Business Day(s) prior to the commencement]

[[•] Business Day(s) prior to the end]

of each Interest Period (the "**Interest Determination Date**") by the Determination Agent. A Business Day in the meaning of this paragraph shall be any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] commercial banks and foreign exchange markets in [Frankfurt am Main][London][**other financial centre**] [is][are] open for business.

[If structured interest accrual is applicable:

"N" means the actual number of Business Days in the relevant Interest Period;

"n" means the number of Business Days in the relevant Interest Period on which the [Accrual Rate][Reference Spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]

["**Maximum Barrier**" means [•].:] [and]

["**Minimum Barrier**" means [•].:] [and]

["**Reference Spread**" means Accrual Rate A minus Accrual Rate B.]

[[**Number**]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate [A]**") is the interest rate expressed as a rate per annum published on screen page [**If EURIBOR:** Reuters EURIBOR01][**If LIBOR:** Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][**other financial centre**] time)][**other time**] for deposits in the Issue Currency for the relevant Interest Period.

[[Number]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate B**" and together with the Accrual Rate A the "**Accrual Rates**") is the interest rate expressed as a rate per annum published on the Accrual Screen Page.]

If the Determination Agent cannot determine the [relevant] Accrual Rate as aforementioned, because the Accrual Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Accrual Rate for the respective Interest Period shall be the arithmetic mean **[if EURIBOR:** (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)**][if LIBOR:** (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)**][•]** determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Accrual Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.]

[[CMS-Rate] (the "**Accrual Rate [A]**") is the rate expressed as a rate per annum published on screen page **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Reuters page ISDAFIX2**][•]** (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London]**][other financial centre]]****[other time]** for a **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro**][other currency]** denominated swap transaction with a maturity of **[•]** [years][months].

[[CMS-Rate] (the "**Accrual Rate B**") is the rate expressed as a rate per annum published on the Accrual Screen Page on the Interest Determination Date at or about **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London]**][other financial centre]]****[other time]** for a **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro**][other currency]** denominated swap transaction with a maturity of **[•]** [years][months].]

If at such time the Accrual Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London]**][other financial centre]]****[other time]**. "**Reference Banks**" means **[in the case of Euro-ISDA Swap Rate 11.00 a.m.:** four leading swap dealers in the interbank market**][other Reference Banks]**.

If more than **[three][•]** of the Reference Banks provide the Determination Agent with offered quotations, the Accrual Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by the Determination Agent. If less than **[three][•]** quotations are provided, the Determination Agent will determine the **[the Accrual Rate][relevant Reference Interest Rate]** at its reasonable discretion.]

[In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 as amended from time to time)) (each a "**Discontinuation**") of **[one of]** the Accrual Rate[s], the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Accrual Rate **[A][B]** and a suitable alternative reference interest rate as the Accrual Rate **B]** (the "**Successor Accrual Rate [A][B]**" and the "**Successor Accrual Rate B**").

The Successor Accrual Rate[s] [A][and][B] shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Accrual Rate[s] [A][and][B] in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Accrual Rate [A][B] to be the Successor Accrual Rate [A][B][and a rate which is most comparable to the Accrual Rate B to be the Successor Accrual Rate B].

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Accrual Rate[s] [A][and][B] or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Accrual Rate[s] [A][and][B] instead of the Accrual Rate[s] [A][and][B] as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Accrual Rate[s] [A][and][B] by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert: (the "Termination Notice")**, redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Accrual Rate[s] [A][and][B] published shall be used to determine the applicable interest rate.] **[if previous interest period, insert: the Accrual Rate[s] [A][and][B] applicable to such Interest Period shall be equal to the Accrual Rate[s] [A][and][B] last determined in relation to the Notes in respect of a preceding Interest Period.]]**

[(4)] **[If the Interest Rate is equal to the Reference Interest Rate insert: [Number]-months [EURIBOR][LIBOR][•] (the "Reference Interest Rate") is the interest rate expressed as a rate per annum published on screen page [If EURIBOR: Reuters EURIBOR01][If LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "Screen Page") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the Issue Currency for the relevant Interest Period.**

If the Determination Agent cannot determine the Reference Interest Rate as aforementioned, because the Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Reference Interest Rate for the respective Interest Period shall be the arithmetic mean **[if EURIBOR: (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][if LIBOR: (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][•]** determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Reference Interest Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.

In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which

includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 (as amended from time to time)) (each a "**Discontinuation**") of the Reference Interest Rate, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Reference Interest Rate (the "**Successor Reference Interest Rate**").

The Successor Reference Interest Rate shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Reference Rate in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Reference Interest Rate to be the Successor Reference Interest Rate.

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Reference Interest Rate or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Reference Interest Rate instead of the Reference Interest Rate as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Reference Interest Rate by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 [*if termination, insert:* (the "**Termination Notice**"), redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Reference Interest Rate published shall be used to determine the applicable interest rate.] [*if previous interest period, insert:* the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate last determined in relation to the Notes in respect of a preceding Interest Period.]

[(4)][(5)] The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without undue delay, but in no event later than the [first][last] day of the relevant Interest Period, of the Interest Rate [(including any [Successor Reference Interest Rate] [or] [Successor Accrual Rate] determined and any changes made in accordance with paragraph [(3)] [and] [(4)] above)] determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the Interest Rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 14. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Determination Agent without an additional publication being necessary with regard thereto.]

The following paragraph shall only be applicable to floating rate Notes having a minimum interest rate.

- [(6)] In the event that the [Reference] Interest Rate determined with respect to an Interest Period pursuant to this § 3 is less than [**minimum interest rate**], the [Reference] Interest Rate for such Interest Period shall be [**minimum interest rate**].]

The following paragraph shall only be applicable to floating rate Notes having a maximum interest rate.

- [[6]][(7)] In the event that the [Reference] Interest Rate determined with respect to an Interest Period pursuant to this § 3 is greater than [**maximum interest rate**], the [Reference] Interest Rate for such Interest Period shall be [**maximum interest rate**].]

The following paragraphs (1) to (6) shall only be applicable to fixed-to-floating rate Notes.

- [(1)] ***Fixed Interest Term***

Subject to paragraph (2) below, the Notes bear interest on their Principal Amount at a rate of [**interest rate**] per cent. per annum ("**Fixed Rate of Interest**") during the period (the "**Fixed Interest Term**") from and including [**Interest Commencement Date**] (the "**Interest Commencement Date**") to but excluding [**date**] (the "**Final Fixed Interest Payment Date**"). During the Fixed Interest Term interest is payable [annually][semi-annually][quarterly][**other time period**] in arrear on [**Fixed Interest Payment Date(s)**] of each year (each a "**Fixed Interest Payment Date**"). The first Fixed Interest Payment Date shall be [**first Fixed Interest Payment Date**] [(first [long][short] coupon)].

Business Day Convention

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Fixed Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Fixed Interest Payment Date (except for the Final Fixed Interest Payment Date) is not a Payment Business Day, then such Fixed Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Fixed Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Fixed Interest Payment Date is not a Payment Business Day, then the Fixed Interest Payment Date shall be the immediately preceding Payment Business Day.]

- (2) ***Floating Interest Term***

From and including [**date**] to but excluding [the Maturity Date][**date**] (the "**Floating Interest Term**") the following shall apply:

Subject to paragraph [(6)][(7)][(8)] below, the Notes bear interest on their Principal Amount at an interest rate determined in accordance with paragraph (3) below (the "**Floating Interest Rate**") from and including [**date**] to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date (each such period a "**Floating Interest Period**").

Interest is for each Floating Interest Period payable in arrear on the relevant Floating Interest Payment Date. Subject to paragraphs (2) and [(6)][(7)][(8)] below, "**Floating Interest Payment Date**" means each **[Floating Interest Payment Dates]**. [The first Floating Interest Payment Date shall be **[first Floating Interest Payment Date]** [(first [long][short] coupon)].] [The last Floating Interest Payment Date shall be [the Maturity Date]**[last Floating Interest Payment Date]** [(last [long][short] coupon)].] The Floating Interest Payment Dates and the Fixed Interest Payment Dates shall together be referred to as the "**Interest Payment Dates**" and each an "**Interest Payment Date**".]

Business Day Convention

The following provision shall be inserted if "Floating Rate Business Day Convention" is applicable.

[If any Floating Interest Payment Date is not a Payment Business Day (as defined in § 8 (3)), then such Floating Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Floating Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Floating Interest Payment Date would have fallen had it not been subject to adjustment.]

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Floating Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Floating Interest Payment Date (except for the last Floating Interest Payment Date) is not a Payment Business Day, then such Floating Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be the immediately preceding Payment Business Day.]

Preceding Business Day Convention.

[If any Floating Interest Payment Date is not a Payment Business Day, then the Floating Interest Payment Date shall be the immediately preceding Payment Business Day.]

- [(3) Subject to paragraph [(7)][(8)][(9)] below, the Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

The Floating Interest Rate shall be determined in accordance with paragraph[s] (4) [and (5)] below.

- (4) The Floating Interest Rate in respect of the Notes for each Floating Interest Period shall be expressed as a rate per annum. This rate is equal to [(•)] per cent. per annum][the Reference Interest Rate determined in accordance with paragraph (5) below] [(plus)[minus] **[margin]**] [and such aggregate] [multiplied by] [a factor of **[factor]** [and] [n/N]] [(plus)[minus] **[margin]**]

[multiplied by a factor of **[factor]**][n/N]], and shall be determined for each Floating Interest Period

[[•] Business Day(s) prior to the commencement]

[[•] Business Day (s) prior to the end]

of each Floating Interest Period (the "**Interest Determination Date**") by the Determination Agent. A Business Day in the meaning of this paragraph shall be any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] commercial banks and foreign exchange markets in [Frankfurt am Main][London][**other financial centre**] [is][are] open for business.

[If structured interest accrual is applicable:

"**N**" means the actual number of Business Days in the relevant Interest Period;

"**n**" means the number of Business Days in the relevant Interest Period on which the [Accrual Rate][Reference Spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]

"**Maximum Barrier**" means **[•][.][:]** [and]

"**Minimum Barrier**" means **[•][.][:]** [and]

"**Reference Spread**" means Accrual Rate A minus Accrual Rate B.]

[Number]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate A**") is the interest rate expressed as a rate per annum published on screen page [**If EURIBOR:** Reuters EURIBOR01][**If LIBOR:** Reuters LIBOR01][**[•]**] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][**other financial centre**] time)][**other time**] for deposits in the Issue Currency for the relevant Interest Period.

[Number]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate B**" and together with the Accrual Rate A the "**Accrual Rates**") is the interest rate expressed as a rate per annum published on the Accrual Screen Page.]

If the Determination Agent cannot determine the [relevant] Accrual Rate as aforementioned, because the Accrual Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Accrual Rate for the respective Interest Period shall be the arithmetic mean [**if EURIBOR:** (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][**if LIBOR:** (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][**[•]**] determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Accrual Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.]

[CMS-Rate] (the "**Accrual Rate A**") is the rate expressed as a rate per annum published on screen page [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Reuters page ISDAFIX2][**[•]**] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London][**other financial centre**]][**other time**] for a [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro][**other currency**] denominated swap transaction with a maturity of **[•]** [years][months].

[CMS-Rate] (the "**Accrual Rate B**") is the rate expressed as a rate per annum published on the Accrual Screen Page on the Interest Determination Date at or about [**in the case of Euro-**

ISDA Swap Rate 11.00 a.m.: 11.00 a.m. [Frankfurt am Main][London][**other financial centre**][**other time**] for a [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro][**other currency**] denominated swap transaction with a maturity of [●] [years][months].]

If at such time the Accrual Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London][**other financial centre**][**other time**]. "Reference Banks" means [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** four leading swap dealers in the interbank market][**other Reference Banks**].

If more than [three][●] of the Reference Banks provide the Determination Agent with offered quotations, the Accrual Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by the Determination Agent. If less than [three][●] quotations are provided, the Determination Agent will determine the [the Accrual Rate][relevant Reference Interest Rate] at its reasonable discretion.]

[In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 as amended from time to time)) (each a "Discontinuation") of [one of] the Accrual Rate[s], the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Accrual Rate [A][B][and a suitable alternative reference interest rate as the Accrual Rate B] (the "**Successor Accrual Rate [A][B]**"[and the "**Successor Accrual Rate B**]").

The Successor Accrual Rate[s] [A][and][B] shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Accrual Rate[s] [A][and][B] in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Accrual Rate [A][B] to be the Successor Accrual Rate [A][B][and a rate which is most comparable to the Accrual Rate B to be the Successor Accrual Rate B].

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Accrual Rate[s] [A][and][B] or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Accrual Rate[s] [A][and][B] instead of the Accrual Rate[s] [A][and][B] as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Accrual Rate[s] [A][and][B] by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 [**if termination, insert:** (the "**Termination Notice**"), redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Accrual Rate[s] [A][and][B] published shall be used to determine the applicable interest rate.] [**if previous interest period, insert:** the Accrual Rate[s] [A][and][B] applicable to such Interest Period shall be equal to the Accrual Rate[s] [A][and][B] last determined in relation to

the Notes in respect of a preceding Interest Period.]]

- [(5)] ***If the Interest Rate is equal to the Reference Interest Rate insert: [Number]-months [EURIBOR][LIBOR][•] (the "Reference Interest Rate") is the interest rate expressed as a rate per annum published on screen page [If EURIBOR: Reuters EURIBOR01][If LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "Screen Page") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time] for deposits in the Issue Currency for the relevant Interest Period.***

If the Determination Agent cannot determine the Reference Interest Rate as aforementioned, because the Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Reference Interest Rate for the respective Floating Interest Period shall be the arithmetic mean ***[if EURIBOR: (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][if LIBOR: (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][•]*** determined by the Determination Agent of the interest rates which ***[four][five]*** reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Floating Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Reference Interest Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.

In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 (as amended from time to time)) (each a "**Discontinuation**") of the Reference Interest Rate, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Reference Interest Rate (the "**Successor Reference Interest Rate**").

The Successor Reference Interest Rate shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Reference Rate in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Reference Interest Rate to be the Successor Reference Interest Rate.

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Reference Interest Rate or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Reference Interest Rate instead of the Reference Interest Rate as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Reference Interest Rate by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 ***[if termination, insert: (the "Termination Notice")***, redeem the Notes in whole but not in part, at their ***[Denomination][market value]*** plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest

Reference Interest Rate published shall be used to determine the applicable interest rate.] ***[if previous interest period, insert:*** the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate last determined in relation to the Notes in respect of a preceding Interest Period.]

[(5)][(6)] The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without undue delay, but in no event later than the [first][last] day of the relevant Floating Interest Period, of the Floating Interest Rate [(including any [Successor Reference Interest Rate] [or] [Successor Accrual Rate] determined and any changes made in accordance with paragraph [(4)] [and] [(5)] above)] determined with respect to the relevant Floating Interest Period, the amount payable in respect of each Note as well as the respective Floating Interest Payment Date. The Principal Paying Agent shall without delay publish the Floating Interest Rate, the interest amount payable in respect of each Note and the Floating Interest Payment Date in accordance with § 14. In the event of an extension or a shortening of the Floating Interest Period, the amount of interest payable and the Floating Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Determination Agent without an additional publication being necessary with regard thereto.]

The following paragraph shall only be applicable to fixed-to-floating rate Notes having a minimum interest rate.

[(6)][(7)] In the event that the [Reference][Floating] Interest Rate determined with respect to a Floating Interest Period pursuant to this § 3 is less than ***[minimum interest rate]***, the Floating Interest Rate for such Floating Interest Period shall be ***[minimum interest rate]***.]

The following paragraph shall only be applicable to fixed-to-floating rate Notes having a maximum interest rate.

[(7)][(8)] In the event that the [Reference][Floating] Interest Rate determined with respect to a Floating Interest Period pursuant to this § 3 is greater than ***[maximum interest rate]***, the Floating Interest Rate for such Floating Interest Period shall be ***[maximum interest rate]***.]

The following paragraphs (1) to (5) shall only be applicable to Notes with CMS as Reference Interest Rate.

[(1)] Subject to paragraph [(6)][(7)][(8)] below, the Notes bear interest on their Principal Amount at an interest rate determined in accordance with paragraph (3) below (the "**Interest Rate**") from and including **[date]** to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date (each such period an "**Interest Period**"). Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. Subject to paragraphs (2) and [(6)][(7)][(8)] below, "**Interest Payment Date**" means each **[Interest Payment Dates]**. [The first Interest Payment Date shall be **[first Interest Payment Date]** [(first [long][short] coupon)].] [The last Interest Payment Date shall be [the Maturity Date]**[last Interest Payment Date]** [(last [long][short] coupon)].]

Business Day Convention

The following provision shall be inserted if "Floating Rate Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day (as defined in § 8 (3)), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Interest Payment Date would have fallen had it not been subject to adjustment.]

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]

- (2) Subject to paragraph [(6)][(7)][(8)] below, the Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

The Interest Rate shall be determined in accordance with paragraph[s] (3) [and (4)] below.

- (3) The Interest Rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This Interest Rate is equal to [[•] per cent. per annum][the Reference Interest Rate determined in accordance with paragraph (4) below] [[plus][minus] ***margin***] [and such aggregate] [multiplied by] [a factor of ***factor***] [and] [n/N]] [[plus][minus] ***margin***] [multiplied by a factor of ***factor***][n/N]], and shall be determined for each Interest Period

[[•] Business Day (s) prior to the commencement]

[[•] Business Day (s) prior to the end]

of each Interest Period (the "**Interest Determination Date**") by the Determination Agent. A Business Day in the meaning of this paragraph shall be any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] commercial banks and foreign exchange markets in [Frankfurt am Main][London][**other financial centre**] [is][are] open for business.

If structured interest accrual is applicable:

"N" means the actual number of Business Days in the relevant Interest Period;

"n" means the number of Business Days in the relevant Interest Period on which the [Accrual Rate][Reference Spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]

["**Maximum Barrier**" means [•].[:]] [and]]

["**Minimum Barrier**" means [•].[:]] [and]]

["**Reference Spread**" means Accrual Rate A minus Accrual Rate B.]

[[**Number**]-months [EURIBOR][LIBOR][●] (the "**Accrual Rate A**") is the interest rate expressed as a rate per annum published on screen page [*if EURIBOR*: Reuters EURIBOR01][*if LIBOR*: Reuters LIBOR01][●] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][*other financial centre*] time)][*other time*] for deposits in the Issue Currency for the relevant Interest Period.

[[**Number**]-months [EURIBOR][LIBOR][●] (the "**Accrual Rate B**" and together with the Accrual Rate A the "**Accrual Rates**") is the interest rate expressed as a rate per annum published on the Accrual Screen Page.]

If the Determination Agent cannot determine the [relevant] Accrual Rate as aforementioned, because the Accrual Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Accrual Rate for the respective Interest Period shall be the arithmetic mean [*if EURIBOR*: (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][*if LIBOR*: (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][●] determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Accrual Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.]

[[**CMS-Rate**] (the "**Accrual Rate A**") is the rate expressed as a rate per annum published on screen page [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: Reuters page ISDAFIX2][●] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: 11.00 a.m. ([Frankfurt am Main][London][*other financial centre*] time)][*other time*] for a [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: Euro][*other currency*] denominated swap transaction with a maturity of [●] [years][months].

[[**CMS-Rate**] (the "**Accrual Rate B**") is the rate expressed as a rate per annum published on the Accrual Screen Page on the Interest Determination Date at or about [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: 11.00 a.m. ([Frankfurt am Main][London][*other financial centre*] time)][*other time*] for a [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: Euro][*other currency*] denominated swap transaction with a maturity of [●] [years][months].]

If at such time the Accrual Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: 11.00 a.m. ([Frankfurt am Main][London][*other financial centre*] time)][*other time*]. "**Reference Banks**" means [*in the case of Euro-ISDA Swap Rate 11.00 a.m.*: four leading swap dealers in the interbank market][*other Reference Banks*].

If more than [three][●] of the Reference Banks provide the Determination Agent with offered quotations, the Accrual Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by the Determination Agent. If less than [three][●] quotations are provided, the Determination Agent will determine the [the Accrual Rate][relevant Reference Interest Rate] at its reasonable discretion.]

[In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the

European Benchmark Regulation (EU) 2016/1011 as amended from time to time)) (each a "**Discontinuation**") of [one of] the Accrual Rate[s], the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Accrual Rate [A][B][and a suitable alternative reference interest rate as the Accrual Rate B] (the "**Successor Accrual Rate [A][B]**"[and the "**Successor Accrual Rate B**").

The Successor Accrual Rate[s] [A][and][B] shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Accrual Rate[s] [A][and][B] in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Accrual Rate [A][B] to be the Successor Accrual Rate [A][B][and a rate which is most comparable to the Accrual Rate B to be the Successor Accrual Rate B].

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Accrual Rate[s] [A][and][B] or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Accrual Rate[s] [A][and][B] instead of the Accrual Rate[s] [A][and][B] as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Accrual Rate[s] [A][and][B] by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert: (the "Termination Notice")**, redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Accrual Rate[s] [A][and][B] published shall be used to determine the applicable interest rate.] **[if previous interest period, insert: the Accrual Rate[s] [A][and][B] applicable to such Interest Period shall be equal to the Accrual Rate[s] [A][and][B] last determined in relation to the Notes in respect of a preceding Interest Period.]]**

- [(4)] **[If the Interest Rate is equal to the Reference Interest Rate insert: [CMS-Rate]** (the "**Reference Interest Rate**") is the rate expressed as a rate per annum published on screen page **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: Reuters page ISDAFIX2][•]** (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Screen Page**") on the Interest Determination Date at or about **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time]** for a **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: Euro][other currency]** denominated swap transaction with a maturity of **[•] [years][months]**.

If at such time the Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time]**. "**Reference Banks**" means **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: four leading swap dealers in the interbank market][other Reference Banks]**.

If more than **[three][•]** of the Reference Banks provide the Determination Agent with offered quotations, the Reference Interest Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by

the Determination Agent. If less than [three][•] quotations are provided, the Determination Agent will determine the Reference Interest Rate at its reasonable discretion.

In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 (as amended from time to time)) (each a "**Discontinuation**") of the Reference Interest Rate, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Reference Interest Rate (the "**Successor Reference Interest Rate**").

The Successor Reference Interest Rate shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Reference Rate in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Reference Interest Rate to be the Successor Reference Interest Rate.

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Reference Interest Rate or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Reference Interest Rate instead of the Reference Interest Rate as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Reference Interest Rate by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert: (the "Termination Notice")]**, redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Reference Interest Rate published shall be used to determine the applicable interest rate.] **[if previous interest period, insert: the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate last determined in relation to the Notes in respect of a preceding Interest Period.]**

[(4)][(5)] The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without undue delay, but in no event later than the [first][last] day of the relevant Interest Period, of the Interest Rate [(including any Successor Accrual Rate determined and any changes made in accordance with paragraph [(3)] [and] [(4)] above)] determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the Interest Rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 14. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Determination Agent without an additional publication being necessary with regard thereto.]

The following paragraph shall only be applicable to Notes with CMS as Reference Interest Rate having a minimum interest rate.

[(5)][(6)] In the event that the [Reference] Interest Rate determined with respect to an Interest Period pursuant to this § 3 is less than **[minimum interest rate]**, the [Reference] Interest Rate for such Interest Period shall be **[minimum interest rate]**.

The following paragraph shall only be applicable to Notes with CMS as Reference Interest Rate having a maximum interest rate.

[(6)][(7)] In the event that the [Reference] Interest Rate determined with respect to an Interest Period pursuant to this § 3 is greater than [**maximum interest rate**], the [Reference] Interest Rate for such Interest Period shall be [**maximum interest rate**].]

The following paragraphs (1) to (4) shall only be applicable to Notes in respect of which the interest rate is determined by reference to an inflation index.

[(1)] Subject to paragraph [(5)][(6)][(7)] below, the Notes bear interest on their Principal Amount at an interest rate determined in accordance with paragraph (3) below (the "**Interest Rate**") from and including [**date**] to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date (each such period an "**Interest Period**"). Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date. Subject to paragraphs (2) and [(5)][(6)][(7)] below, "**Interest Payment Date**" means each [**Interest Payment Dates**]. [The first Interest Payment Date shall be [**first Interest Payment Date**] [(first [long][short] coupon)].] [The last Interest Payment Date shall be [the Maturity Date][**last Interest Payment Date**] [(last [long][short] coupon)].]

Business Day Convention

The following provision shall be inserted if "Floating Rate Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day (as defined in § 8 (3)), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Interest Payment Date would have fallen had it not been subject to adjustment.]

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]

(2) Subject to paragraph [(5)][(6)][(7)] below, the Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

The Interest Rate shall be determined in accordance with paragraph (3) below.

- (3) The Interest Rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This Interest Rate shall be [equal to [•] per cent. per annum][determined by the Determination Agent by reference to the inflation index and calculated according to the formula as determined in the inflation index annex following § [16][18] (the "**Inflation Index Performance**")][[plus][minus] [margin]] [and such aggregate] [multiplied by] [a factor of [factor] [and] [n/N]] [[plus][minus] [margin]] [multiplied by a factor of [factor][n/N]], and shall be determined for each Interest Period

[[•] Business Day (s) prior to the commencement]

[[•] Business Day (s) prior to the end]

of each Interest Period (the "**Interest Determination Date**") by the Determination Agent. A Business Day in the meaning of this paragraph shall be any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] commercial banks and foreign exchange markets in [Frankfurt am Main][London][**other financial centre**] [is][are] open for business.

[If structured interest accrual is applicable:

"N" means the actual number of Business Days in the relevant Interest Period;

"n" means the number of Business Days in the relevant Interest Period on which the [Inflation Index Performance][Accrual Rate][Reference Spread] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and]

"**Maximum Barrier**" means [•][.][:] [and]

"**Minimum Barrier**" means [•][.][:] [and]

"**Reference Spread**" means Accrual Rate A minus Accrual Rate B.]

[[Number]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate A**") is the interest rate expressed as a rate per annum published on screen page [if EURIBOR: Reuters EURIBOR01][if LIBOR: Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][**other financial centre**] time)][**other time**] for deposits in the Issue Currency for the relevant Interest Period.

[[Number]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate B**" and together with the Accrual Rate A the "**Accrual Rates**") is the interest rate expressed as a rate per annum published on the Accrual Screen Page.]

If the Determination Agent cannot determine the [relevant] Accrual Rate as aforementioned, because the Accrual Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Accrual Rate for the respective Interest Period shall be the arithmetic mean [if EURIBOR: (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][if LIBOR: (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][•] determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Accrual Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.]

[[CMS-Rate] (the "**Accrual Rate A**") is the rate expressed as a rate per annum published on screen page **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: Reuters page ISDAFIX2][•]** (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time]** for a **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: Euro][other currency]** denominated swap transaction with a maturity of **[•] [years][months]**.

[[CMS-Rate] (the "**Accrual Rate B**") is the rate expressed as a rate per annum published on the Accrual Screen Page on the Interest Determination Date at or about **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time]** for a **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: Euro][other currency]** denominated swap transaction with a maturity of **[•] [years][months]**.

If at such time the Accrual Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. ([Frankfurt am Main][London][other financial centre] time)][other time]**. "**Reference Banks**" means **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: four leading swap dealers in the interbank market][other Reference Banks]**.

If more than **[three][•]** of the Reference Banks provide the Determination Agent with offered quotations, the Accrual Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by the Determination Agent. If less than **[three][•]** quotations are provided, the Determination Agent will determine the **[the Accrual Rate][relevant Reference Interest Rate]** at its reasonable discretion.]

[In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 as amended from time to time)) (each a "**Discontinuation**") of **[one of] the Accrual Rate[s]**, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Accrual Rate **[A][B]** and a suitable alternative reference interest rate as the Accrual Rate **B**) (the "**Successor Accrual Rate A**")[**B**] and the "**Successor Accrual Rate B**").

The Successor Accrual Rate[s] **[A][and][B]** shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Accrual Rate[s] **[A][and][B]** in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Accrual Rate **[A][B]** to be the Successor Accrual Rate **[A][B]** and a rate which is most comparable to the Accrual Rate **B** to be the Successor Accrual Rate **B**].

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Accrual Rate[s] **[A][and][B]** or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Accrual Rate[s] **[A][and][B]** instead of the Accrual Rate[s] **[A][and][B]** as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Accrual Rate[s] **[A][and][B]** by the Successor Reference Interest Rate with

the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert: (the "Termination Notice")**, redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Accrual Rate[s] [A][and][B] published shall be used to determine the applicable interest rate.]] **[if previous interest period, insert: the Accrual Rate[s] [A][and][B] applicable to such Interest Period shall be equal to the Accrual Rate[s] [A][and][B] last determined in relation to the Notes in respect of a preceding Interest Period.]]**

- (4) The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without undue delay, but in no event later than the [first][last] day of the relevant Interest Period, of the Interest Rate [(including any Successor Accrual Rate determined and any changes made in accordance with paragraph (3) above)] determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the Interest Rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 14. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Determination Agent without an additional publication being necessary with regard thereto.]

The following paragraph shall only be applicable to Notes in respect of which the interest rate is determined by reference to an inflation index and which have a minimum interest rate.

- [(5) In the event that the [Inflation Index Performance][Interest Rate] determined with respect to an Interest Period pursuant to this § 3 is less than **[minimum interest rate]**, the [Inflation Index Performance][Interest Rate] for such Interest Period shall be **[minimum interest rate]**.]

The following paragraph shall only be applicable to Notes in respect of which the interest rate is determined by reference to an inflation index and which have a maximum interest rate.

- [[5)][(6)] In the event that the [Inflation Index Performance][Interest Rate] determined with respect to an Interest Period pursuant to this § 3 is greater than **[maximum interest rate]**, the [Inflation Index Performance][Interest Rate] for such Interest Period shall be **[maximum interest rate]**.]

Effect of Credit Events on Interest Payments

- [(2)][(5)][(6)][(7)][(8)][(9)] If during the Observation Period a Credit Event pursuant to § 6 in relation to [the Reference Entity/the Nth Reference Entity/a Reference Entity] (as defined in § 6) has occurred and has been notified in accordance with § 14, the Notes will

³[further bear interest from the Interest Adjustment Date irrespective of such event.]

⁴[cease to bear interest from the end of the calendar day immediately preceding the relevant Event Determination Date.]

On the **[If Cash Settlement: [Cash Settlement Date][Maturity Date][If Physical Settlement: Physical Settlement Date][If Cash or Physical Settlement: [Cash Settlement Date][Maturity**

³ Applicable to all Notes with unchanged interest payments.

⁴ Only applicable in case of a single Reference Entity and Nth to default without payment of the Cash Settlement Amount at maturity.

Date] or Physical Settlement Date, as the case may be,] the Issuer shall pay interest accrued but not yet paid.]

⁵[bear interest on the Cash Settlement Amount (as defined in § 6) from the Interest Adjustment Date [according to paragraph [10-12][13-17] below **[Insert, if Cut-Off Date applies:**], provided that if the Event Determination Date is on or before the Cut-Off Date, interest shall be determined from the Event Determination Date until the Cut-Off Date (excluding), on the Principal Amount and from the end of the calendar day immediately preceding such Event Determination Date until the next following Interest Payment Date (excluding) or, if any additional Credit Event has occurred and been notified, until the Event Determination Date (excluding) with respect to such additional Credit Event, on the Cash Settlement Amount (the **"Cut-Off Interest Determination"**).]]

⁶[bear interest on the Adjusted Principal Amount_{NEW} from the Interest Adjustment Date. **[Insert, if Cut-Off Date applies:**, provided that if the Event Determination Date is on or before the Cut-Off Date, interest shall be determined from the Event Determination Date until the Cut-Off Date (excluding), on the Adjusted Principal Amount_{OLD} and from the end of the calendar day immediately preceding such Event Determination Date until the next following Interest Payment Date (excluding) or, if any additional Credit Event has occurred and been notified, until the Event Determination Date (excluding) with respect to such additional Credit Event, on the Adjusted Principal Amount_{NEW} (the **"Cut-Off Interest Determination"**). **"Adjusted Principal Amount_{OLD}"** means the Adjusted Principal Amount calculated in accordance with § 7 as applicable without the occurrence and notification of the relevant Credit Event.] If the Adjusted Principal Amount_{NEW} is zero, the Notes will cease to bear interest.]

⁷[bear interest on the Adjusted Principal Amount_{NEW} from the Interest Adjustment Date and on the [relevant] Cash Settlement Amount (as defined in § 7) from the Interest Adjustment Date [according to paragraph [10-12][13-17]] below **[Insert, if Cut-Off Date applies:**, provided that if the Event Determination Date is on or before the Cut-Off Date, interest shall be determined from the Event Determination Date until the Cut-Off Date (excluding), on the Adjusted Principal Amount_{OLD} and from the end of the calendar day immediately preceding such Event Determination Date until the next following Interest Payment Date (excluding) or, if any additional Credit Event has occurred and been notified, until the Event Determination Date (excluding) with respect to such additional Credit Event, on the Adjusted Principal Amount_{NEW} and the Cash Settlement Amount, respectively (the **"Cut-Off Interest Determination"**). **"Adjusted Principal Amount_{OLD}"** means the Adjusted Principal Amount calculated in accordance with § 7 as applicable without the occurrence and notification of the relevant Credit Event.] If the Adjusted Principal Amount_{NEW} is zero, the Note will only bear interest on the Cash Settlement Amount.]

⁸[Any previous Event Determination Dates to occur with respect to any other Reference Entity before (if any) have to be taken into account provided that there can be only one Event Determination Date with respect to each Reference Entity.]

⁹[**"Interest Adjustment Date"** means

[Insert, if Cut-Off Interest Determination applies: [if the Event Determination Date is later than [date] (the **"Cut-Off Date"**), the Interest Payment Date ([excluding][including]) immediately preceding the Event Determination Date or if there is no preceding Interest Payment Date, the Issue Date ([excluding][including]).]]

[Insert, if Cut-Off Interest Determination does not apply: [the end of the calendar day immediately preceding such Event Determination Date ([excluding][including]).]]

⁵ Only applicable in case of a single Reference Entity and Nth to default with payment at maturity.

⁶ Only applicable in case of a basket of Reference Entities without payment of interest on the relevant Cash Settlement Amount on payment at maturity.

⁷ Only applicable in case of a basket of Reference Entities with payment of interest on the relevant Cash Settlement Amount on payment at maturity.

⁸ Only applicable in case of a basket of Reference Entities.

⁹ Not Applicable, if upon the occurrence of a Credit Event the interest determination remains unchanged or no further interest is paid.

["Adjusted Principal Amount_{NEW}" means the Adjusted Principal Amount calculated in accordance with § 7 taking into account the relevant Credit Event.]

Day Count Fraction

~~[(3)][(6)][(7)][(8)][(9)][(10)]~~ If an amount of interest on any Note is to be calculated for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**");

The following provision shall be inserted if "Actual/Actual" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, divided by 366).]

The following provision shall be inserted if "Actual/Actual (ISDA)" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

¹⁰***The following provision shall be inserted if "Actual/Actual (ICMA)" is applicable.***

- [(a) if the Calculation Period is equal to or shorter than the Interest Determination Period (as defined below) during which it falls, the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by the product of (x) the number of days in the Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year,
- (b) if the Calculation Period is longer than one Interest Determination Period, the calculation shall be made on the basis of the sum of
 - (i) the number of days in such Calculation Period falling in the Interest Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year; and
 - and
 - (ii) the number of days in such Calculation Period falling in the next Interest Determination Period divided by the product of (x) the number of days in such Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year.

"Interest Determination Date" means each [*insert Interest Determination Date(s)*];

"Interest Determination Period" means each period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date.]

The following provision shall be inserted if "Actual/365 (Fixed)" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365.]

The following provision shall be inserted if "30/360" or "360/360" or "Bond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:

¹⁰ Only applicable with respect to fixed rate Notes and Fixed Interest Term of fixed-to-floating rate Notes.

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"**DCF**" means Day Count Fraction;

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.]

The following provision shall be inserted if "30E/360" or "Eurobond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"**DCF**" means Day Count Fraction;

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31, in which case D₂ will be 30.]

The following provision shall be inserted if "Actual/360" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 360.]

The following paragraphs shall only be applicable to Notes, where the Cash Settlement Amount determined in § 6 is paid at maturity and shall be subject to interest payment.

The following paragraphs [(4 and 5)][(7 and 8)][(8 and 9)][(9 and 10)][(10 and 11)][(11 and 12)] shall be applicable to all Notes if payment of interest continues at the original rate of the Notes.

[(4)][(7)][(8)][(9)][(10)][(11)] Upon the occurrence of a Credit Event, the Notes will continue to bear interest. The interest amount is the product of the Cash Settlement Amount (as determined in § 6), the day count fraction as set out below and the relevant Interest Rate (expressed as a percentage) of the relevant Note as determined in accordance with this § 3; the interest accrual starts from and including the Interest Adjustment Date to but excluding the first following Interest Payment Date and thereafter from and including any Interest Payment Date to but excluding the next following Interest Payment Date (each such period being an "Interest Period") ***[Insert if Cut-Off Interest Determination applies: [***, subject to the Cut-Off Interest Determination set out above***]].*** Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date.

[(5)][(8)][(9)][(10)][(11)][(12)] The Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.]

The following paragraphs [(4 to 8)][(7 to 11)][(8 to 12)][(9 to 13)][(10 to 14)][(11 to 15)] shall be applicable to all Notes with newly applicable floating rates.

[(4)][(7)][(8)][(9)][(10)][(11)] Upon the occurrence of a Credit Event, the Notes will continue to bear interest. The interest amount is the product of the Cash Settlement Amount (as determined in § 6), the day count fraction as set out below and the Interest Rate determined in accordance with paragraphs [(7)][(10)][(11)][(12)][(13)] below; the interest accrual starts from and including the Interest Adjustment Date to but excluding the first following Interest Payment Date and thereafter from and including any Interest Payment Date to but excluding the next following Interest Payment Date (each such period being an "Interest Period") ***[Insert if Cut-Off Interest Determination applies: [***, subject to the Cut-Off Interest Determination set out above***]].*** Interest is payable in arrear for each Interest Period on the relevant Interest Payment Date.

[(5)][(8)][(9)][(10)][(11)][(12)] The Notes will cease to bear interest at the end of the calendar day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 8 (3).

Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

[(6)][(9)][(10)][(11)][(12)][(13)] The Interest Rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This Interest Rate is equal to the Reference Interest Rate determined in accordance with paragraph [(7)][(10)][(11)][(12)][(13)][(14)] below ***[plus][minus] [margin] [and such aggregate] [multiplied by] [a factor of [factor] [and] [n/N]] [plus][minus] [margin] [multiplied by a factor of [factor][n/N]], and shall be determined for each Interest Period***

[(•)] Business Day(s) prior to the commencement]

[[•] Business Day(s) prior to the end]

of each Interest Period (the "**Interest Determination Date**") by the Determination Agent. A Business Day in the meaning of this paragraph shall be any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] commercial banks and foreign exchange markets in [Frankfurt am Main][London][**other financial centre**] [is][are] open for business.

[If interest accrual is applicable:

"N" means the actual number of Business Days in the relevant Interest Period;

"n" means the number of Business Days in the relevant Interest Period on which the [Accrual Rate][Reference Spread] pursuant to paragraph [(7)][(10)][(11)][(12)][(13)][(14)] is [greater than [or equal to] the Minimum Barrier] [and] [less than [or equal to] the Maximum Barrier]; [and] ["**Maximum Barrier**" means [•][.][:]] [and]]

["**Minimum Barrier**" means [•][.][:]] [and]]

["**Reference Spread**" means Accrual Rate A minus Accrual Rate B.]

[[**Number**]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate A**") is the interest rate expressed as a rate per annum published on screen page [**If EURIBOR:** Reuters EURIBOR01][**If LIBOR:** Reuters LIBOR01][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][**other financial centre**] time)][**other time**] for deposits in the Issue Currency for the relevant Interest Period.

[[**Number**]-months [EURIBOR][LIBOR][•] (the "**Accrual Rate B**" and together with the Accrual Rate A the "**Accrual Rates**") is the interest rate expressed as a rate per annum published on the Accrual Screen Page.]

If the Determination Agent cannot determine the [relevant] Accrual Rate as aforementioned, because the Accrual Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Accrual Rate for the respective Interest Period shall be the arithmetic mean [**if EURIBOR:** (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)][**if LIBOR:** (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)][•] determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Accrual Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion.]

[[**CMS-Rate**] (the "**Accrual Rate A**") is the rate expressed as a rate per annum published on screen page [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Reuters page ISDAFIX2][•] (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Accrual Screen Page**") on the Interest Determination Date at or about [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London][**other financial centre**]][**other time**] for a [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro][**other currency**] denominated swap transaction with a maturity of [•] [years][months].

[[**CMS-Rate**] (the "**Accrual Rate B**") is the rate expressed as a rate per annum published on the Accrual Screen Page on the Interest Determination Date at or about [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** 11.00 a.m. [Frankfurt am Main][London][**other financial centre**]][**other time**] for a [**in the case of Euro-ISDA Swap Rate 11.00 a.m.:** Euro][**other currency**] denominated swap transaction with a maturity of [•] [years][months].]

If at such time the Accrual Screen Page is not available or if no swap rate appears for any reason other than a Discontinuation (as defined below), the Determination Agent shall request each of the Reference Banks (as defined below) in the interbank market to provide the Determination Agent with its quotation for the relevant mid-market annual swap rate (expressed as a percentage rate per annum) on or around **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: 11.00 a.m. [Frankfurt am Main][London][other financial centre]][other time]**. "Reference Banks" means **[in the case of Euro-ISDA Swap Rate 11.00 a.m.: four leading swap dealers in the interbank market][other Reference Banks]**.

If more than **[three][•]** of the Reference Banks provide the Determination Agent with offered quotations, the Accrual Rate shall be the arithmetic mean of such offered quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest) all as determined by the Determination Agent. If less than **[three][•]** quotations are provided, the Determination Agent will determine the **[the Accrual Rate][relevant Reference Interest Rate]** at its reasonable discretion.]

[In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 as amended from time to time)) (each a "Discontinuation") of **[one of] the Accrual Rate[s]**, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Accrual Rate **[A][B]** and a suitable alternative reference interest rate as the Accrual Rate **B** (the "Successor Accrual Rate **[A][B]**" and the "Successor Accrual Rate **B**").

The Successor Accrual Rate[s] **[A]** and **[B]** shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Accrual Rate[s] **[A]** and **[B]** in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Accrual Rate **[A][B]** to be the Successor Accrual Rate **[A][B]** and a rate which is most comparable to the Accrual Rate **B** to be the Successor Accrual Rate **B**.

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Accrual Rate[s] **[A]** and **[B]** or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Accrual Rate[s] **[A]** and **[B]** instead of the Accrual Rate[s] **[A]** and **[B]** as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Accrual Rate[s] **[A]** and **[B]** by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert: (the "Termination Notice")**, redeem the Notes in whole but not in part, at their **[Denomination][market value]** plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Accrual Rate[s] **[A]** and **[B]** published shall be used to determine the applicable interest rate.] **[if previous interest period, insert: the Accrual Rate[s] **[A]** and **[B]** applicable to such Interest Period shall be equal to the Accrual Rate[s] **[A]** and **[B]** last determined in relation to the Notes in respect of a preceding Interest Period.]]**

[(7)][(10)][(11)][(12)][(13)][(14)] **[Number]**-months **[EURIBOR][LIBOR][•]** (the "Reference Interest Rate") is the interest rate expressed as a rate per annum published on screen page

[if EURIBOR: Reuters EURIBOR01**][if LIBOR:** Reuters LIBOR01**][•]** (or any successor page of the aforementioned agency or a screen page of another agency) (the "**Screen Page**") on the Interest Determination Date at or about [11:00 a.m. ([Frankfurt am Main][London][**other financial centre**] time)][**other time**] for deposits in the Issue Currency for the relevant Interest Period.

If the Determination Agent cannot determine the Reference Interest Rate as aforementioned, because the Screen Page is not published, or if the Determination Agent cannot make such determination for any other reason other than a Discontinuation (as defined below) then the Reference Interest Rate for the respective Interest Period shall be the arithmetic mean **[if EURIBOR:** (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)**][if LIBOR:** (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)**][•]** determined by the Determination Agent of the interest rates which [four][five] reference banks selected by the Determination Agent in conjunction with the Issuer (the "**Reference Banks**"), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation, then the Reference Interest Rate for the respective Interest Period shall be determined by the Determination Agent in its reasonable discretion in accordance.

In case of a discontinuation (which also includes an announcement of a discontinuation by the relevant administrator or by a supervisor), a material amendment or the unlawful use (which includes the usage of a non-registered reference rate by a supervised entity according to the European Benchmark Regulation (EU) 2016/1011 (as amended from time to time)) (each a "**Discontinuation**") of the Reference Interest Rate, the Determination Agent will determine in its reasonable discretion no later than the Interest Determination Date relating to the next succeeding Interest Period a suitable alternative reference interest rate as the Reference Interest Rate (the "**Successor Reference Interest Rate**").

The Successor Reference Interest Rate shall be such rate as the Determination Agent determines in its reasonable discretion has replaced the Reference Rate in customary market usage or which has been formally recommended by the relevant central bank, supervisor, regulating body or any working group or committee sponsored by any of these. If the Determination Agent determines in its reasonable discretion that there is no such replacement rate, the Determination Agent will determine in its reasonable discretion a rate which is most comparable to the Reference Interest Rate to be the Successor Reference Interest Rate.

The Determination Agent shall also make any further adjustments to the Terms and Conditions, e.g. with respect to the day count fraction, business day convention, Business Days, Interest Determination Dates, the method to determine the fall-back rate in relation to the Successor Reference Interest Rate or any adjustment factor (including any spread adjustment), as are necessary to account for the economic effect of using the Successor Reference Interest Rate instead of the Reference Interest Rate as basis to determine interest payments on the Notes and in order to follow market practice in relation to the replacement of the Reference Interest Rate by the Successor Reference Interest Rate with the aim that the economic result shall be comparable following the replacement of the Reference Interest Rate.

If in the reasonable opinion of the Determination Agent a suitable alternative reference interest rate is not available prior to the Interest Determination Date relating to the next succeeding Interest Period [, the Determination Agent shall give notice to the Issuer without undue delay. Upon receipt of such notice,] the Issuer may, upon giving not less than 10 days prior notice in accordance with § 14 **[if termination, insert:** (the "**Termination Notice**"), redeem the Notes in whole but not in part, at their [Denomination][market value] plus accrued interest (if any) at the redemption date set out in the Termination Notice. Until such redemption date the latest Reference Interest Rate published shall be used to determine the applicable interest rate.] **[if previous interest period, insert:** the Reference Rate applicable to such Interest Period shall

be equal to the Reference Rate last determined in relation to the Notes in respect of a preceding Interest Period.

[(8)][(11)][(12)][(13)][(14)][(15)] The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without undue delay, but in no event later than the [first][last] day of the relevant Interest Period, of the Interest Rate [(including any [Successor Reference Interest Rate] [or] [Successor Accrual Rate] determined and any changes made in accordance with paragraph [(6)][(9)][(10)][(11)][(12)][(13)] [and] [(7)][(10)][(11)][(12)][(13)][(14)] above)] determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the Interest Rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 14. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Determination Agent without an additional publication being necessary with regard thereto.

Business Day Convention

The following provision shall be inserted if "Floating Rate Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day (as defined in § 8 (3)), then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Payment Business Day and (ii) on each subsequent Interest Payment Date interest shall be payable on the last Payment Business Day of the month in which such Interest Payment Date would have fallen had it not been subject to adjustment.]

The following provision shall be inserted if "Following Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then such date shall be postponed to the next day that is a Payment Business Day.]

The following provision shall be inserted if "Modified Following Business Day Convention" is applicable.

[If any Interest Payment Date (except for the last Interest Payment Date) is not a Payment Business Day, then such Interest Payment Date shall be postponed to the next day that is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Payment Business Day.]

The following provision shall be inserted if "Preceding Business Day Convention" is applicable.

[If any Interest Payment Date is not a Payment Business Day, then the Interest Payment Date shall be the immediately preceding Payment Business Day.]

Day Count Fraction

The following provision shall be inserted if "Actual/Actual" is applicable.

[The calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year

divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

The following provision shall be inserted if "Actual/365 (Fixed)" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365.]

The following provision shall be inserted if "30/360" or "360/360" or "Bond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:]

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"DCF" means Day Count Fraction;

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.]

The following provision shall be inserted if "30E/360" or "Eurobond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"DCF" means Day Count Fraction;

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31, in which case D₂ will be 30.]

The following provision shall be inserted if "Actual/360" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 360.]

The following § 3 shall only be applicable to Zero-Coupon-Notes.

**§ 3
(INTEREST)**

- [(1) The Notes are issued at [**Issue Price**] per Note (the "**Issue Price**"). There will be no periodic interest payments on the Notes.
- (2) Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent when due the necessary funds for the redemption of the Notes, interest at [**Amortisation Yield**] (the "**Amortisation Yield**") on the respective outstanding principal amount of such Notes will continue to accrue until the payment of such principal, subject to an event in accordance with § 6, has been effected, however not beyond the fourteenth calendar day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § 14.

Day Count Fraction

- (3) If an amount of interest on any Note is to be calculated for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**");

The following provision shall be inserted if "Actual/Actual" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

The following provision shall be inserted if "Actual/365 (Fixed)" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 365.]

The following provision shall be inserted if "30/360" or "360/360" or "Bond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"DCF" means Day Count Fraction;

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.]

The following provision shall be inserted if "30E/360" or "Eurobond Basis" is applicable.

[the calculation shall be made on the basis of the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"DCF" means Day Count Fraction;

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31, in which case D₂ will be 30.]

The following provision shall be inserted if "Actual/360" is applicable.

[the calculation shall be made on the basis of the actual number of days in the Calculation Period divided by 360.]

§ 4 (REPAYMENT)

The following paragraph shall apply to all Notes except Notes with respect to which the Redemption Amount may be adjusted in accordance with § 7 (no Adjusted Principal Amount).

[Subject to a redemption of the Notes pursuant to [§ 5, § 6], [§ 7] and/or [§ 7][§ 9], the Notes will be redeemed at par (the "Redemption Amount") on [Maturity Date] (the "Maturity Date").]

The following paragraphs (1) to (3) shall only be applicable to Notes with respect to which the Adjusted Principal Amount in accordance with § 7 may apply (Adjusted Principal Amount) and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

- [(1) Subject to § 4(2) in the case of an adjustment of the Redemption Amount of the Notes and also subject to a redemption of the Notes pursuant to [§ 5][and][or][§ 9], the Notes will be redeemed at par (the "Redemption Amount") on [Maturity Date] (the "Maturity Date").]

- (2) If during the Observation Period one or more Credit Events ~~[[,][and][or] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]]~~ and/or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] have occurred and have been notified in accordance with § 14 and[, in each case,] in respect of which an Adjusted Principal Amount has been determined in accordance with § 7, the Issuer shall redeem the Notes at an adjusted Redemption Amount on the Maturity Date unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the last Cash Settlement Date. ~~[If the Potential Failure to Pay does not result in a Failure to Pay on or prior to the Grace Period Extension Date, the Issuer shall redeem the Notes at par or at the adjusted Redemption Amount (as the case may be) on the Grace Period Extension Date.]]~~ ~~[If]~~ and if] the Potential Repudiation/Moratorium does not result in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date, the Issuer shall redeem the Notes at par or at the adjusted Redemption Amount (as the case may be) on the Repudiation/Moratorium Evaluation Date.] The adjusted Redemption Amount shall be:

~~[the Adjusted Principal Amount applicable on the Maturity Date unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the last Cash Settlement Date]~~

~~[the product of (i) the Adjusted Principal Amount applicable on the Maturity Date unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the last Cash Settlement Date and (ii) the outstanding principal amount, expressed as a percentage, in accordance with § 7].~~

¹¹~~[In addition to the payment of the adjusted Redemption Amount the Issuer shall partially redeem the Notes by payment of the amounts specified in § 6 in conjunction with § 7.]~~

- (3) The Determination Agent shall notify the Issuer, the Paying Agents and the Clearing-System ~~[and, if so required by its rules, the stock exchange on which the Notes are listed,]~~ without delay of the Redemption Amount payable on each Note. The Principal Paying Agent shall without delay publish the Redemption Amount and the amount payable on each Note in accordance with § 14.]

§ 5 (EARLY REDEMPTION, REPURCHASE OF NOTES)

The following paragraph (1) shall be applicable to all Notes with respect to which the Issuer does not have a Call Option.

- [(1) Except as provided in § 6 [and § 9], the Issuer shall not be entitled to redeem the Notes prior to the Maturity Date.]

The following paragraph (1) shall be applicable to all Notes with respect to which the Issuer has a Call Option.

- [(1) The Issuer shall, in addition to the right to redeem the Notes prior to the Maturity Date in accordance with § 6 [and § 9], have the right upon not less than **[number of days]** calendar days' prior notice to be given by publication in accordance with § 14, to redeem prior to the Maturity Date all, but not less than all, of the outstanding Notes on **[Date(s)]** ([each an][the] "**Early Redemption Date**") at the Early Redemption Amount pursuant to § 5 (3).]

¹¹ Not Applicable in Case of Zero Recovery.

The following paragraph (2) shall be applicable to all Notes with respect to which the Noteholders do not have a Put Option.

- [(2) Except as provided in § 12, the Noteholders shall not be entitled to call for a redemption of the Notes prior to the Maturity Date.]

The following paragraph (2) shall be applicable to all Notes with respect to which the Noteholders have a Put Option.

- [(2) Each holder of Notes shall, in addition to the right to call for redemption in accordance with § 12, be entitled upon not less than **[number of days]** calendar days' prior written notice to the Principal Paying Agent, to call his Notes for advance repayment on **[Date(s)]** (each an)[the] **"Early Redemption Date"**) at the Early Redemption Amount pursuant to § 5 (3).]

The following paragraph (3) shall apply in the case of notes bearing interest.

- [(3) If the Notes are called for redemption due to an event having occurred as described [in § 9 (3) or] in § 12, as the case may be, they shall be redeemed [, subject to § 5 (4),][subject to an adjustment of the Redemption Amount pursuant to § 6 [and/or § 7,]] at par plus, subject to § 3 [(8)], accrued interest (the **"Early Redemption Amount"**).]

The following paragraph (3) shall apply in the case of Zero-Coupon-Notes.

- [(3) The **"Early Redemption Amount"** shall be the Amortised Face Amount [plus **[•]]**[minus **[•]]**. The **"Amortised Face Amount"**¹² [, subject to § 5 (4),][subject to § 5 (4)] shall equal the sum of (i) the Issue Price and (ii) the product of the Issue Price and the Amortisation Yield (compounded annually) applied to the period from **[Issue Date]** (including) to the Repayment Date (excluding).

If this period is not a whole number of calendar years the calculation shall be made on the basis of the day count fraction set forth in § 3 (3).

The **"Repayment Date"** in the meaning of this paragraph shall be the earlier of the day with respect to which the Notes are called for early redemption or (as the case may be) the day on which early payment is effected.]

The following paragraph (4) is applicable to Notes relating to a portfolio of Reference Entities, in respect of which each Credit Event leads to an adjustment of the redemption amount, and thus also of the Early Redemption Amount.

- [(4) If prior to the relevant Early Redemption Date one or more Credit Events have occurred and have been notified in accordance with § 14 leading to an Adjusted Principal Amount in accordance with § 7, the Issuer shall redeem the Notes at an Early Redemption Amount adjusted accordingly.

Such adjusted Early Redemption Amount shall be

[the Adjusted Principal Amount applicable at the time of such early redemption]

[the product of (i) the Early Redemption Amount, payable if no Credit Event had occurred, and (ii) the Adjusted Principal Amount in accordance with § 7 divided by (iii) the Denomination].]

The following paragraph [(4)][(5)] is applicable to all Notes.

- [[(4)] [(5)]] The Determination Agent shall determine and notify the Issuer, the Paying Agents and the Clearing-System [and, if so required by its rules, the stock exchange on which the Notes are listed,] without delay of the Early Redemption Amount and the amount payable on each

¹² Applicable to Notes relating to a portfolio of Reference Entities, in respect of which each Credit Event leads to an adjustment of the redemption amount, and thus also of the Early Redemption Amount.

Note. The Principal Paying Agent shall without delay publish the Early Redemption Amount and the amount payable on each Note in accordance with § 14.]

§ 6
(CREDIT EVENT, NOTICE)

The following paragraph (1) shall be applicable to Notes providing for cash settlement and only one Reference Entity and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex.

- (1) If during the Observation Period a Credit Event ~~[[or][.] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]]~~ or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] has occurred and has been notified in accordance with § 14, the Issuer shall redeem the Notes by payment of the [Cash Settlement Amount][Predefined Settlement Amount] calculated in accordance with § 7 and payable on the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date. [If the Potential Failure to Pay does not result in a Failure to Pay on or prior to the Grace Period Extension Date, the Issuer shall redeem the Notes at par or the adjusted Redemption Amount (as the case may be) on the Grace Period Extension Date]]~~or[.][If] the Potential Repudiation/Moratorium does not result in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date, the Issuer shall redeem the Notes at par or the adjusted Redemption Amount (as the case may be) on the Repudiation/Moratorium Evaluation Date]]~~.

This shall apply irrespective of whether the Credit Event still exists by the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date], unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the [Cash Settlement Date][Maturity Date (subject to adjustment as set out above)].

The following paragraph (1) shall be applicable to Notes providing for cash settlement and basket of Reference Entities and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

- (1) If during the Observation Period a Credit Event ~~[[or][.] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]]~~ or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] in relation to ¹³[the Nth Reference Entity][a Reference Entity] has occurred and has been notified in accordance with § 14, the Issuer shall redeem the Notes

¹³ Only if Nth-to-Default.

[by payment of the relevant [Cash Settlement Amount][Predefined Settlement Amount] calculated in accordance with § 7 and payable on the [Cash Settlement Date][Maturity Date] unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the relevant Cash Settlement Date. [If the Potential Failure to Pay does not result in a Failure to Pay on or prior to the Grace Period Extension Date, the Issuer shall redeem the Notes at par or the adjusted Redemption Amount (as the case may be) on the Grace Period Extension Date][or][.][[If] the Potential Repudiation/Moratorium does not result in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date, the Issuer shall redeem the Notes at par or the adjusted Redemption Amount (as the case may be) on the Repudiation/Moratorium Evaluation Date]]

[by payment of the Adjusted Principal Amount calculated in accordance with § 7 (1) in conjunction with § 4 (2)].

¹⁴[Upon each further Credit Event § 7 (1) shall apply and the Issuer will have to redeem the Notes at a new, further accordingly Adjusted Principal Amount. With respect to each Reference Entity only one Credit Event is taken into account.]

This shall apply irrespective of whether the Credit Event still exists by the [relevant Cash Settlement Date][Maturity Date] unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the relevant Cash Settlement Date], unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the [relevant Cash Settlement Date][Maturity Date] (subject to adjustment as set out above)].

¹⁵["Nth Reference Entity" means the [•] Reference Entity in respect of which a Credit Event has occurred and has been notified in accordance with § 14. With respect to each Reference Entity only one notified Credit Event is taken into account. For the avoidance of doubt, if a Reference Entity, in relation to which a Credit Event has occurred and notified accordingly, becomes a Successor (as defined below) such previous Credit Event shall not prevent the occurrence and determination of a (new) Credit Event in relation to such Successor.]

¹⁶[If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has occurred and has been notified in accordance with § 14, the Issuer shall, subject to an early redemption in accordance with § 5, redeem the Notes on the [Cash Settlement Date][Maturity Date] by payment of [[the Cash Settlement Amount][Predefined Settlement Amount] as calculated in accordance with § 7][the Adjusted Principal Amount as determined in accordance with § 7] ¹⁷[, unless the Redemption Amount is previously determined to be zero pursuant to other provisions].]

The following paragraph (1) shall be applicable to Notes providing for physical settlement and only one Reference Entity and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex.

- (1) If during the Observation Period a Credit Event [[or][.] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]][or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] in relation to the Reference Entity has occurred and has been notified in accordance with § 14, the Issuer's

¹⁴ Not applicable in the case of Notes providing for only one Credit Event (First-to-Default or Nth-to-Default).

¹⁵ Applicable if Nth to Default.

¹⁶ Applicable if, in principle, each Credit Event leads to an adjustment of the Redemption Amount.

¹⁷ Only Zero Recovery Notes.

obligation to redeem the Notes in cash pursuant to § 4 shall be discharged in full, provided that the Issuer has delivered a notice of physical settlement in accordance with § 14 (the "**Notice of Physical Settlement**") during the Notice Delivery Period. Instead, the Issuer shall redeem each Note by Delivery of the Relevant Portion of the Outstanding Principal Balance or Due and Payable Amount (or the equivalent Currency Amount of any such amount) of the Deliverable Obligations specified in the Notice of Physical Settlement in an amount equal to the outstanding Denomination of such Note (the "**Physical Settlement Amount**")¹⁸ [including accrued (but unpaid) interest as determined by the Determination Agent until the Delivery Date/excluding accrued (but unpaid) interest] on the Physical Settlement Date in accordance with § 7. In the Notice of Physical Settlement the Issuer shall give a detailed description of the Deliverable Obligations, including the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation. The Issuer is entitled to amend such a Notice of Physical Settlement by delivering a further notice in accordance with § 14.

This shall apply irrespective of whether the Credit Event still exists by the Physical Settlement Date, unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the Physical Settlement Date.

"Currency Amount" means with respect to a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the currency in which the Notes are denominated, an amount converted to the currency in which the Notes are denominated using a conversion rate determined by reference to the Currency Rate.

"Currency Rate" means with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the currency in which the Notes are denominated and the currency in which the outstanding amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source determined by the Determination Agent as at 4:00 p.m. (London time) on the Business Day in London immediately following the date on which the Notice of Physical Settlement is effective or (ii) if such rate is not available at such time, determined by the Determination Agent in a commercially reasonable manner.

"Relevant Portion" means the proportion (expressed as a percentage) which the Denomination bears to the Principal Amount of all Notes outstanding (including those held by such Noteholder) immediately prior to the date set for redemption.

The following paragraph (1) shall be applicable to Notes providing for physical settlement and a basket of Reference Entities and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

- (1) If during the Observation Period a Credit Event [[or][.] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]][or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] in relation to ¹⁹[the Nth Reference Entity][a Reference Entity] has occurred and has been notified in accordance with § 14, the Issuer's obligation to redeem the Notes in cash pursuant to § 4 shall be discharged in full, provided that the Issuer has delivered a notice of physical settlement in accordance with § 14 (the "**Notice of Physical Settlement**") during the Notice Delivery Period. Instead, the Issuer shall redeem each Note by Delivery of the Relevant Portion of the

¹⁸ Not applicable to Zero-Coupon-Notes.

¹⁹ Only if Nth-to-Default.

Outstanding Principal Balance or Due and Payable Amount (or the equivalent Currency Amount of any such amount) of the Deliverable Obligations specified in the Notice of Physical Settlement in an amount equal to the outstanding Denomination of such Note (the **"Physical Settlement Amount"**) [including accrued (but unpaid) interest as determined by the Determination Agent until the Delivery Date/excluding accrued (but unpaid) interest] on the Physical Settlement Date in accordance with § 7. In the Notice of Physical Settlement the Issuer shall give a detailed description of the Deliverable Obligations, including the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation. The Issuer is entitled to amend such a Notice of Physical Settlement by delivering a further notice in accordance with § 14.

This shall apply irrespective of whether the Credit Event still exists by the Physical Settlement Date, unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the Physical Settlement Date.

"Currency Amount" means with respect to a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the currency in which the Notes are denominated, an amount converted to the currency in which the Notes are denominated using a conversion rate determined by reference to the Currency Rate.

"Currency Rate" means with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the currency in which the Notes are denominated and the currency in which the outstanding amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source determined by the Determination Agent as at 4:00 p.m. (London time) on the Business Day in London immediately following the date on which the Notice of Physical Settlement is effective or (ii) if such rate is not available at such time, determined by the Determination Agent in a commercially reasonable manner.

²⁰ **"Nth Reference Entity"** means the [●] Reference Entity in respect of which a Credit Event has occurred and has been notified in accordance with § 14. With respect to each Reference Entity only one notified Credit Event is taken into account. For the avoidance of doubt, if a Reference Entity, in relation to which a Credit Event has occurred and been notified accordingly, becomes a Successor (as defined below) such previous Credit Event shall not prevent the occurrence and determination of a (new) Credit Event in relation to such Successor.]

"Relevant Portion" means the proportion (expressed as a percentage) which the Denomination bears to the Principal Amount of all Notes outstanding (including those held by such Noteholder) immediately prior to the date set for redemption.

The following paragraph (1) shall be applicable to Notes providing for cash or physical settlement and only one Reference Entity and shall be completed in order to reflect whether

- (i) "Failure to Pay" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity in the Reference Entity Annex and/or***
- (ii) "Repudiation/Moratorium" is specified as applicable with respect to the Reference Entity in the Reference Entity Annex.***

- (1) If during the Observation Period a Credit Event [[or][.] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]][or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] in relation to the Reference Entity has occurred and has been notified in accordance with § 14, the Issuer shall

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Applicable if Nth to Default.

redeem the Notes in its reasonable discretion either (i) by payment of the [Cash Settlement Amount][Predefined Settlement Amount] as calculated in accordance with § 7 on the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date] or (ii) instead of the Issuer's obligation to redeem each Note in cash by Delivery of the Relevant Portion of the Outstanding Principal Balance or Due and Payable Amount (or the equivalent Currency Amount of any such amount) of the Deliverable Obligations specified in the Notice of Physical Settlement in an amount equal to the outstanding Denomination of such Note (the "**Physical Settlement Amount**") [including accrued (but unpaid) interest as determined by the Determination Agent until the Delivery Date][excluding accrued (but unpaid) interest] on the Physical Settlement Date in accordance with § 7.

The Issuer shall notify in accordance with § 14 during the Notice Delivery Period if it will redeem the Notes by payment of the cash settlement amount or by physical delivery. In the event of a physical delivery pursuant to (ii) above, the Issuer shall give in such notice (the "**Notice of Physical Settlement**") a detailed description of the Deliverable Obligations, including the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation. The Issuer is entitled to amend such a Notice of Physical Settlement by delivering a further notice in accordance with § 14.

This shall apply irrespective of whether the Credit Event still exists by the [Cash Settlement Date][Maturity Date (subject to adjustment as set out above)] or Physical Settlement Date, as the case may be, unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the [Cash Settlement Date][Maturity Date (subject to adjustment as set out above)] or Physical Settlement Date, as the case may be.

"**Currency Amount**" means with respect to a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the currency in which the Notes are denominated, an amount converted to the currency in which the Notes are denominated using a conversion rate determined by reference to the Currency Rate.

"**Currency Rate**" means with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the currency in which the Notes are denominated and the currency in which the outstanding amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source determined by the Determination Agent as at 4:00 p.m. (London time) on the Business Day in London immediately following the date on which the Notice of Physical Settlement is effective or (ii) if such rate is not available at such time, determined by the Determination Agent in a commercially reasonable manner.

"**Relevant Portion**" means the proportion (expressed as a percentage) which the Denomination bears to the Principal Amount of all Notes outstanding (including those held by such Noteholder) immediately prior to the date set for redemption.

The following paragraph (1) shall be applicable to Notes providing for cash or physical settlement and basket of Reference Entities and shall be completed in order to reflect whether (i) "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

- (1) If during the Observation Period a Credit Event [[or][,] a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date]]or a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default

Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] in relation to ²¹[the Nth Reference Entity][a Reference Entity] has occurred and has been notified in accordance with § 14, the Issuer shall redeem the Notes in its reasonable discretion either (i) by payment of the relevant [Cash Settlement Amount][Predefined Settlement Amount] as calculated in accordance with § 7 on the [relevant Cash Settlement Date][Maturity Date unless the relevant Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the relevant Cash Settlement Date] or (ii) instead of the Issuer's obligation to redeem each Note in cash by Delivery of the Relevant Portion of the Outstanding Principal Balance or Due and Payable Amount (or the equivalent Currency Amount of any such amount) of the Deliverable Obligations specified in the Notice of Physical Settlement in an amount equal to the outstanding Denomination of such Note (the "**Physical Settlement Amount**") [including accrued (but unpaid) interest as determined by the Determination Agent until the Delivery Date][excluding accrued (but unpaid) interest] on the Physical Settlement Date in accordance with § 7.

The Issuer shall notify in accordance with § 14 during the Notice Delivery Period if it will redeem the Notes by payment of the cash settlement amount or by physical delivery. In the event of a physical delivery pursuant to (ii) above, the Issuer shall give in such notice (the "**Notice of Physical Settlement**") a detailed description of the Deliverable Obligations, including the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation. The Issuer is entitled to amend such a Notice of Physical Settlement by delivering a further notice in accordance with § 14.

This shall apply irrespective of whether the Credit Event still exists by the [relevant Cash Settlement Date][Maturity Date (subject to adjustment as set out above)] or Physical Settlement Date, as the case may be, unless the Publicly Available Information, on which the determination of the Credit Event by the Issuer is based, is withdrawn or otherwise corrected not later than on the fourth Business Day immediately preceding the [relevant Cash Settlement Date][Maturity Date (subject to adjustment as set out above)] or Physical Settlement Date, as the case may be.

"**Currency Amount**" means with respect to a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the currency in which the Notes are denominated, an amount converted to the currency in which the Notes are denominated using a conversion rate determined by reference to the Currency Rate.

"**Currency Rate**" means with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the currency in which the Notes are denominated and the currency in which the outstanding amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source determined by the Determination Agent as at 4:00 p.m. (London time) on the Business Day in London immediately following the date on which the Notice of Physical Settlement is effective or (ii) if such rate is not available at such time, determined by the Determination Agent in a commercially reasonable manner.

²²"**Nth Reference Entity**" means the [•] Reference Entity in respect of which a Credit Event has occurred and has been notified in accordance with § 14. With respect to each Reference Entity only one notified Credit Event is taken into account. For the avoidance of doubt, if a Reference Entity, in relation to which a Credit Event has occurred and been notified accordingly, becomes a Successor (as defined below) such previous Credit Event shall not prevent the occurrence and determination of a (new) Credit Event in relation to such Successor.]

"**Relevant Portion**" means the proportion (expressed as a percentage) which the Denomination bears to the Principal Amount of all Notes outstanding (including those held by such Noteholder) immediately prior to the date set for redemption.

²¹ Only if Nth-to-Default.

²² Only if Nth to Default.

²³[If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has occurred and has been notified in accordance with § 14, the Issuer shall, subject to an earlier redemption in accordance with § 5, redeem the Notes on the [Maturity Date (subject to adjustment as set out above)][Cash Settlement Date or Physical Settlement Date, as the case may be] by payment of the Adjusted Principal Amount as determined in accordance with § 7 ²⁴[, unless the Redemption Amount is previously determined to be zero pursuant to other provisions].]

- (2) A **"Credit Event"** means one or more of Failure to Pay, Obligation Acceleration, Repudiation/Moratorium, Bankruptcy, Restructuring, or Governmental Intervention specified as applicable with respect to a Reference Entity in the Reference Entity Annex and in each case as defined below.

²⁵[It is sufficient that a Credit Event has occurred with respect to any of the Reference Entities. However, subject to the provisions below relating to succession and with respect to each Reference Entity only one Credit Event is taken into account.]

The following definitions shall be inserted in the case of one Reference Entity other than a Sovereign Reference Entity.

"Reference Entity" is the reference entity as set out in the Reference Entity Annex. Any Successor to the Reference Entity either (a) identified by the Determination Agent pursuant to this § 6 (and, in particular, the definition of "Successor") on or following the Issue Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Issue Date shall, in each case, with effect from the Succession Date, be the Reference Entity for these Notes (as determined pursuant to this § 6).

"Successor" means the entity or entities, if any, determined as follows:

- (i) subject to paragraph (vii) below, 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, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if one or more entities 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 more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity 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

²³ Applicable if, in principle, each Credit Event leads to an adjustment of the Redemption Amount.

²⁴ Only Zero Recovery Notes.

²⁵ Only in the case of a basket of Reference Entities.

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 such entity will be a Successor); and
- (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 (the "**Universal Successor**") will be the sole Successor.

The Determination Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors as determined pursuant to paragraphs (i) to (vii) above; provided that the Determination Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Determination Agent will make all calculations and determinations required to be made for the determination of any Successor on the basis of Eligible Information and will notify the Issuer of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Determination Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (a) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014; and
- (b) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity.

For purposes of determining a Successor, "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations, that an entity 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 (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable (and "**succeeded**" and "**succession**" shall be construed accordingly).

The following definitions shall be inserted in the case of one Reference Entity being a Sovereign Reference Entity.

"**Reference Entity**" is a Sovereign Reference Entity.

"**Sovereign Reference Entity**" means the reference entity as set out in the Reference Entity Annex. Any Successor to the Sovereign Reference Entity either (a) identified by the Determination Agent pursuant to this § 6 (and, in particular, the definition of "Successor") on or following the Issue Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or

following the Issue Date shall, in each case, with effect from the Succession Date, be the Sovereign Reference Entity for these Notes (as determined pursuant to this § 6).

"Successor" means the entity or entities, if any, determined as follows:

- (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 Sovereign 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 Sovereign Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Sovereign Reference Entity remain with the Sovereign 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 Sovereign Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Sovereign Reference Entity remain with the Sovereign Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if one or more entities 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 Sovereign Reference Entity, and more than twenty-five per cent of the Relevant Obligations of the Sovereign Reference Entity remain with the Sovereign Reference Entity, each such entity and the Sovereign 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 Sovereign Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Sovereign Reference Entity and the Sovereign Reference Entity continues to exist, there will be no Successor and the Sovereign Reference Entity will not be changed in any way as a result of such succession; and
- (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 Sovereign Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Sovereign Reference Entity and the Sovereign 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 such entity will be a Successor).

The Determination Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors as determined pursuant to paragraphs (i) to (vi) above; provided that the Determination Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Determination Agent will make all calculations and determinations required to be made for the determination of any Successor on the basis of Eligible Information and will notify the parties of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Determination Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (a) the related Succession Date occurs on or after the Successor Backstop Date;

- (b) the Sovereign Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Sovereign Reference Entity; and
- (c) such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

For purposes of determining a Successor, "**succeed**" means, with respect to the Sovereign Reference Entity and its Relevant Obligations, that an entity other than the Sovereign Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Sovereign Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable (and "**succeeded**" and "**succession**" shall be construed accordingly).

"**Sovereign Succession Event**" means an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

The following definitions shall be inserted in the case of a basket of Reference Entities including no Sovereign Reference Entity.

"**Reference Entity**" is each of the reference entities as set out in the Reference Entity Annex. Any Successor to such reference entity either (a) identified by the Determination Agent pursuant to this § 6 (and, in particular, the definition of "Successor") on or following the Issue Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Issue Date shall, in each case, with effect from the Succession Date, be the Reference Entity for these Notes (as determined pursuant to this § 6).

"**Successor**" means the entity or entities, if any, determined as follows:

- (i) subject to paragraph (vii) below, 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 a 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 a Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such 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 a Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of a Reference Entity, and more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with the Reference Entity, each such entity and such 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 a Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity and the Reference Entity continues to exist, there will be no Successor and such 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 a Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity and such 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 such entity will be a Successor); and
- (vii) if one entity assumes all of the obligations (including at least one Relevant Obligation) of a Reference Entity, and at the time of the determination either (A) such Reference Entity has ceased to exist, or (B) such Reference Entity is in the process of being dissolved (howsoever described) and such Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor.

The Determination Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors as determined pursuant to paragraphs (i) to (vii) above; provided that the Determination Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Determination Agent will make all calculations and determinations required to be made for the determination of any Successor on the basis of Eligible Information and will notify the Issuer of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Determination Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (a) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014; and
- (b) the relevant Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of such Reference Entity.

For purposes of determining a Successor, "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than such 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 (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case such Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable (and "**succeeded**" and "**succession**" shall be construed accordingly).

The following definitions shall be inserted in the case of a basket of Reference Entities including only Sovereign Reference Entities.

"**Reference Entity**" is a Sovereign Reference Entity.

"**Sovereign Reference Entity**" is each of the reference entities as set out in the Reference Entity Annex. Any Successor to the Sovereign Reference Entity either (a) identified by the Determination Agent pursuant to this § 6 (and, in particular, the definition of "Successor") on or following the Issue Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Issue Date shall, in each case, with effect from the Succession Date, be the Sovereign Reference Entity for these Notes (as determined pursuant to this § 6).

"Successor" means the entity or entities, if any, determined as follows:

- (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 a Sovereign 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 a Sovereign Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such Sovereign Reference Entity remain with the Sovereign 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 a Sovereign Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such Sovereign Reference Entity remain with the Sovereign Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of a Sovereign Reference Entity, and more than twenty-five per cent of the Relevant Obligations of such Sovereign Reference Entity remain with the Sovereign Reference Entity, each such entity and such Sovereign 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 a Sovereign Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Sovereign Reference Entity and the Sovereign Reference Entity continues to exist, there will be no Successor and such Sovereign Reference Entity will not be changed in any way as a result of such succession; and
- (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 a Sovereign Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Sovereign Reference Entity and such Sovereign 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 such entity will be a Successor).

The Determination Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors as determined pursuant to paragraphs (i) to (vi) above; provided that the Determination Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Determination Agent will make all calculations and determinations required to be made for the determination of any Successor on the basis of Eligible Information and will notify the parties of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Determination Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (a) the related Succession Date occurs on or after the Successor Backstop Date;

- (b) the relevant Sovereign Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of such Sovereign Reference Entity; and
- (c) such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

For purposes of determining a Successor, "**succeed**" means, with respect to a Sovereign Reference Entity and its Relevant Obligations, that an entity other than such Sovereign Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case such Sovereign Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable (and "**succeeded**" and "**succession**" shall be construed accordingly).

"**Sovereign Succession Event**" means an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

The following definitions shall be inserted in the case of a basket of Reference Entities including Sovereign Reference Entities and non-Sovereign Reference Entities.

"**Reference Entity**" is each of the reference entities (including Sovereigns) as set out in the Reference Entity Annex. Any Successor to such reference entity either (a) identified by the Determination Agent pursuant to this § 6 (and, in particular, the definition of "Successor") on or following the Issue Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Issue Date shall, in each case, with effect from the Succession Date, be a Reference Entity for these Notes (as determined pursuant to this § 6).

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

"**Successor**" means the entity or entities, if any, determined as follows:

- (i) subject to paragraph (vii) below, 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 a 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 a Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such 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 a Relevant Obligations of a Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
- (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of a Reference Entity, and more than twenty-five per cent of the Relevant Obligations of such Reference Entity remain with the Reference Entity, each such entity and such 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 a Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such

Reference Entity and such Reference Entity continues to exist, there will be no Successor and such 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 a Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of such Reference Entity and such 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 such entity will be a Successor); and
- (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of a Reference Entity, and at the time of the determination either (A) such Reference Entity has ceased to exist, or (B) such Reference Entity is in the process of being dissolved (howsoever described) and such Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor.

The Determination Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors as determined pursuant to paragraphs (i) to (vii) above; provided that the Determination Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Determination Agent will make all calculations and determinations required to be made for the determination of any Successor on the basis of Eligible Information and will notify the parties of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Determination Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (a) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
- (b) the relevant Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of such Reference Entity; and
- (c) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

For purposes of determining a Successor, "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case such Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable (and "**succeeded**" and "**succession**" shall be construed accordingly).

"**Sovereign Succession Event**" means, with respect to a Reference Entity which is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

The following wording shall not be inserted in the case of Notes providing for only one Credit Event (First-to-Default).

For the avoidance of doubt, if a Reference Entity, in relation to which a Credit Event has occurred and been notified accordingly, becomes a Successor such previous Credit Event shall not prevent the occurrence and determination of a (new) Credit Event in relation to such Successor.

The following definitions shall be inserted in case of Failure to Pay.

"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 a 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 (a) 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 (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will not 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.

"Payment Requirement" means U.S. Dollar **[amount]** or its equivalent in the currency or currencies in which the relevant Obligation is denominated, in either case as of the occurrence of the relevant Failure to Pay[.][***Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex: or Potential Failure to Pay, as applicable.***]

[Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

"Potential Failure to Pay" means the failure by a 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.]]

The following definitions shall be inserted in case of Obligation Acceleration.

"Obligation Acceleration" means one or more Obligations of a 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 of its Obligations.]

The following definitions shall be inserted in case of Repudiation/Moratorium.

"Repudiation/Moratorium" means the occurrence of both of the following events:

- (i) an authorized officer of a Reference Entity or a Governmental Authority
 - (aa) disaffirms, repudiates, 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

- (bb) declares or imposes a moratorium, standstill, revolving replacement (i.e. the replacement of an obligation by another, "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, determined without regard to the Payment Requirement, or a Restructuring determined without regard to the Default Requirement with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (i) of the definition of "Repudiation/Moratorium".

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs during the Observation Period,

- (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of
 - (aa) the date that is 60 calendar days after the date of such Potential Repudiation/Moratorium; and
 - (bb) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and
- (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 calendar days after the date of such Potential Repudiation/Moratorium;

provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied; at the latest, however, **[date]**.

"Repudiation/Moratorium Extension Condition" is satisfied (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of a Reference Entity and that such event occurred during the Observation Period, or (ii) otherwise, by the delivery by the Issuer to the Noteholders of a Repudiation/Moratorium Extension Notice that is effective on or prior to the date that is 14 calendar days after the Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will not have been satisfied, or not be capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of a Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of a Reference Entity but that such event occurred after the Maturity Date.

"Repudiation/Moratorium Extension Notice" means an irrevocable notice from the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred during the Observation Period. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

[Where "Failure to Pay" is not specified as applicable with respect to any Reference Entity in the Reference Entity Annex:

"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 a 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 (a) 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 (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will not 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.

"Payment Requirement" means U.S. Dollar **[amount]** or its equivalent in the currency or currencies in which the relevant Obligation is denominated, in either case as of the occurrence of the relevant Failure to Pay.]

[Where "Restructuring" is not specified as applicable with respect to any Reference Entity in the Reference Entity Annex:

"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 a 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 a 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 Credit Event Backstop Date and 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 (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of 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).

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (a) 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;
- (b) 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;
- (c) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above due to an administrative adjustment, accounting adjustment

or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (d) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity, provided that in respect of paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of a 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.

For purposes of determining whether a "Restructuring" has occurred, the term Obligation shall include Underlying Obligations for which a Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to a Reference Entity in the definition of "Restructuring" shall refer to the Underlying Obligor *provided that* references to a Reference Entity in paragraph (d) above shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (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 following definitions shall be inserted in case of Bankruptcy.

["Bankruptcy" means:

- (i) a Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) a 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) a 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) a 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 (x) 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 (y) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (v) a Reference Entity has a resolution passed for its winding-up or liquidation (other than pursuant to an amalgamation, consolidation or merger);
- (vi) a 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) a 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) a Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) above.]

The following definition shall be inserted in case of Restructuring.

["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 a 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 a 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 Credit Event Backstop Date and 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 (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of 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).

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (a) 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;
- (b) 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;
- (c) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (d) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity, provided that in respect of paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of a 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.

For purposes of determining whether a "Restructuring" has occurred, the term Obligation shall include Underlying Obligations for which a Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to a Reference Entity in the definition of "Restructuring" shall refer to the Underlying Obligor *provided that* references to a Reference Entity in paragraph (d) above shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (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 following paragraph shall be inserted where Multiple Holder Obligation is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

【Unless "Multiple Holder Obligation" is specified as not applicable with respect to the relevant Reference Entity in the Reference Entity Annex, the occurrence of, an agreement to or an announcement of any of the events described in paragraphs (i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six per cent. and/or two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

For purposes of determining whether an Obligation is a "Multiple Holder Obligation", the term Obligation shall include Underlying Obligations for which a Reference Entity is acting as provider of a Guarantee.】

The following definitions shall be inserted in case of Governmental Intervention.

【**"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 a 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:
 - (aa) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (bb) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (cc) 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
 - (dd) 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 specified in paragraphs (i) to (iii) above.

For purposes of the definition of "Governmental Intervention", the term Obligation shall include Underlying Obligations for which a Reference Entity is acting as provider of a Guarantee.】

- (3) The Determination Agent shall determine the occurrence of a Credit Event based on Publicly Available Information. The Issuer shall have absolute discretion to notify the occurrence of any Credit Event. A Credit Event may be notified within 【●】 Business Days from the occurrence of a Credit Event pursuant to § 14 (the "**Credit Event Notice**"). A Credit Event Notice is irrevocable and must contain the Public Sources concerned, the information establishing the Credit Event and the Event Determination Date. A Credit Event that has not been notified during the period specified above shall, for the purpose of the Notes, not have occurred. The Credit Event Notice has to be delivered not later than on the Maturity Date.

- (4) Subject to § 6 (5) to (8), the following defined terms have the following meanings:

"**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. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Bankruptcy**" means:

- (i) a Reference Entity is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) a 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) a 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) a 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 (x) 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 (y) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (v) a Reference Entity has a resolution passed for its winding-up or liquidation (other than pursuant to an amalgamation, consolidation or merger);
- (vi) a 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) a 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) a Reference Entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) above.

"**Business Day**" means a day (which is not a Saturday or Sunday) on which 【commercial banks are open for business in 【●】 and】[the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) settles payments].

"**Credit Event Backstop Date**" means (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (ii) of the definition "Repudiation/Moratorium"), as determined by DC Resolution,

the date that is 60 calendar days prior to the Credit Event Resolution Request Date, or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any business day convention.

"Credit Event Resolution Request Date" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"Credit Derivatives Determinations Committee" means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

"DC Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date[.][*Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:* , provided that if the Credit Event occurred after the Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension[.][*Where "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* [, provided that if the Credit Event occurred after the Maturity Date, the DC Credit Event Announcement must relate to] [or] the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.]

"DC Credit Event Meeting Announcement" means, with respect to a Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

"DC Credit Event Question" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

"DC Credit Event Question Dismissal" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

"DC No Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

"DC Resolution" has the meaning given to that term in the DC Rules.

"DC Rules" means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"DC Secretary" has the meaning given to that term in the DC Rules.

"Default Requirement" means the amount specified as such in the Reference Entity Annex or its equivalent in the currency or currencies in which the relevant Obligation is denominated, in either case, as of the occurrence of the relevant Credit Event.

"Downstream Affiliate" means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, are more than 50% owned, directly or indirectly, by a Reference Entity.

"Eligible Information" means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

"Event Determination Date" means, with respect to a Credit Event and a Note,

[Where the Final Price is determined pursuant to an ISDA auction, insert the following:

- (a) subject to paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) above, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) provided that:
 - (i) **[In the case of physical settlement applying, insert the following:** no Physical Settlement Date]**[In the case of cash settlement applying, insert the following:** no [Cash Settlement Date][Maturity Date as may be extended to the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date (as the case may be)]**[In the case physical and cash settlement applying, insert the following:** no Physical Settlement Date or, [Cash Settlement Date][Maturity Date as may be extended to the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date (as the case may be)] has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs; and
 - (ii) **[In the case of physical settlement applying, insert the following:** if any Delivery Date]**[In the case of cash settlement applying, insert the following:** if any Valuation Date]**[In the case of physical and cash settlement applying, insert the following:** if any Delivery or Valuation Date, as applicable,] has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall only occur with respect to the portion of the Note, if any, with respect to which **[In the case of physical settlement applying, insert the following:** no Delivery Date]**[In the case of cash settlement applying, insert the following:** no Valuation Date]**[In the case of physical and cash settlement applying, insert the following:** no Delivery Date or Valuation Date, as applicable,] has occurred.]

[Where the Final Price is not determined pursuant to an ISDA auction, insert the following: the day when the Credit Event is notified in accordance with § 14.]

"Excluded Obligation" means:

- (i) **[specify][.]; and]**
[[Where (A) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and (i) the relevant Reference Obligation is a Senior Obligation, or, (ii) there is no relevant Reference Obligation and (B) with respect to such Reference Entity or Reference Entities (as the case may be) Governmental Intervention and/or Restructuring are applicable Credit Event(s):
- (ii) if (A) "Financial Reference Entity Terms" is specified as applicable in the Reference Entity Annex with respect to a Reference Entity and (B) (a) the Reference Obligation with respect to such Reference Entity is a Senior Obligation, or, (b) there is no

Reference Obligation with respect to such Reference Entity, then for the purposes of determining whether a [Governmental Intervention][Restructuring][Governmental Intervention or Restructuring] has occurred, any Subordinated Obligation.]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex, the relevant Reference Obligation is a Subordinated Obligation and with respect to such Reference Entity or Reference Entities (as the case may be) Governmental Intervention and/or Restructuring are applicable Credit Event(s):

[(ii)][(iii)] if (A) "Financial Reference Entity Terms" is specified as applicable in the Reference Entity Annex with respect to a Reference Entity and (B) the Reference Obligation with respect to such Reference Entity is a Subordinated Obligation, then for the purposes of determining whether a [Governmental Intervention][Restructuring][Governmental Intervention or Restructuring] has occurred, any Further Subordinated Obligation.]

"Extension Date" means [the latest of: (a)] the Maturity Date[.][.] [and] ***[Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:*** (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are both specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs during the Observation Period][.][.] [and] ***[Where "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:*** [(b)][(c)] the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex.]

"Fixed Cap" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of a Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and the relevant Reference Obligation is a Subordinated Obligation:

"Further Subordinated Obligation" means, if the Reference Obligation is a Subordinated Obligation, any obligation which is Subordinated thereto.]

"Governmental Authority" means:

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of a 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 paragraphs (i) to (iii) above.

[Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Grace Period" means:

- (i) subject to [paragraph (ii) below][paragraphs (ii) and (iii) below], 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[;][;and]

[Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

- (ii) if "Grace Period Extension" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, a Potential Failure to Pay has occurred during the Observation Period and the applicable grace period cannot, by its terms, expire during the Observation Period, the Grace Period will be deemed to be the lesser of such grace period and thirty calendar days; and]

- [(ii)][(iii)] 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 Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall apply to such Obligation ***[Where "Grace Period Extension" is not specified as applicable with respect to any Reference Entity in the Reference Entity Annex; provided that such Grace Period shall expire no later than the Maturity Date.][Where in the case of a basket of Reference Entities, "Grace Period Extension" is specified as not applicable with respect to one or more Reference Entities (as the case may be) in the Reference Entity Annex but is also specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex; provided that, unless "Grace Period Extension" is specified as applicable in the Reference Entity Annex with respect to the relevant Reference Entity, such Grace Period shall expire no later than the Maturity Date.]***

"Grace Period Business Day" means (a) if the currency or currencies in which an Obligation is denominated is the euro, a day on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) settles payments, 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 currency or currencies in which the relevant Obligation is denominated.

[Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

"Grace Period Extension Date" means, if a Potential Failure to Pay occurs during the Observation Period, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the Reference Entity Annex, "Grace Period Extension" shall not apply.]]

"Guarantee" means a Relevant Guarantee or a guarantee which is the Reference Obligation.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Notice Delivery Date" means the first date on which an effective Credit Event Notice has been delivered.

"Notice Delivery Period" means the period from and including the Issue Date to and including [the last day of the Observation Period][the Maturity Date][.]

[Where (i) "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also

specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and/or (ii) "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex: unless [a Potential Failure to Pay resulting in a Failure to Pay on or prior to the Grace Period Extension Date][[and/or] a Potential Repudiation/Moratorium resulting in a Failure to Pay (determined without regard to the Payment Requirement) or a Restructuring (determined without regard to the Default Requirement) on or prior to the Repudiation/Moratorium Evaluation Date] [has][have] occurred during the Observation Period and [has][have] been notified in accordance with § 14, in which case the relevant date [with respect to such Failure to Pay shall be the Grace Period Extension Date][[and] with respect to such Repudiation/Moratorium shall be the Repudiation/Moratorium Evaluation Date.]]

"Obligation" means:

If "any obligation" is applicable.

[[(i) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in § 6 (5) [; and] [.]]]

If "each Reference Obligation" is applicable.

[[(ii) the Reference Obligation,]

[in each case,] unless it is an Excluded Obligation.

"Obligation Category" means Payment, Borrowed Money, Bond, Loan, or Bond or Loan, where:

- (i) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (ii) **"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);
- (iii) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
- (iv) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
- (v) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.

"Observation Period" means the period commencing on and including the [Issue Date][Trade Date] and ending on and including [[•][the Business Day falling [•] Business Days prior to the Maturity Date] (the **"Observation Period End Day"**).

"Permitted Transfer" means, with respect to a Qualifying Guarantee, a 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 a Reference Entity to the same single transferee.

"Post Dismissal Additional Period" means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Issue Date)).

"Publicly Available Information" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event [*Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* or Potential Repudiation/Moratorium, as applicable,] described in a Credit Event Notice [*Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* or in a notice describing a Potential Repudiation/Moratorium] have occurred and which:

- (i) has been published in or on not less than two Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (ii) is information received from or published by (A) a Reference Entity (or, if a Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign), or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (ii) or (iii) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (ii) or (iii) above, the person receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the person delivering such information has not taken any action or entered into any agreement or understanding with a Reference Entity or any Affiliate of a Reference Entity that would be breached by, or would prevent, the disclosure of such information to the person receiving such information.

Without limitation, Publicly Available Information need not state (i) in relation to a Downstream Affiliate, the percentage of voting shares owned by a Reference Entity and (ii) that the relevant occurrence (A) has met the [*Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* Payment Requirement or] Default Requirement, [*Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* (B) is the result of exceeding any applicable Grace Period,] or [(B)][(C)] has met the subjective criteria specified in certain Credit Events.

[Where "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex: In relation to a notice describing a Potential Repudiation/Moratorium, Publicly Available Information must relate to the events described in both paragraphs (i) and (ii) of the definition of the term "Repudiation/Moratorium".]

"Public Source" means any of the following sources: Börsen-Zeitung, Handelsblatt, 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 and the Debtwire (including any successor publication thereto) as well as the main sources for business news in the geographical scope of the relevant Reference Entity and any other source of news which is distributed either in print or electronically and which has an international reputation.

"Qualifying Guarantee" means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which a 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 for which the Underlying Obligor is the obligor, 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).

A Qualifying Guarantee shall not include any guarantee:

- (a) 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
- (b) pursuant to the terms applicable thereto, the principal payment obligations of a 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:
 - (i) by payment;
 - (ii) by way of Permitted Transfer;
 - (iii) by operation of law;
 - (iv) due to the existence of a Fixed Cap[.]; or]

[Where (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and (ii) "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

- (v) due to:
 - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex; or
 - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex.]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

- (v) due to provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex.]

[Where "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

- (v) due to any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex.]

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of a 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 the type described in the definition of "Bankruptcy" in respect of a Reference Entity or the Underlying Obligor, then for these purposes such

cessation or suspension shall be permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (i) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (ii) 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.

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of such Reference Entity.

"Reference Entity Annex" means the annex to the applicable Final Terms headed "Reference Entity Annex".

"Relevant Guarantee" means a Qualifying Affiliate Guarantee ~~.[.]~~~~[or]~~~~[Where "All Guarantees" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex;~~ if "All Guarantees" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, a Qualifying Guarantee.]

"Relevant Obligations" means the Obligations of a Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (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 a Reference Entity and any of its Affiliates, or held by a Reference Entity, shall be excluded~~;~~ and~~];~~
- (ii) if there is a Steps Plan, the Determination Agent shall, for purposes of the determination required to be made under the definition of "Successor" above, make the appropriate adjustments required to take account of any Obligations of a Reference Entity which fall within the Obligation Category "Bond or Loan" 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~~].;~~

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and (i) the relevant Reference Obligation is a Senior Obligation, or, (ii) there is no relevant Reference Obligation:

- (iii) if (A) "Financial Reference Entity Terms" is specified as applicable in the Reference Entity Annex with respect to a Reference Entity and (B) the Reference Obligation with respect to such Reference Entity is a Senior Obligation, or, (b) there is no Reference Obligation with respect to such Reference Entity, the Relevant Obligations with respect to such Reference Entity shall only include the Senior Obligations of the relevant Reference Entity which fall within the Obligation Category "Bond or Loan"~~].;~~ and~~]]~~

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and the relevant Reference Obligation is a Subordinated Obligation:

- ~~[(iii)]~~~~[(iv)]~~ if (A) "Financial Reference Entity Terms" is specified as applicable in the Reference Entity Annex with respect to a Reference Entity and (B) the Reference Obligation with respect to such Reference Entity is a Subordinated Obligation, the Relevant Obligations with respect to such Reference Entity shall exclude Senior Obligations and any Further Subordinated Obligations of the relevant Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if (a) the Reference Obligation were a Senior Obligation, or, (b) there were no Reference Obligation.]

"**Resolve**" has the meaning given to that term in the DC Rules, and "**Resolved**" and "**Resolves**" shall be construed accordingly.

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"**Senior Obligation**" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of a Reference Entity.]

"**Solvency Capital Provisions**" means any terms in an obligation which permit a Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

"**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of a Reference Entity, by one or more entities.

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of a Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of a Reference Entity existed.]

"**Subordination**" means, with respect to an obligation (the "**Second Obligation**") and another obligation of a Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of such Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against such Reference Entity at any time that such Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account[, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where a Reference Entity is a Sovereign]²⁶ and (y) in the case of the Reference Obligation the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation is the Standard Reference Obligation, then the priority of payment of the Reference Obligation shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.

"**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 a 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 above defined term "Successor" would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of such Reference Entity or any entity which would constitute a Successor.

"**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has

²⁶

Applicable in the case of a Sovereign Reference Entity.

Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Issuer to the Noteholder not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any business day convention.

"Successor Notice" means an irrevocable notice delivered by the Issuer to the Noteholders and the Determination Agent in accordance with § 14 that describes a succession in respect of which a Succession Date has occurred and pursuant to which one or more Successors to a Reference Entity can be determined. A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to the definition of "Successor" above.

"Successor Resolution Request Date" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to a Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"Trade Date" means *[insert date]*.

"Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"Underlying Obligor" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"Voting Shares" means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

- (5) For purposes of paragraph (i) of the definition of the term "Obligation", each obligation of a Reference Entity shall constitute an Obligation if it falls in the Obligation Category as specified for the relevant Reference Entity in the Reference Entity Annex and, subject to § 6 (8) below, fulfils each of the Obligation Characteristics (if any) as specified for the relevant Reference Entity in the Reference Entity Annex, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable.

Definitions depending on the applicable Obligation Characteristics.

The following defined [term][terms] shall apply for the Obligation Characteristics:

[Where "Listed" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.]

[Where "Not Domestic Currency" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Currency" means any obligation that is payable in any currency other than the applicable Domestic Currency, *provided that* a Standard Specified Currency shall not constitute a Domestic Currency.

"Domestic Currency" means the lawful currency and any successor currency of ***[In the case of a Sovereign Reference Entity: the Sovereign Reference Entity][If the Reference Entity is not a Sovereign Reference Entity: the jurisdiction in which the Reference Entity is organized][If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities: (a) the Sovereign Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign].***

[If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities:

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.】

"Standard Specified Currency" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, 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).】

[Where "Not Domestic Issuance" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Issuance" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of a Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of such Reference Entity) shall be considered not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of such Reference Entity.】

[Where "Not Domestic Law" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Law" means any obligation that is not governed by the applicable Domestic Law, *provided that* the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

"Domestic Law" means the laws of ***[In the case of a Sovereign Reference Entity: the Sovereign Reference Entity][If the Reference Entity is not a Sovereign Reference Entity: the jurisdiction in which the Reference Entity is organized][If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities: (1) the Sovereign Reference Entity, if such Reference Entity is a Sovereign, or (2) the jurisdiction in which the Reference Entity is organized, if such Reference Entity is not a Sovereign.***

[If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities:

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.】

[Where "Not Sovereign Lender" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Sovereign Lender" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt".

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.】

[Where "Not Subordinated" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Subordinated" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable.

"Prior Reference Obligation" means, in circumstances where there is no Reference Obligation, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified for the relevant Reference Entity in the Reference Entity Annex as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity.]

[Where "Specified Currency" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Specified Currency" means an obligation that is payable in

[•]any of the lawful currencies of Canada, Japan, Switzerland, France, Germany, 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)], *provided that* if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in euro, regardless of any redenomination thereafter if such redenomination occurred 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.]

The following paragraphs (6) to (8) shall be applicable in case of physical settlement or cash or physical settlement.

(6) **"Deliverable Obligation"** means, subject to § 6 (8),

If "any obligation" is applicable.

[(a)] any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in § 6 (7) ²⁷[(excluding any Excluded Deliverable Obligation)] provided that the Outstanding Principal Balance or Due and Payable Amount is greater than zero[; and][.]

If "each Reference Obligation" is applicable.

[(a)][(b)] each Reference Obligation ²⁸[, unless specified in these Terms and Conditions as an Excluded Deliverable Obligation] provided that the Outstanding Principal Balance or Due and Payable Amount is greater than zero [; and][;].]

[Where "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

[(b)][(c)] solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, any Sovereign Restructured Deliverable Obligation ²⁹[(excluding any Excluded Deliverable Obligation)] unless Asset Package Delivery is applicable and *provided that* the Outstanding Principal Balance or Due and Payable Amount is greater than zero[; and][.]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

[(b)][(c)][(d)] if Asset Package Delivery is applicable and if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, any Prior Deliverable Obligation ³⁰[(excluding any Excluded

²⁷ Applicable, if "Excluded Deliverable Obligation" is applicable.

²⁸ Applicable, if "Excluded Deliverable Obligation" is applicable.

²⁹ Applicable, if "Excluded Deliverable Obligation" is applicable.

³⁰ Applicable, if "Excluded Deliverable Obligation" is applicable.

Deliverable Obligation)] *provided that* the Outstanding Principal Balance or Due and Payable Amount is greater than zero immediately prior to the relevant Asset Package Credit Event.[.]; and]]

[Where "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

[(b)][(c)][(d)][(e)] if Asset Package Delivery is applicable and if the Reference Entity is a Sovereign, any Package Observable Bond ³¹[(excluding any Excluded Deliverable Obligation)] *provided that* the Outstanding Principal Balance or Due and Payable Amount is greater than zero immediately prior to the relevant Asset Package Credit Event.]

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

"Asset" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by a Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists).

"Asset Market Value" means the market value of an Asset, as the Determination Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"Asset Package" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation ³²[or the Package Observable Bond, as the case may be]). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be zero.

"Asset Package Credit Event" means:

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

[(a)] if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex,

[(i)] a Governmental Intervention[, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement][.]; or][and]]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" and "Restructuring" are both specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

³¹ Applicable, if "Excluded Deliverable Obligation" is applicable.

³² If any Reference Entity is a Sovereign Reference Entity.

- [(ii)] a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex and such Restructuring does not constitute a Governmental Intervention[, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement][.]; and]]

[Where "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

- [(b)] if the relevant Reference Entity is a Sovereign and "Restructuring" is specified as applicable with respect to such Reference Entity in the Reference Entity Annex, a Restructuring,

[in each case,][whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.]]

"**Asset Package Delivery**" will apply with respect to the relevant Reference Entity if an Asset Package Credit Event occurs, unless [(i)] such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date³³[, or (ii) if a Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event].]

"**Due and Payable Amount**" means the amount that is due and payable by a Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (B) the Valuation Date, as applicable.

"**Deliver**" means in respect of a Reference Entity to deliver, novate, transfer³⁴[(including, in the case of a Guarantee, transfer of the benefit of the Guarantee)], assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Noteholders free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defence or right of set off by or of a Reference Entity³⁵[or an Underlying Obligor]) provided that if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "**Delivery**" and "**Delivered**" will be construed accordingly.

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity

³³ If any Reference Entity is a Sovereign Reference Entity.

³⁴ If "any obligation" is applicable or in the case of a Restructuring Credit Event applicable to a Sovereign Reference Entity.

³⁵ If "any obligation" is applicable or in the case of a Restructuring Credit Event applicable to a Sovereign Reference Entity.

Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation ³⁶[or a Package Observable Bond] specified in the Notice of Physical Settlement may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation ³⁷[or Package Observable Bond] to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if the Asset Package is zero, the Outstanding Principal Balance or Due and Payable Amount of the Prior Deliverable Obligation ³⁸[or Package Observable Bond] shall be considered to have been Delivered in full three Business Days following the date on which the Issuer has notified the Noteholders of the detailed description of the Asset Package that it intends to Deliver, (iii) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation ³⁹[or Package Observable Bond] in part by Delivery of each Asset in the Asset Package in the correct proportion and (iv) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be an amount of cash equal to the Asset Market Value.]

"Delivery Date" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

"Largest Asset Package" means, in respect of a Prior Deliverable Obligation ⁴⁰[or a Package Observable Bond, as the case may be], the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Determination Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Determination Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

"Non-Financial Instrument" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.]

"Non-Contingent Amount" has the meaning given to such term in the definition of "Outstanding Principal Balance".

⁴¹**"NOPS Effective Date"** means the date on which an effective Notice of Physical Settlement is delivered by the Issuer.

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

³⁶ If any Reference Entity is a Sovereign Reference Entity.

³⁷ If any Reference Entity is a Sovereign Reference Entity.

³⁸ If any Reference Entity is a Sovereign Reference Entity.

³⁹ If any Reference Entity is a Sovereign Reference Entity.

⁴⁰ If any Reference Entity is a Sovereign Reference Entity.

⁴¹ Applicable, if "each Reference Obligation" has not been selected as the only Deliverable Obligation.

"Non-Transferable Instrument" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.】

The **"Outstanding Principal Balance"** of an obligation will be calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of a Reference Entity's principal payment obligations and, where applicable, a Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in paragraph (i) less any amounts subtracted in accordance with paragraph (ii), the **"Non-Contingent Amount"**); and
- (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (A) unless otherwise specified, in accordance with the terms of the obligation in effect on either (I) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (II) the Valuation Date, as applicable; and
- (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

"Package Observable Bond" means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of "Deliverable Obligation" set out in § 6 (6)⁴² [(a) and (b)]⁴³ [(a)], in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.】

"Permitted Contingency" means, with respect to an obligation, any reduction to a Reference Entity's payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of a Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation【;】 [or]

⁴² Applicable if "any obligation" and "each Reference Obligation" is applicable.

⁴³ Applicable if either "any obligation" or "each Reference Obligation" is applicable.

- (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of a Reference Entity from its payment obligations in the case of any other Guarantee);] [or]

[Where "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

- (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex; or]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

- [(iv)][(v)] provisions which permit a Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex; or]

- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

"Prior Deliverable Obligation" means:

- (i) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of a Reference Entity which (a) existed immediately prior to such Governmental Intervention, (b) was the subject of such Governmental Intervention and (c) fell within the definition of "Deliverable Obligation" set out in § 6 (6)⁴⁴[(a) and (b)]⁴⁵[(a)], in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (ii) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.]

"Prohibited Action" means any counterclaim, defense (other than a counterclaim or defense based on the following factors) or right of setoff by or of a Reference Entity or any applicable Underlying Obligor. The factors are as follows: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however

⁴⁴ Applicable if "any obligation" and "each Reference Obligation" is applicable.

⁴⁵ Applicable if either "any obligation" or "each Reference Obligation" is applicable.

described, or (d) 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.

"Quantum of the Claim" means the lowest amount of the claim which could be validly asserted against a Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

"Relevant Holder" means a holder of the Prior Deliverable Obligation ⁴⁶[or Package Observable Bond, as the case may be], with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Principal Balance or Due and Payable Amount specified in respect of such Prior Deliverable Obligation ⁴⁷[or Package Observable Bond] in the Notice of Physical Settlement.]

- (7) For purposes of § 6 (6)(a), each obligation of a Reference Entity shall constitute a Deliverable Obligation if it falls in the Deliverable Obligation Category as specified for the relevant Reference Entity in the Reference Entity Annex and, subject to § 6 (8), fulfils each of the Deliverable Obligation Characteristics (if any) as specified for the relevant Reference Entity in the Reference Entity Annex, in each case, as of both the NOPS Effective Date and the Delivery Date.

"Deliverable Obligation Category" means one of Payment, Borrowed Money ⁴⁸[, Reference Obligation Only], Bond, Loan, or Bond or Loan.

[Where "Reference Obligation Only" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Reference Obligation Only" means any obligation that is a Reference Obligation and no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only.]

Definitions depending on the applicable Deliverable Obligation Characteristics (none of the definitions is applicable in case of "Reference Obligation Only").

[Where the following defined terms shall apply for the Deliverable Obligations Characteristics:

[Where "Accelerated or Matured" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Accelerated or Matured" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.]

[Where "Assignable Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

⁴⁶ If any Reference Entity is a Sovereign Reference Entity.

⁴⁷ If any Reference Entity is a Sovereign Reference Entity.

⁴⁸ Applicable where "Reference Obligation Only" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex.

"Assignable Loan" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent.]

[Where "Consent Required Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Consent Required Loan" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.]

[Where "Direct Loan Participation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of the Noteholders that provides the Noteholders with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the Noteholders and either (1) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (2) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

Where:

"Qualifying Participation Seller" means [●].]

[Where "Listed" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.]

[Where "Maximum Maturity" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Maximum Maturity" means an obligation that has a remaining maturity of not greater than [●][thirty years].]

[Where "Not Bearer" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.]

[Where "Not Domestic Currency" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Currency" means any obligation that is payable in any currency other than the applicable Domestic Currency, *provided that* a Standard Specified Currency shall not constitute a Domestic Currency.

"Domestic Currency" means the lawful currency and any successor currency of [In the case of a Sovereign Reference Entity: the Sovereign Reference Entity][If the Reference Entity is not a Sovereign Reference Entity: the jurisdiction in which the Reference Entity is organized][If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities: (a) the Sovereign Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign].

[If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities:

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.]

"Standard Specified Currency" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, 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).]

[Where "Not Domestic Issuance" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Issuance" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of a Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of such Reference Entity) shall be considered not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of such Reference Entity.]

[Where "Not Domestic Law" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Law" means any obligation that is not governed by the applicable Domestic Law, *provided that* the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

"Domestic Law" means the laws of ***[In the case of a Sovereign Reference Entity: the Sovereign Reference Entity][If the Reference Entity is not a Sovereign Reference Entity: the jurisdiction in which the Reference Entity is organized][If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities: (1) the Sovereign Reference Entity, if such Reference Entity is a Sovereign, or (2) the jurisdiction in which the Reference Entity is organized, if such Reference Entity is not a Sovereign].***

[If the portfolio of Reference Entities comprises Sovereign Reference Entities and Reference Entities that are not Sovereign Reference Entities:

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.]]

[Where "Not Sovereign Lender" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Sovereign Lender" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt".]

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.]

[Where "Not Subordinated" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Subordinated" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable.

"Prior Reference Obligation" means, in circumstances where there is no Reference Obligation, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified for the relevant Reference Entity in the Reference Entity Annex as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity.]

[Where "Specified Currency" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Specified Currency" means an obligation that is payable in

[•][any of the lawful currencies of Canada, Japan, Switzerland, France, Germany, 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)], *provided that* if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in euro, regardless of any redenomination thereafter if such redenomination occurred 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.]

[Where "Transferable" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (c) restrictions in respect of blocked periods on or around payment dates or voting periods.]]

In the case of a Restructuring Credit Event applicable to a Sovereign Reference Entity, insert the following.

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (1) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (2) which fell within the definition of a Deliverable Obligation set out in § 6 (6)⁴⁹[(a) and (b)]⁵⁰[(a)] immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.]

(8) Interpretation of Provisions.

[Where the Obligation Characteristic "Listed" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

⁴⁹ Applicable if "any obligation" and "each Reference Obligation" is applicable.

⁵⁰ Applicable if either "any obligation" or "each Reference Obligation" is applicable.

"Listed" shall be construed as though such Obligation Characteristic had been specified as an Obligation Characteristic only with respect to "Bonds".]

[Where the Obligation Characteristic "Not Domestic Issuance" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Domestic Issuance" shall be construed as though such Obligation Characteristic had been specified as an Obligation Characteristic only with respect to "Bonds".]

[Where the Deliverable Obligation Characteristic "Not Bearer" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Not Bearer" shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to "Bonds".]

[Where the Deliverable Obligation Characteristic "Transferable" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Transferable" shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not "Loans".]

[Where the Deliverable Obligation Characteristic "Assignable Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Assignable Loan" shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to "Loans".]

[Where the Deliverable Obligation Characteristic "Consent Required Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Consent Required Loan" shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to "Loans".]

[Where the Deliverable Obligation Characteristic "Direct Loan Participation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

"Direct Loan Participation" shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to "Loans".]

[Where more than one of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" is specified as applicable with respect to the same of one or more Reference Entities in the Reference Entity Annex:

If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" is specified as Deliverable Obligation Characteristic with respect to the same Reference Entity in the Reference Entity Annex, the Deliverable Obligations may include any "Loan" that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.]

[Where the Deliverable Obligation Characteristic "Maximum Maturity" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.]

[Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, if an obligation would otherwise satisfy a particular Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit a Reference Entity's

obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Deliverable Obligation Characteristic.]

[Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity:

For purposes of determining the applicability of Deliverable Obligation Characteristics to a Prior Deliverable Obligation ⁵¹[or to a Package Observable Bond, as the case may be], any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.]

[Where "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:

If "Subordinated European Insurance Terms" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.]

[Where "any obligation" is applicable or in the case of a Restructuring Credit Event applicable to one or more Sovereign Reference Entities:

If a Deliverable Obligation is a Relevant Guarantee, the following will apply:

- (a) for purposes of the application of the Deliverable Obligation Category, the Relevant Guarantee shall be considered to satisfy the same category or categories as those that describe the Underlying Obligation;
- [[b)] [for purposes of the application of the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the Deliverable Obligation Characteristics as specified in the Reference Entity Annex][for purposes of the application of the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the Deliverable Obligation Characteristics as specified in the Reference Entity Annex]; and
- (c) For purposes of the application of the Deliverable Obligation Characteristics to an Underlying Obligation, references to a Reference Entity shall be deemed to refer to the Underlying Obligor.]]

The following § 7 shall be applicable to all Notes in respect of which a Credit Event of only one Reference Entity and/or the nth Credit Event of a basket of Reference Entities leads to the payment of a Cash Settlement Amount.

§ 7 (CASH SETTLEMENT)

The following paragraph is applicable to Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a Cash Settlement Amount in respect of which the loss amount is not leveraged.

[[1) The "Cash Settlement Amount" shall be calculated by the Determination Agent on the Valuation Date with respect to each Note and is equivalent to the outstanding

⁵¹ If any Reference Entity is a Sovereign Reference Entity.

[Denomination][Amortised Face Amount] multiplied by the Final Price [less Unwind Costs]. The Cash Settlement Amount cannot be higher than the outstanding [Denomination][Amortised Face Amount].]

The following paragraph is applicable to all Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a Cash Settlement Amount in respect of which the loss amount is leveraged.

[(1) The "**Cash Settlement Amount**" shall be calculated by the Determination Agent on the Valuation Date with respect to each Note and is equivalent to the greater of:

- (a) $A - \{[A \times (1 - B)] \times (LF + 1)\} [- C]$; and
- (b) zero

where:

"A" is the outstanding [Denomination][Amortised Face Amount];

"B" is the Final Price;

["C" is the Unwind Costs; and]

"LF" is the Leverage Factor. The Leverage Factor is [•].]

(2) The "**Final Price**" is a percentage and shall be calculated as follows:

- (i) The Determination Agent shall choose in its reasonable discretion a Reference Obligation of the Reference Entity with respect to which a Credit Event has occurred. The Determination Agent shall then solicit quotations on the Valuation Date at [11:00 a.m. (in Frankfurt am Main)][**other time**] from five banks ("**Final Price Banks**") that would accept to pay such price for the Reference Obligation chosen ("**Final Price Quotations**"). The soliciting of the Final Price Quotations shall be made with respect to an amount which is the equivalent of the outstanding Principal Amount of the Notes on the Valuation Date. The Final Price Quotations shall be expressed as a percentage of the amount due under the Reference Obligation. If two or more Final Price Banks submit a Final Price Quotation to the Determination Agent, the Final Price shall be equivalent to the arithmetic mean of these Final Price Quotations, as calculated by the Determination Agent [(rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)/(rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)].
- (ii) If less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall repeat the process provided for in paragraph (a)(i) above on the following Business Day. If on this Business Day less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall determine the Final Price in its reasonable discretion on the following Business Day.

In the case of an alternative determination of the Final Price pursuant to an ISDA auction insert the following paragraph.

[If ISDA has published auction settlement terms and publicly announced that an auction will be held with respect to an affected Reference Entity for the determination of the "**Final Price**" and the Determination Agent decides in its reasonable discretion to adhere to the outcome of such auction settlement for a Reference Obligation, then the "**Auction Final Price**" for such affected Reference Entity for purposes of this Notes shall be the final price resulting from the auction settlement process, and the results, if any, from carrying out the procedures specified in the other provisions of this § 7 shall be disregarded.]

"**Cash Settlement Date**" is the 20th Business Day after the relevant Valuation Date; the Cash Settlement Date may be after the Maturity Date.

"Conforming Reference Obligation" means a Reference Obligation which is a Deliverable Obligation determined in accordance with § 6 (6) to (8).

"Non-Conforming Reference Obligation" means a Reference Obligation which is not a Conforming Reference Obligation.

"Non-Conforming Substitute Reference Obligation" means an obligation which would be a Deliverable Obligation determined in accordance with § 6 (6) to (8) on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

"Non-Standard Reference Obligation" means with respect to the relevant Reference Entity each of the obligation(s) specified with respect to such Reference Entity in the Reference Entity Annex and any Substitute Reference Obligation.

"Private-side Loan" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

"Reference Obligation" means the obligation(s) listed in the column "Reference Obligation(s)" as set out in the Reference Entity Annex [*Where a "Non-Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* and any Substitute Reference Obligation][.][*Where "Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and a Non-Standard Reference Obligation is specified with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:*, provided that if (i) "Standard Reference Obligation" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, (ii) there is no relevant Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified with respect to the relevant Reference Entity in the Reference Entity Annex, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.] If no obligation is listed in the Reference Entity Annex, then the "Reference Obligation" shall be a [non-subordinated, unsecured][subordinated] obligation of the Reference Entity with respect to which a Credit Event has occurred; the term to maturity of such obligation shall not exceed 30 years.

"Standard Reference Obligation" means the obligation of the Reference Entity with the relevant seniority level which is specified from time to time on the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Determination Agent as follows:

- (a) The Determination Agent shall (after consultation with the Issuer) identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Determination Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a)(i) or (iii) of the definition of "Substitution Event" have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Deliverable Obligation

Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (a)(ii) of the definition of "Substitution Event" has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a)(i) or (a)(iii) of the definition of "Substitution Event" occur with respect to such Non-Standard Reference Obligation.

- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
- (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) is Not Subordinated as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii)
 - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8);
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8); or
 - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,

- (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8).
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer, as determined by the Determination Agent (after consultation with the Issuer). The Determination Agent will notify the Issuer and Noteholder of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Determination Agent determines (after consultation with the Issuer) that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Determination Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Determination Agent notifies the parties of the Substitute Reference Obligation that it has identified in accordance with the definition of "Substitute Reference Obligation".

"Substitution Event" means, with respect to the Non-Standard Reference Obligation:

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the currency or currencies in which the Relevant Obligation is denominated, as determined by the Determination Agent); or
- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraphs (i) or (ii) above has occurred on or prior to the Issue Date, then a Substitution Event shall have occurred pursuant to paragraphs (i) or (ii) above, as the case may be, on the Issue Date.

"Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

⁵²**["Unwind Costs"** means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]

"Valuation Date" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.

⁵² If "Unwind Costs" are applicable.

- (3) The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Reference Obligation chosen, the Cash Settlement Amount, the Final Price(s), the relevant Valuation Date(s), the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date] as well as the amount payable under any Note.]

The following § 7 shall be applicable to all Notes in respect of which a Credit Event of only one Reference Entity and/or the nth Credit Event of a basket of Reference Entities leads to the payment of a Predefined Settlement Amount.

**§ 7
(PREDEFINED SETTLEMENT AMOUNT)**

- [(1) The "**Predefined Settlement Amount**" shall be calculated by the Determination Agent on the Valuation Date with respect to each Note and is equivalent to the outstanding [Denomination][Amortised Face Amount] multiplied by [●]% [less Unwind Costs]. The Predefined Settlement Amount cannot be higher than the outstanding [Denomination][Amortised Face Amount].

"**Cash Settlement Date**" is the 20th Business Day after the relevant Valuation Date; the Cash Settlement Date may be after the Maturity Date.

⁵³["**Unwind Costs**" means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]

"**Valuation Date**" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.

- (2) The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Predefined Settlement Amount, the relevant Valuation Date(s), the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date] as well as the amount payable under any Note.]

The following § 7 shall be applicable to all Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount.

**§ 7
(ADJUSTED PRINCIPAL AMOUNT)**

The following § 7 (1) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount, in each case where no reference is made to a tranche.

- [[(1) The "**Adjusted Principal Amount**" will be calculated by the Determination Agent on the relevant Valuation Date in accordance with the following formula:

(i) with respect to the first relevant Credit Event:

⁵³ If "Unwind Costs" are applicable.

Adjusted Principal Amount = Denomination minus Weighted Amount with respect to the affected Reference Entity ⁵⁴[plus Cash Settlement Amount with respect to the affected Reference Entity][x [•] per cent.].

(ii) with respect to any further relevant Credit Event:

Adjusted Principal Amount_{NEW} =
Adjusted Principal Amount, which is applicable immediately prior to the notification of the Credit Event, minus Weighted Amount with respect to the affected Reference Entity ⁵⁵[plus Cash Settlement Amount with respect to the affected Reference Entity].

⁵⁶[(iii) If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has occurred and has been notified in accordance with § 14, the Adjusted Principal Amount is [Issue Currency] 0.00.]

The following § 7 (1) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount, in each case where reference is made to a tranche.

[(1) The "Adjusted Principal Amount" will be calculated by the Determination Agent on the relevant Valuation Date in accordance with the following formula:

(i) with respect to the first relevant Credit Event:

Adjusted Principal Amount =
Denomination minus Assigned [Loss] Amount with respect to the affected Reference Entity ⁵⁷[plus Cash Settlement Amount with respect to the affected Reference Entity][x [•] per cent.].

(ii) with respect to any further relevant Credit Event:

Adjusted Principal Amount_{NEW} =
Adjusted Principal Amount, which is applicable immediately prior to the notification of the Credit Event, minus Assigned [Loss] Amount with respect to the affected Reference Entity ⁵⁸[plus Cash Settlement Amount with respect to the affected Reference Entity].

⁵⁹[(iii) If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has occurred and has been notified in accordance with § 14, the Adjusted Principal Amount is [Issue Currency] 0.00.]

"Assigned [Loss] Amount" means the product of (i) the Tranche [Loss] Amount and (ii) the Denomination, but may not exceed the Denomination.

"Tranche [Loss] Amount" means (i) Portfolio [Loss] Amount minus Tranche Attachment (such amount may not be less than zero) divided by (ii) the Tranche Thickness.

"Portfolio [Loss] Amount" means the sum of all Reference Entity [Loss] Amounts with respect to each Credit Event which has occurred and been notified during the Observation Period.

"Reference Entity [Loss] Amount" means the product of (i) 1 minus Final Price and (ii) the Weighted Amount.

"Tranche Thickness" means Tranche Detachment minus Tranche Attachment.

⁵⁵ Only applicable if the Cash Settlement Amount with respect to the affected Reference Entity is paid at maturity.

⁵⁶ Only applicable if Zero Recovery.

⁵⁷ Only applicable if the Cash Settlement Amount with respect to the affected Reference Entity is paid at maturity.

⁵⁸ Only applicable if the Cash Settlement Amount with respect to the affected Reference Entity is paid at maturity.

⁵⁹ Only applicable if Zero Recovery.

"Tranche Attachment" means [●].

"Tranche Detachment" means [●].]

The following § 7 (2) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is not leveraged.

- [(2) "Cash Settlement Amount" means with respect to each affected Reference Entity the product of the Weighted Amount and the Final Price (as defined below) ⁶⁰[less Unwind Costs].

⁶¹["Unwind Costs" means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]]

The following § 7 (2) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is leveraged.

- [(2) The "Cash Settlement Amount" with respect to each affected Reference Entity shall be calculated by the Determination Agent on the Valuation Date and is equivalent to the greater of:

- (a) $A - \{[A \times (1 - B)] \times (LF + 1)\} [- C;]$ and
(b) zero

where:

"A" is the Weighted Amount;

"B" is the Final Price (as defined below);

["C" is the Unwind Costs; and]

"LF" is the Leverage Factor. The Leverage Factor is [●].

⁶²["Unwind Costs" means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]]

The following § 7 (3) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount.

- [(3) The "Final Price"

is a percentage and shall be calculated as follows:

- (i) The Determination Agent shall choose in its reasonable discretion a Reference Obligation of the Reference Entity with respect to which a Credit Event has occurred. The Determination Agent shall then solicit quotations on the Valuation Date at [11:00 a.m. (in Frankfurt am Main)][other time] from five banks ("Final Price Banks")

⁶⁰ If "Unwind Costs" are applicable.

⁶¹ If "Unwind Costs" are applicable.

⁶² If "Unwind Costs" are applicable.

that would accept to pay such price for the Reference Obligation chosen ("**Final Price Quotations**"). The soliciting of the Final Price Quotations shall be made with respect to an amount which is the equivalent of the outstanding Principal Amount of the Notes on the Valuation Date. The Final Price Quotations shall be expressed as a percentage of the amount due under the Reference Obligation. If two or more Final Price Banks submit a Final Price Quotation to the Determination Agent, the Final Price shall be equivalent to the arithmetic mean of these Final Price Quotations, as calculated by the Determination Agent [(rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)/(rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)].

- (ii) If less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall repeat the process provided for in paragraph (a)(i) above on the following Business Day. If on this Business Day less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall determine the Final Price in its reasonable discretion on the following Business Day.

In the case of an alternative determination of the Final Price pursuant to an ISDA auction insert the following paragraph.

[If ISDA has published auction settlement terms and publicly announced that an auction will be held with respect to an affected Reference Entity for the determination of the "**Final Price**" and the Determination Agent decides in its reasonable discretion to adhere to the outcome of such auction settlement for a Reference Obligation, then the "**Auction Final Price**" for such affected Reference Entity for purposes of this Notes shall be the final price resulting from the auction settlement process, and the results, if any, from carrying out the procedures specified in the other provisions of this § 7 shall be disregarded.]

"**Cash Settlement Date**" is the 20th Business Day after the relevant Valuation Date; the Cash Settlement Date may be after the Maturity Date.

"**Conforming Reference Obligation**" means a Reference Obligation which is a Deliverable Obligation determined in accordance with § 6 (6) to (8).

"**Non-Conforming Reference Obligation**" means a Reference Obligation which is not a Conforming Reference Obligation.

"**Non-Conforming Substitute Reference Obligation**" means an obligation which would be a Deliverable Obligation determined in accordance with § 6 (6) to (8) on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

"**Non-Standard Reference Obligation**" means with respect to the relevant Reference Entity each of the obligation(s) specified with respect to such Reference Entity in the Reference Entity Annex and any Substitute Reference Obligation.

"**Not Subordinated**" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable.

"**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified for the relevant Reference Entity in the Reference Entity Annex as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Private-side Loan**" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

"Reference Obligation" means the obligation listed in the column "Reference Obligation(s)" as set out in the Reference Entity Annex [**Where a "Non-Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:** and any Substitute Reference Obligation][.][**Where "Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and a Non-Standard Reference Obligation is specified with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:**, provided that if (i) "Standard Reference Obligation" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, (ii) there is no relevant Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified with respect to the relevant Reference Entity in the Reference Entity Annex, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.] If no obligation is listed in the Reference Entity Annex, then the "Reference Obligation" shall be a [non-subordinated, unsecured][subordinated] obligation of the Reference Entity with respect to which a Credit Event has occurred; the term to maturity of such obligation shall not exceed 30 years.

"Standard Reference Obligation" means the obligation of the Reference Entity with the relevant seniority level which is specified from time to time on the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Determination Agent as follows:

- (a) The Determination Agent shall (after consultation with the Issuer) identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Determination Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a)(i) or (iii) of the definition of "Substitution Event" have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (a)(ii) of the definition of "Substitution Event" has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a)(i) or (a)(iii) of the definition of "Substitution Event" occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) is Not Subordinated as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and

- (iii)
 - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8);
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8); or
 - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8).
 - (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer and Noteholder, as determined by the Determination Agent (after consultation with the Issuer). The Determination Agent will notify the Issuer and Noteholder of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
 - (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Determination Agent determines (after consultation with the Issuer) that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the

Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Determination Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Determination Agent notifies the parties of the Substitute Reference Obligation that it has identified in accordance with the definition of "Substitute Reference Obligation".

"Substitution Event" means, with respect to the Non-Standard Reference Obligation:

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the currency or currencies in which the Relevant Obligation is denominated, as determined by the Determination Agent); or
- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraphs (i) or (ii) above has occurred on or prior to the Issue Date, then a Substitution Event shall have occurred pursuant to paragraphs (i) or (ii) above, as the case may be, on the Issue Date.

"Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

"Valuation Date" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.

The **"Weighted Amount"** per Note shall apply as assigned to each Reference Entity in accordance with the Reference Entity Annex.]

[(2)][(4)] The Redemption Amount which is payable in the case of a Credit Event with respect to each of the Reference Entities and each Note shall be calculated by the Determination Agent on the Valuation Date and is equal to the Adjusted Principal Amount which would be applicable upon occurrence and notification of the Credit Event with respect to the last Reference Entity not having been affected before. The Redemption Amount shall not be higher than the Denomination of each Note.

[(3)][(5)] The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Adjusted Principal Amount, the relevant Valuation Date(s) as well as the amount payable under any Note.]

The following § 7 shall be applicable to all Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount.

**§ 7
(ADJUSTED PRINCIPAL AMOUNT)**

The following § 7 (1) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where no reference is made to a tranche.

[(1) The "Adjusted Principal Amount" will be calculated by the Determination Agent on the relevant Valuation Date in accordance with the following formula:

(i) with respect to the first relevant Credit Event:

Adjusted Principal Amount =
Denomination minus Weighted Amount with respect to the affected Reference Entity ⁶³[plus
Predefined Settlement Amount with respect to the affected Reference Entity] [x [●] per cent.].

(ii) with respect to any further relevant Credit Event:

Adjusted Principal Amount_{NEW} =
Adjusted Principal Amount, which is applicable immediately prior to the notification of the
Credit Event, minus Weighted Amount with respect to the affected Reference Entity ⁶⁴[plus
Predefined Settlement Amount with respect to the affected Reference Entity].

⁶⁵[(iii) If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has
occurred and has been notified in accordance with § 14, the Adjusted Principal Amount is
[Issue Currency] 0.00.]

The following § 7 (1) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where reference is made to a tranche.

[(1) The "Adjusted Principal Amount" will be calculated by the Determination Agent on the relevant Valuation Date in accordance with the following formula:

(i) with respect to the first relevant Credit Event:

Adjusted Principal Amount =
Denomination minus Assigned [Loss] Amount with respect to the affected Reference Entity
⁶⁶[plus Predefined Settlement Amount with respect to the affected Reference Entity] [x [●] per
cent.].

(ii) with respect to any further relevant Credit Event:

Adjusted Principal Amount_{NEW} =
Adjusted Principal Amount, which is applicable immediately prior to the notification of the
Credit Event, minus Assigned [Loss] Amount with respect to the affected Reference Entity
⁶⁷[plus Predefined Settlement Amount with respect to the affected Reference Entity].

⁶⁸[(iii) If a Credit Event in relation to each Reference Entity in the Reference Entity portfolio has
occurred and has been notified in accordance with § 14, the Adjusted Principal Amount is
[Issue Currency] 0.00.]

"Assigned [Loss] Amount" means the product of (i) the Tranche [Loss] Amount and (ii) the
Denomination, but may not exceed the Denomination.

⁶³ Only applicable if the Predefined Settlement Amount with respect to the affected Reference Entity is paid at maturity.
⁶⁴ Only applicable if the Predefined Settlement Amount with respect to the affected Reference Entity is paid at maturity.
⁶⁵ Only applicable if Zero Recovery.
⁶⁶ Only applicable if the Predefined Settlement Amount with respect to the affected Reference Entity is paid at maturity.
⁶⁷ Only applicable if the Predefined Settlement Amount with respect to the affected Reference Entity is paid at maturity.
⁶⁸ Only applicable if Zero Recovery.

"Tranche [Loss] Amount" means (i) Portfolio [Loss] Amount minus Tranche Attachment (such amount may not be less than zero) divided by (ii) the Tranche Thickness.

"Portfolio [Loss] Amount" means the sum of all Reference Entity [Loss] Amounts with respect to each Credit Event which has occurred and been notified during the Observation Period.

"Reference Entity [Loss] Amount" means the product of (i) 1 minus Final Price and (ii) the Weighted Amount.

"Tranche Thickness" means Tranche Detachment minus Tranche Attachment.

"Tranche Attachment" means [•].

"Tranche Detachment" means [•].]

The following § 7 (2) shall be applicable to Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Predefined Settlement Amount.

- [(2) The **"Predefined Settlement Amount"** with respect to the affected Reference Entity shall be calculated by the Determination Agent on the Valuation Date and is equivalent to the Weighted Amount multiplied by [•]% [less Unwind Costs].

"Cash Settlement Date" is the 20th Business Day after the relevant Valuation Date; the Cash Settlement Date may be after the Maturity Date.

The **"Weighted Amount"** per Note shall apply as assigned to each Reference Entity in accordance with the Reference Entity Annex.

⁶⁹**["Unwind Costs"** means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]

"Valuation Date" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.]

- [(2)][3] The Redemption Amount which is payable in the case of a Credit Event with respect to each of the Reference Entities and each Note shall be calculated by the Determination Agent on the Valuation Date and is equal to the Adjusted Principal Amount which would be applicable upon occurrence and notification of the Credit Event with respect to the last Reference Entity not having been affected before. The Redemption Amount shall not be higher than the Denomination of each Note.

- [(3)][4] The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Adjusted Principal Amount, the relevant Valuation Date(s) as well as the amount payable under any Note.]

⁶⁹ If "Unwind Costs" are applicable.

The following § 7 shall be applicable to all Notes providing for physical settlement and delivery of Deliverable Obligations.

**§ 7
(PHYSICAL SETTLEMENT)**

- [(1) On the Physical Settlement Date the Issuer will transfer or procure the transfer to the relevant Noteholders of the Physical Settlement Amount and any cash amount in respect of all Notes being redeemed free and clear of any and all liens, charges, claims or encumbrances (including without limitation, any counterclaim, defence or right of set-off by or of the Reference Entity or, if applicable, an Underlying Obligor).

"Physical Settlement Date" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable conditions to settlement according to § 6 (1) sentence 1.

"Physical Settlement Period" means in respect of a Reference Entity and with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Determination Agent but not more than of 30 Business Days.

The Determination Agent will notify the Issuer and the Principal Paying Agent or the Paying Agents, as the case may be, of the Physical Settlement Amount determined in accordance with this § 7 which the Issuer will be required to transfer to each Noteholder pursuant to § 6 (1), as well as, where applicable, any cash amount.

- (2) The Deliverable Obligations will be delivered (i) to the relevant Clearing-System for credit to the securities accounts of the relevant depositary bank and for transfer to the Noteholders no later than the Physical Settlement Date against debit of the relevant securities accounts in relation to the Notes or (ii) in such commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery. In the case of (i), the delivery of the Deliverable Obligations in definitive form shall be excluded and the Issuer shall be discharged from its obligations vis-à-vis the Noteholders by delivery of the Deliverable Obligations to the relevant Clearing-System.
- (3) No fraction of Deliverable Obligations which are not divisible will be delivered, and any such fraction will be rounded down to the nearest whole number or unit of the Deliverable Obligations comprised in the Physical Settlement Amount. In the case of a remaining fraction of the Deliverable Obligations comprised in the Physical Settlement Amount, the Issuer shall pay to the relevant Noteholder a cash amount equal to the value or Currency Amount, as the case may be, as determined by the Determination Agent of such fraction of the Deliverable Obligation comprised in the Physical Settlement Amount.
- (4) Each Holder will be responsible for the payment of the Delivery Expenses ⁷⁰[and Unwind Costs]. Neither the Issuer nor the Paying Agent will impose any charge in connection with the delivery of any Physical Settlement Amount.

⁷¹**"Unwind Costs"** means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]

"Delivery Expenses" means any and all stamp, transfer, registration or other taxes or duties (if any) arising on the Delivery of the Physical Settlement Amount and all other out-of-pocket

⁷⁰ If "Unwind Costs" are applicable.

⁷¹ If "Unwind Costs" are applicable.

expenses of the Issuer and the Paying Agent in connection with the delivery of any Physical Settlement Amount.

- (5) If a Delivery Disruption Event occurs on the Physical Settlement Date, then solely for purposes of this paragraph, the Physical Settlement Date with respect to such Physical Settlement Amount will be postponed to the next calendar day on which delivery can take place through a national or international settlement system or in any other commercially reasonable manner.

"Delivery Disruption Event" means an event beyond the control of the Issuer as a result of which any delivery of any Physical Settlement Amount cannot be effected by the Issuer.

- (6) If, at any time when the delivery of any Physical Settlement Amount in respect of a Note is required, such a delivery would, as certified by the Issuer, be unlawful under the laws of any applicable jurisdiction or for any other reason impossible, and the Issuer has used all commercially reasonable efforts to effect delivery of such Physical Settlement Amount (in whole or in part) (the **"Undeliverable Obligation"**), the Issuer will pay on the Partial Cash Settlement Date the Partial Cash Settlement Amount with respect to such Undeliverable Obligation.

"Partial Cash Settlement Date"

[is the date that is three Business Days after the calculation of the Final Price]

[is the Maturity Date]

[means [•]].

"Partial Cash Settlement Amount" means, for each Undeliverable Obligation and a Note, the greater of (A) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation, multiplied by the Final Price, as determined by the Determination Agent and (B) zero.

The **"Final Price"**

is a percentage and shall be calculated as follows:

- (i) The Determination Agent shall choose in its reasonable discretion a Reference Obligation of the Reference Entity with respect to which a Credit Event has occurred. The Determination Agent shall then solicit a quotation on the Valuation Date at [11:00 a.m. (in Frankfurt am Main)][**other time**] from five banks (**"Final Price Banks"**) that would accept to pay such price for the Reference Obligation chosen (**"Final Price Quotations"**). The soliciting of the Final Price Quotations shall be made with respect to an amount which is the equivalent of the outstanding Principal Amount of the Notes on the Valuation Date. The Final Price Quotations shall be expressed as a percentage of the amount due under the Reference Obligation. If two or more Final Price Banks submit a Final Price Quotation to the Determination Agent, the Final Price shall be equivalent to the arithmetic mean of these Final Price Quotations, as calculated by the Determination Agent [(rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)/(rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)].
- (ii) If less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall repeat the process provided for in paragraph (a)(i) above on the following Business Day. If on this Business Day less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall determine the Final Price in its reasonable discretion on the following Business Day.

"Valuation Date" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.]

In the case of an alternative determination of the Final Price pursuant to an ISDA auction insert the following paragraph.

[If ISDA has published auction settlement terms and publicly announced that an auction will be held with respect to an affected Reference Entity for the determination of the "**Final Price**" and the Determination Agent decides in its reasonable discretion to adhere to the outcome of such auction settlement for the Reference Obligation, then the "**Auction Final Price**" for such affected Reference Entity for purposes of this Notes shall be the final price resulting from the auction settlement process, and the results, if any, from carrying out the procedures specified in the other provisions of this § 7 shall be disregarded.]

"**Cash Settlement Valuation Date**" is the date that is **[number]** Business Days after the Latest Permissible Physical Settlement Date.

"**Latest Permissible Physical Settlement Date**" means the date that is thirty calendar days after the Physical Settlement Date.

"**Cash Settlement Valuation Time**" is 11:00 a.m. in the principal trading market for the Undeliverable Obligation.

- (7) The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Reference Obligation chosen, the Physical Settlement Amount as well as, where applicable, any cash amount, the Delivery Date and, if applicable, the Undeliverable Obligation, the Final Price(s), the Partial Cash Settlement Amount, the Partial Cash Settlement Date, the relevant Cash Settlement Valuation Date(s), the Latest Permissible Physical Settlement Date.]

The following § 7 shall be applicable to all Notes providing for cash or physical settlement.

§ 7

(CASH SETTLEMENT)/(PHYSICAL SETTLEMENT OF A DELIVERABLE OBLIGATION)

The following paragraph shall be applicable to all Notes (i) in respect of which the loss amount in case of a Credit Event is not leveraged and (ii) as regards cash settlement "Predefined Settlement Amount" shall be applicable.

- [(1) If the Issuer shall redeem the Notes pursuant to § 6 (1) by payment of the Predefined Settlement Amount, the "**Predefined Settlement Amount**" shall be calculated by the Determination Agent on the Valuation Date with respect to each Note and is equivalent to the outstanding **[Denomination][Amortised Face Amount]** multiplied by **[•]% [less Unwind Costs]**.

The Predefined Settlement Amount cannot be higher than the outstanding **[Denomination][Amortised Face Amount]**.]

The following paragraph shall be applicable to all Notes (i) in respect of which the loss amount in case of a Credit Event is not leveraged and (ii) and as regards cash settlement "Cash Settlement Amount" shall be applicable.

- [(1) If the Issuer shall redeem the Notes pursuant to § 6 (1) by payment of the Cash Settlement Amount, the "**Cash Settlement Amount**" shall be calculated by the Issuer on the Valuation Date with respect to any Note and is equivalent to the outstanding **[Denomination][Amortised Face Amount]** multiplied by the Final Price (as defined below) ⁷²**[less Unwind Costs]**.

The Cash Settlement Amount cannot be higher than the outstanding **[Denomination][Amortised Face Amount]**.]

⁷² If "Unwind Costs" are applicable.

The following paragraph shall be applicable to all Notes (i) in respect of which the loss amount in case of a Credit Event is leveraged and (ii) and as regards cash settlement "Cash Settlement Amount" shall be applicable.

- [(1) If the Issuer shall redeem the Notes pursuant to § 6 (1) by payment of the Cash Settlement Amount, the "**Cash Settlement Amount**" shall be calculated by the Determination Agent on the Valuation Date with respect to each Note and is equivalent to the greater of:

- (a) $A - \{[A \times (1 - B)] \times (LF + 1)\} [- C]$; and
- (b) zero

where:

"A" is the outstanding [Denomination][Amortised Face Amount];

"B" is the Final Price (as defined below);

["C" is the Unwind Costs;] and

"LF" is the Leverage Factor. The Leverage Factor is [•].]

The following paragraph shall be applicable to all Notes in respect of which Cash Settlement Amount shall be applicable.

- [(2) The "**Final Price**" is a percentage and shall be calculated as follows:

- (i) The Determination Agent shall choose in its reasonable discretion a Reference Obligation of the Reference Entity with respect to which a Credit Event has occurred. The Determination Agent shall then solicit quotations on the Valuation Date at [11:00 a.m. (in Frankfurt am Main)][**other time**] from five banks ("**Final Price Banks**") that would accept to pay such price for the Reference Obligation chosen ("**Final Price Quotations**"). The soliciting of the Final Price Quotations shall be made with respect to an amount which is the equivalent of the outstanding Principal Amount of the Notes on the Valuation Date. The Final Price Quotations shall be expressed as a percentage of the amount due under the Reference Obligation. If two or more Final Price Banks submit a Final Price Quotation to the Determination Agent, the Final Price shall be equivalent to the arithmetic mean of these Final Price Quotations, as calculated by the Determination Agent [(rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards)/(rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)].
- (ii) If less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall repeat the process provided for in paragraph (a)(i) above on the following Business Day. If on this Business Day less than two Final Price Banks submit a Final Price Quotation to the Determination Agent, the Determination Agent shall determine the Final Price in its reasonable discretion on the following Business Day.

In the case of an alternative determination of the Final Price pursuant to an ISDA auction insert the following paragraph.

[If ISDA has published auction settlement terms and publicly announced that an auction will be held with respect to an affected Reference Entity for the determination of the "**Final Price**" and the Determination Agent decides in its reasonable discretion to adhere to the outcome of such auction settlement for a Reference Obligation, then the "**Auction Final Price**" for such affected Reference Entity for purposes of this Notes shall be the final price resulting from the auction settlement process, and the results, if any, from carrying out the procedures specified in the other provisions of this paragraph shall be disregarded.]

"**Conforming Reference Obligation**" means a Reference Obligation which is a Deliverable Obligation determined in accordance with § 6 (6) to (8).

"Non-Conforming Reference Obligation" means a Reference Obligation which is not a Conforming Reference Obligation.

"Non-Conforming Substitute Reference Obligation" means an obligation which would be a Deliverable Obligation determined in accordance with § 6 (6) to (8) on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

"Non-Standard Reference Obligation" means with respect to the relevant Reference Entity each of the obligation(s) specified with respect to such Reference Entity in the Reference Entity Annex and any Substitute Reference Obligation.

"Private-side Loan" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

"Reference Obligation" means the obligation(s) listed in the column "Reference Obligation(s)" as set out in the Reference Entity Annex [*Where a "Non-Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex:* and any Substitute Reference Obligation][*Where "Standard Reference Obligation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and a Non-Standard Reference Obligation is specified with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex:*, provided that if (i) "Standard Reference Obligation" is specified as applicable with respect to the relevant Reference Entity in the Reference Entity Annex, (ii) there is no relevant Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified with respect to the relevant Reference Entity in the Reference Entity Annex, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.] If no obligation is listed in the Reference Entity Annex, then the "Reference Obligation" shall be a [non-subordinated, unsecured][subordinated] obligation of the Reference Entity with respect to which a Credit Event has occurred; the term to maturity of such obligation shall not exceed 30 years.

"Standard Reference Obligation" means the obligation of the Reference Entity with the relevant seniority level which is specified from time to time on the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Determination Agent as follows:

- (a) The Determination Agent shall (after consultation with the Issuer) identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Determination Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a)(i) or (iii) of the definition of "Substitution Event" have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (a)(ii) of the definition of "Substitution Event" has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-

Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a)(i) or (a)(iii) of the definition of "Substitution Event" occur with respect to such Non-Standard Reference Obligation.

- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
- (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) is Not Subordinated as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8);
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8); or
 - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with § 6 (6) to (8); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with § 6 (6) to (8).

- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer, as determined by the Determination Agent (after consultation with the Issuer). The Determination Agent will notify the Issuer and Noteholder of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Determination Agent determines (after consultation with the Issuer) that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Determination Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Determination Agent notifies the parties of the Substitute Reference Obligation that it has identified in accordance with the definition of "Substitute Reference Obligation".

"Substitution Event" means, with respect to the Non-Standard Reference Obligation:

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the currency or currencies in which the Relevant Obligation is denominated, as determined by the Determination Agent); or
- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraphs (i) or (ii) above has occurred on or prior to the Issue Date, then a Substitution Event shall have occurred pursuant to paragraphs (i) or (ii) above, as the case may be, on the Issue Date.

"Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.]

[(2)][(3)] If the Issuer shall redeem the Notes pursuant to § 6 (1) by physical delivery the Issuer will on the Physical Settlement Date transfer or procure the transfer to the relevant Noteholders of the Physical Settlement Amount and any cash amount in respect of all Notes being redeemed free and clear of any and all liens, charges, claims or encumbrances (including without limitation, any counterclaim, defence or right of set off by or of the Reference Entity or, as applicable, Underlying Obligor)

"Physical Settlement Date" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable conditions to settlement according to § 6 (1) Sentence 1.

"Physical Settlement Period" means in respect of a Reference Entity and with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Determination Agent but not more than of 30 Business Days.

The Determination Agent will notify the Issuer and the Principal Paying Agent or the Paying Agents, as the case may be, of the Physical Settlement Amount determined in accordance

with this § 7 which the Issuer will be required to transfer to each Noteholder pursuant to § 6 (1), as well as, where applicable, any cash amount.

[(3)][(4)] The Deliverable Obligations will be delivered (i) to the relevant Clearing-System for credit to the securities accounts of the relevant depositary bank and for transfer to the Noteholders no later than the Physical Settlement Date against debit of the relevant securities accounts in relation to the Notes or (ii) in such commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery. In the case of (i), the delivery of the Deliverable Obligations in definitive form shall be excluded and the Issuer shall be discharged from its obligations vis-à-vis the Noteholders by delivery of the Deliverable Obligations to the relevant Clearing-System.

[(4)][(5)] No fraction of Deliverable Obligations which are not divisible will be delivered, and any such fraction will be rounded down to the nearest whole number or unit of the Deliverable Obligations comprised in the Physical Settlement Amount. In the case of a remaining fraction of the Deliverable Obligations comprised in the Physical Settlement Amount, the Issuer shall pay to the relevant Noteholder a cash amount equal to the value or Currency Amount, as the case may be, as determined by the Determination Agent of such fraction of the Deliverable Obligation comprised in the Physical Settlement Amount.

[(5)][(6)] Each Holder will be responsible for the payment of the Delivery Expenses ⁷³[and Unwind Costs]. Neither the Issuer nor the Paying Agent will impose any charge in connection with the delivery of any Physical Settlement Amount.

"Delivery Expenses" means any and all stamp, transfer, registration or other taxes or duties (if any) arising on the Delivery of the Physical Settlement Amount and all other out-of-pocket expenses of the Issuer and the Paying Agent in connection with the delivery of any Physical Settlement Amount.

[(6)][(7)] If a Delivery Disruption Event occurs on the Physical Settlement Date, then solely for purposes of this paragraph, the Physical Settlement Date with respect to such Physical Settlement Amount will be postponed to the next calendar day on which delivery can take place through a national or international settlement system or in any other commercially reasonable manner.

"Delivery Disruption Event" means an event beyond the control of the Issuer as a result of which any delivery of any Physical Settlement Amount cannot be effected by the Issuer.

[(7)][(8)] If, at any time when the delivery of any Physical Settlement Amount in respect of a Note is required, such a delivery would, as certified by the Issuer, be unlawful under the laws of any applicable jurisdiction or for any other reason impossible, and the Issuer has used all commercially reasonable efforts to effect delivery of such Physical Settlement Amount (in whole or in part) (the **"Undeliverable Obligation"**), the Issuer will pay on the Partial Cash Settlement Date the Partial Cash Settlement Amount with respect to such Undeliverable Obligation.

"Partial Cash Settlement Date"

[is the date that is three Business Days after the calculation of the Final Price]

[is the Maturity Date]

[means [•]].

"Partial Cash Settlement Amount" means, for each Undeliverable Obligation and a Note, the greater of (A) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation, multiplied by the Final Price, as determined by the Determination Agent and (B) zero.

"Cash Settlement Valuation Date" is the date that is [number] Business Days after the Latest Permissible Physical Settlement Date.

⁷³ If "Unwind Costs" are applicable.

"Latest Permissible Physical Settlement Date" means the date that is thirty calendar days after the Physical Settlement Date.

"Cash Settlement Valuation Time" is 11:00 a.m. in the principal trading market for the Undeliverable Obligation.

"Cash Settlement Date" is the 20th Business Day after the relevant Valuation Date; the Cash Settlement Date may be after the Maturity Date.

⁷⁴**"Unwind Costs"** means an amount determined by the Issuer equal to the sum of all costs, fees (including any legal fees), charges, expenses (including loss of funding), tax and duties incurred by the Issuer, and/or any of its affiliates in connection with the redemption of the Notes or the Credit Event and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned to the Notes on a pro rata basis.]

"Valuation Date" means a date that falls at least five Business Days but not more than 122 Business Days after the relevant Event Determination Date, as determined by the Determination Agent in its reasonable discretion.

[(8)][(9)] The Determination Agent shall, to the extent applicable, without undue delay, notify in accordance with § 14 the Reference Obligation chosen, the [Predefined Settlement Amount][Cash Settlement Amount], the Final Price(s), the relevant Valuation Date(s), the [Cash Settlement Date][Maturity Date unless the Valuation Date occurs after the Maturity Date, in which case the relevant date shall be the Cash Settlement Date] as well as the amount payable under any Note or the Reference Obligation chosen, the Physical Settlement Amount as well as, where applicable, any cash amount, the Delivery Date and, if applicable, the Undeliverable Obligation, the Final Price(s), the Partial Cash Settlement Amount, the Partial Cash Settlement Date, the relevant Cash Settlement Valuation Date(s), the Latest Permissible Physical Settlement Date.]

§ 8 (PAYMENTS)

The following paragraph shall be applicable to Notes with respect to which TEFRA D does not apply.

- (1) The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions in the Issue Currency.

The following paragraph shall be applicable to Notes with respect to which TEFRA D applies.

- (1) The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions in the Issue Currency.

Payments on Notes represented by a Temporary Global Note shall only be effected upon due certification in accordance with § 1 (1).
- (2) Payments of all amounts payable pursuant to the Terms and Conditions will be made against presentation, and in the case of the last payment, against surrender of the Global Note to the Principal Paying Agent for transfer to the Clearing-System or pursuant to the Clearing-System's instruction for credit to the relevant accountholders of the Clearing-System. Payment to the Clearing-System or pursuant to the Clearing-System's instruction shall release the Issuer from its payment obligations under the Notes in the amount of such payment.
- (3) If any payment of principal or interest with respect to a Note is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholders shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

⁷⁴ If "Unwind Costs" are applicable.

"Payment Business Day" means each day (other than a Saturday or Sunday), on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] [commercial banks and foreign exchange markets in **[main financial centre of the Issue Currency]**] [and the Clearing-System] settle payments in **[Issue Currency]**.

The following paragraph shall be applicable to all interest bearing Notes (except for Zero-Coupon-Notes).

- (4) Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
- (a) any Additional Amounts which may be payable with respect to principal pursuant to § 9; and
 - (b) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 9 (3) and § 12[.]; [and]

The following paragraph shall be applicable to Notes with a Call and/or Put Option.

- [(c) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 5[.]; [and]

The following paragraph shall apply in the case Notes in respect of which a Credit Event or the nth Credit Event leads to the payment of a Cash Settlement Amount or in respect of which each relevant Credit Event leads to an adjustment of the Redemption Amount.

- [(d) the [Cash Settlement Amount][Adjusted Principal Amount] calculated in accordance with § 7.]

The following paragraph (4) shall be applicable to Zero-Coupon-Notes.

- (4) Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
- (a) any Additional Amounts which may be payable with respect to principal pursuant to § 9; and
 - (b) the Amortised Face Amount calculated in accordance with § 5 (3)[.]; [and]

The following paragraph shall apply in the case Notes in respect of which a Credit Event or the nth Credit Event leads to the payment of a Cash Settlement Amount or in respect of which each relevant Credit Event leads to an adjustment of the Redemption Amount.

- [(c) the [Cash Settlement Amount][Adjusted Principal Amount] calculated in accordance with § 7.]
- (5) All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, or directives, but without prejudice to the provisions of § 9. No commission or expense shall be charged to the Noteholders in respect of such payments.
- (6) The Issuer may deposit with the Local Court (*Amtsgericht*), Frankfurt am Main, interest or principal not claimed by Noteholders within 12 months after its respective due date, even though the respective Noteholders may not be in default of acceptance. If and to the extent that the deposit is made under waiver of the right of withdrawal, the respective claims of the respective Noteholders against the Issuer shall cease.

§ 9
(TAXES)

The following paragraphs (1)-(3) shall be applicable to Notes in respect of which Additional Amounts shall be paid after deduction or withholding of tax.

- (1) All amounts payable to the Noteholders under the Notes will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges.

In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts that would have been payable if no such deduction or withholding had been made.

- (2) No Additional Amounts shall be payable pursuant to paragraph (1) with respect to taxes, duties or governmental charges
- (a) for which a Noteholder is liable because of a connection with the Federal Republic of Germany or another member state of the European Union other than the mere fact of his being the holder of the Notes;
 - (b) to which the Noteholder would not be subject if he had presented his Notes for payment within 30 calendar days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 10 when due, within 30 calendar days from the date on which such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § 14;
 - (c) which would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a credit institution;
 - (d) which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent without such deduction or withholding; or
 - (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is party, or (iii) any provision of law implementing or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding.
- (3) If at any future time as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal or interest will be required, to pay Additional Amounts as provided in § 9 (1) the Issuer will be entitled, upon not less than 30 calendar days' and not more than 60 calendar days' notice to be given by publication in accordance with § 14, prior to the Maturity Date to redeem all Notes at the Early Redemption Amount.

No redemption pursuant to this paragraph shall be made more than 30 calendar days prior to the date on which such change of the laws or their official application becomes applicable to the Notes for the first time.

The following paragraphs (1)-(2) shall be applicable to Notes in respect of which Additional Amounts shall not be paid after deduction or withholding of tax.

- (1) All amounts payable to the Noteholders under the Notes will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges.

- (2) The Issuer will not be obliged to pay any additional amounts (the "**Additional Amounts**") to the Bondholder in respect of such withholding or deduction.

§ 10
(PRESENTATION PERIODS, PRESCRIPTION)

The Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the date on which the payment in question first becomes due.

§ 11
(PAYING AGENTS; DETERMINATION AGENT)

- (1) COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main shall be appointed as the principal paying agent (the "**Principal Paying Agent**"). [COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main][name and address] shall be the determination agent (the "**Determination Agent**").
- (2) When applying these Terms and Conditions as well as when using its discretion, the Determination Agent may consider any relevant statements, protocols and interpretation instructions agreed between ISDA and market participants and resolutions of a determination committee established by ISDA and comprised of dealers in and buyers of credit-linked financial instruments and the Determination Agent is entitled to apply or not to apply in its reasonable discretion any such statements, protocols, interpretation instructions or committee resolutions under the Notes.
- (3) The Issuer shall procure that there will at all times be a Principal Paying Agent. The Issuer is entitled to appoint other banks of international standing as Principal Paying Agent or paying agents (together the "**Paying Agents**" and each a "**Paying Agent**"). Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent as well as of individual Paying Agents. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent or Paying Agent, the Issuer shall appoint another bank of international standing as Principal Paying Agent or Paying Agent. Such appointment or termination shall be published in accordance with § 14.
- (4) The Issuer shall procure that as long as interest rates have to be determined or other determinations have to be made in accordance with these Terms and Conditions there shall at all times be a Determination Agent. The Issuer reserves the right at any time to terminate the appointment of the Determination Agent. In the event of such termination or of the appointed office of any such bank being unable or unwilling to continue to act as Determination Agent (as the case may be) the Issuer shall appoint an appropriate office of another leading bank to act Determination Agent. The appointment of another Determination Agent shall be published without delay by the Issuer in accordance with § 14.
- (5) The Principal Paying Agent or the Paying Agents, as the case may be, and the Determination Agent shall be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, they fail to act with the diligence of a conscientious businessman. All determinations and calculations made by the Principal Paying Agent or the Paying Agents, as the case may be, and the Determination Agent shall be made in conjunction with the Issuer and shall, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Noteholders.
- (6) The Principal Paying Agent or the Paying Agents, as the case may be, and the Determination Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the Principal Paying Agent or the Paying Agents, as the case may be, and the Determination Agent on the one hand and the Noteholders on the other hand. The Principal Paying Agent or the Paying Agents, as the case may be, and the Determination Agent are hereby granted exemption from the restrictions of § 181 of the German Civil Code (restrictions on contracting with oneself) and any similar restrictions of the applicable laws of any other country.

**§ 12
(TERMINATION)**

- (1) Each holder of Notes is entitled to declare his Notes due and to require the redemption of his Notes at the Early Redemption Amount pursuant to § 5 (3) as provided hereinafter, if:
- (a) the Issuer is in default for more than 30 calendar days in the payment of principal or interest under these Terms and Conditions;
 - (b) the Issuer violates any other obligation under these Terms and Conditions, and such violation continues for 60 calendar days after receipt of written notice thereof from the respective Noteholder;
 - (c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law);
 - (d) the Issuer ceases its payments and this continues for calendar 60 days, or admits to be unable to pay its debts;
 - (e) any insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 calendar days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors; or
 - (f) in the case of a substitution of the Issuer within the meaning of § 13 (4)(b) any of the events set forth in sub-paragraphs (c)-(e) above occurs in respect of the Guarantor.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

To the extent the Issuer is, due to a Credit Event Notice discharged from its obligation to pay interest in accordance with § 3 (8) (if applicable) or redeem the Notes at par in accordance with §§ 6 and 7, the non-payment of such interest or capital amounts is not deemed to be a reason to terminate pursuant to this provision.

- (2) The right to declare Notes due pursuant to paragraph (1) shall be exercised by a holder of Notes by delivering or sending by registered mail to the Principal Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent.

**§ 13
(SUBSTITUTION OF ISSUER, BRANCH DESIGNATION)**

- (1) Any other company may assume at any time during the life of the Notes, subject to § 13 (4), without the Noteholders' consent upon notice by the Issuer given through publication in accordance with § 14, all the obligations of the Issuer under these Terms and Conditions.
- (2) Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 13, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.

The substitution shall be made by a deed poll (the "**Deed**") and shall become effective upon the effective date of the Deed.

- (3) In the event of such substitution, any reference in these Terms and Conditions (except for this § 13) to the "**Issuer**" shall from then on be deemed to refer to the New Issuer and any reference to the country of the corporate seat of the Issuer which is to be substituted (except for the references in § 13 to the Federal Republic of Germany) shall be deemed to refer to the

country of the corporate seat of the New Issuer and the country under the laws of which it is organised.

- (4) No such assumption shall be permitted unless
- (a) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
 - (b) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all payment obligations assumed by it under guarantee terms usually given by the Guarantor with respect to note issues by any of its finance companies and the text of this guarantee has been published in accordance with § 14; and
 - (c) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.
- (5) Upon any substitution of the Issuer for a New Issuer, this § 13 shall apply again.
- (6) The Issuer may at any time, designate by publication in accordance with § 14 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer's other obligations under the Notes then outstanding.

Paragraphs (4)(c) and (5) of this § 13 shall apply *mutatis mutandis* to such designation.

§ 14 (NOTICES)

The following paragraphs (1) to (3) shall only be applicable to Notes which are listed on a regulated market within the European Union.

- (1) Notices relating to the Notes shall be published in the federal gazette (*Bundesanzeiger*) [and on the website of the Luxembourg Stock Exchange] and, to the extent required, in a mandatory newspaper designated by a stock exchange (*Börsenpflichtblatt*) (this newspaper is expected to be the [**newspaper**]). A notice shall be effected on the day of its publication (or in the case of more than one publication on the day of the first publication).
- (2) The Issuer shall also be entitled to make notices to the Clearing-System for communication by the Clearing-System to the Noteholders or directly to the Noteholders provided this complies with the rules of the stock exchange on which the Notes are listed. Notices to the Clearing-System shall be considered effected seven calendar days after the notification to the Clearing-System, direct notices to the Noteholders shall be considered effected upon their receipt.
- (3) The text of any publication to be made in accordance with this § 14 shall also be available at the Paying Agents appointed at the place of the relevant stock exchange.

The following paragraph shall only be applicable to Notes which are not listed on a stock exchange.

If and so long as any Notes are not listed on any stock exchange or provided that no rules of any stock exchange or any applicable statutory provision require the contrary, notices relating to the Notes shall be made to the Clearing-System for communication by the Clearing-System to the Noteholders or directly to the Noteholders. Notices via the Clearing-System shall be considered effected seven calendar days after the notice to the Clearing-System, direct notices to the Noteholders shall be deemed to be considered effected upon their receipt.

§ 15
(FURTHER ISSUES OF NOTES, REPURCHASE OF NOTES)

The Issuer reserves the right to issue from time to time without the consent of the Noteholders additional Notes with substantially identical terms, so that the same shall be consolidated to form a single series of Notes and increase the aggregate initial principal amount of the Notes. The term "**Notes**" shall, in the event of such consolidation, also comprise such additionally issued notes.

The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued, resold or surrendered to the Principal Paying Agent for cancellation.

§ 16
(MEETINGS OF NOTEHOLDERS)

Meetings of Noteholders will be held in accordance with the master meetings provisions, which are available for inspection at the offices of Issuer.

§ 17
(CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999; DEED OF COVENANT)

No person shall have a right to enforce any term of condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

§ 18
(FINAL CLAUSES)

The following paragraph (1) shall be applicable to Notes which are represented by a global note.

- (1) The Notes, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

The following paragraph (1) shall only be applicable to Notes which are issued in dematerialised form under French law.

- (1) The form and content of the Notes and the rights and duties of the Noteholders, the Issuer, the Determination Agent and the Paying Agents shall in all respects be governed by English law except for § 1 (1)-(4) of these Terms and Conditions which shall be governed by the laws of the Republic of France.
- (2) Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. Void provisions shall be replaced in accordance with the meaning and purpose of these Terms and Conditions.
- (3) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and accordingly, any legal action or proceedings arising out of or in connection with any Notes, ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Noteholders, and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

INFLATION INDEX ANNEX

GBP-NON-REVISED RETAIL PRICE INDEX

The Reference Interest Rate in respect of Notes in respect of which the Interest Rate is determined by reference to an inflation index for each relevant Interest Period shall be calculated on each relevant Interest Determination Date in accordance with the following formula:

$$\text{Max} \left[\left(\frac{RPI_y}{RPI_{y-1}} - 1 \right), 0.00\% \right]$$

Where:

"**RPI_y**" means the "GBP-Non-revised Retail Price Index", or relevant Successor Index, measuring the average change in the price of goods and services bought for the purpose of consumption in the United Kingdom, expressed as an index and published by the relevant Index Sponsor on Bloomberg – UKRPI or any successor page of the aforementioned agency or a screen page of another agency (the "**Screen Page**") with the index level as fixed

[Option 1: [two months][other period] prior to the end of [the calculation period][the relevant Interest Period.]

[Option 2: For [period] (the "Reference Period I").]

The first publication or announcement of an index level with respect to [a reference period][a particular period of time ("**Reference Period I**") shall be final and conclusive and later revisions to the index level for such [reference period][Reference Period I] will not be used in any calculations (i.e. Non-Revised).

"**RPI_{y-1}**" means the "GBP-Non-revised Retail Price Index", or relevant Successor Index, measuring the average change in the price of goods and services bought for the purpose of consumption in the UK, expressed as an index and published by the relevant Index Sponsor on Bloomberg –UKRPI or any successor page of the aforementioned agency or a screen page of another agency (the "**Screen Page**") with the index level as fixed

[Option 1: [eleven months][other period] prior to the end of [the calculation period][the relevant Interest Period.]

[Option 2: for [period] (the "Reference Period II").]

The first publication or announcement of an index level with respect to [a reference period][a particular period of time ("**Reference Period II**") shall be final and conclusive and later revisions to the index level for such [reference period] [Reference Period II] will not be used in any calculations (i.e. Non-Revised).

"Index Sponsor": UK Office of National Statistics (O.N.S.)

"Index": GBP-Non-revised Retail Price Index ("UKRPI")

If no Index is published on the Screen Page and no official successor consumer price index is announced the Determination Agent shall calculate the level of the Index using, instead of a published level of the Index, the level of the Index as determined by the Determination Agent substantially in accordance with the formula for and method of calculating the Index last in effect prior to the suspension of the calculation and publication of the Index and the Determination Agent shall provide such calculation at the latest on the relevant Interest Determination Date.

UNREVISED HARMONISED INDEX OF CONSUMER PRICES (EXCLUDING TOBACCO) ("HICP")

The Reference Interest Rate in respect of the Notes in respect of which the Interest Rate is determined by reference to an inflation index for each Interest Period shall be expressed as a rate per annum and shall be calculated on each relevant Interest Determination Date in accordance with the following formula:

[number] % x IAN(t)

$$\text{IAN}(t) = \left[\frac{\text{Index}_{RP(t)} - \text{Index}_{RP(t-1)}}{\text{Index}_{RP(t-1)}} \right]$$

Where:

Index RP(t) =

the level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) =

the level of the Index that is published by reference to the Reference Period (t-1).

RP(t) =

the Reference Period (t), i.e. **[period]**.

RP(t-1) =

the Reference Period (t-1), i.e. **[period]**.

"**Index**" is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) ("**HICP**") for the euro-zone (as defined below), which is calculated on a monthly basis by the statistical office of the European Union (the "**EUROSTAT**" or the "**Index Sponsor**") and published on the Bloomberg Page CPTFEMU. If the Bloomberg Page CPTFEMU ceases to exist and no official successor page is announced, the Determination Agent will determine other reference with respect to the Index. In case of any amendment of the published index level 24 hours after the first publication, the published index level at the first place shall, in any case, be applicable to the calculation.

If the Index is not calculated and published by the Index Sponsor but by other person, corporation or institution, which the Determination Agent considers suitable (the "**Successor Sponsor**"), the applicable Reference Interest Rate shall be calculated on the basis of the Index calculated and published by the Successor Sponsor. Any reference to Index Sponsor contained herein, shall, in this context, be deemed to refer to the Successor Sponsor.

If at any time the Index is cancelled and/or replaced by any other index, the Determination Agent shall, at its reasonable discretion, determine the Index which the following calculation of the applicable Reference Interest Rate will be based on (the "**Successor Index**"). The Successor Index and the time of its first application will be announced as soon as possible but not later than on the Interest Determination Date. Any reference to the Index contained herein, shall, in this context, be deemed to refer to the Successor Index.

If according to the Determination Agent (i) the determination of the Successor Index is, for whatever reason, not possible, or (ii) the Index Sponsor significantly changes the method of calculating the Index after the repayment date or the Index Sponsor significantly changes the Index in any other way, the Determination Agent shall make further calculations and publications of the Index in accordance with the previous index concept and the last determined index value.

"**Euro-Zone**" means the area of the member states of the European Union which have adopted or will adopt a single currency pursuant to the Treaty establishing the European Communities (signed on 25 March 1957 in Rome), as amended by the Treaty on the European Union (signed in Maastricht on 7 February 1992) and pursuant to the Amsterdam Treaty of 2 October 1997, as amended from time to time.

FORM OF FINAL TERMS

The Final Terms will be displayed on a website of **COMMERZBANK Aktiengesellschaft** (www.commerzbank.com) in case of a Series of Notes publicly offered in member states of the European Economic Area and/or listed and admitted to trading on a regulated market of a member state of the European Economic Area and will also be displayed on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) in case of a Series of Notes publicly offered in the Grand-Duchy of Luxembourg and/or listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market "Bourse de Luxembourg".

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]⁷⁵

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); **EITHER**⁷⁶ [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] **OR**⁷⁷ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or

⁷⁵ Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only."

⁷⁶ Include for notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "**ESMA Guidelines**").

⁷⁷ Include for notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]⁷⁸.]⁷⁹

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁸⁰

[BENCHMARK REGULATION – Amounts payable under the Notes are calculated by reference to *[specify benchmark(s)]* which *[is][are]* provided by *[insert administrator legal name(s)]*. As at the date of these Final Terms, *[[insert administrator legal name(s)] appear[s]]* *[[insert administrator legal name(s)] do[es] not appear]* on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 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 [(Benchmark Regulation)] [(the "Benchmark Regulation")]. *[insert in case the relevant administrator is not on the ESMA register: As far as the Issuer is aware, [[insert benchmark(s)] [does][do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that regulation][and][the transitional provisions in Article 51 of the Benchmark Regulation apply]*, such that *[insert administrator legal name(s)] [is][are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).*]

⁷⁸ If there are advised sales, a determination of suitability will be necessary.

⁷⁹ Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market".

⁸⁰ Include legend unless the Final Terms specify "Prohibition of Sales to Retail Investors in the European Economic Area" as "Not Applicable".

FINAL TERMS

relating to

COMMERZBANK AKTIENGESELLSCHAFT

Legal Entity Identifier (LEI): [●]

[Issue Currency] [Aggregate Principal Amount] [●] per cent. [Floating Rate] [Fixed-to-Floating Rate] [CMS Reference Interest Rate] [Inflation Index] [Zero Coupon] [Step up] [Step down] Notes of 20[●]/20[●] linked to [a] Reference Entit[y][ies]

issued under the

EUR 5,000,000,000

Credit Linked Note Programme

of

COMMERZBANK AKTIENGESELLSCHAFT

Date of the Final Terms: [●]

Series No.: [●]

This document constitutes the "**Final Terms**" relating to the issue of Notes under the Euro 5,000,000,000 Credit Linked Note Programme of COMMERZBANK Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with the base prospectus dated 1 June 2018 [and the supplement[s] thereto dated [●] and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). These Final Terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC, as amended by Directive 2010/73/EU, and must be read in conjunction with the Base Prospectus [and its supplement[s]]. The Base Prospectus [is] [and the supplements are] available for viewing in electronic form at the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) and at the website of COMMERZBANK Aktiengesellschaft (www.commerzbank.com) and copies may be obtained from COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main. In order to get the full information the Base Prospectus [the supplements] and these Final Terms must be read in conjunction. The Issuer assumes responsibility for the contents of these Final Terms. Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Programme Terms and Conditions (as defined below). All references in these Final Terms to numbered sections are to sections of the Programme Terms and Conditions.

The Programme Terms and Conditions of the Notes dated 1 June 2018 (the "**Programme Terms and Conditions**") shall be completed and specified by the information contained in Part I of these Final Terms. The completed and specified Final Terms represent the conditions applicable to the relevant Series of Notes (the "**Notes Terms**"). If and to the extent the

Programme Terms and Conditions deviate from the Notes Terms, the Notes Terms shall prevail. If and to the extent the Notes Terms deviate from other terms contained in this Base Prospectus, the Notes Terms shall prevail.

A summary of the individual issue is annexed to the Final Terms.

(The following information in Part I of these Final Terms complete and specify the Programme Terms and Conditions. This information is to be read together with the Programme Terms and Conditions as follows:

The Programme Terms and Conditions in certain places contain placeholders for a variety of possible options for a provision. These are marked with square brackets and corresponding comments. The following table set out in Part I of these Final Terms provides – with effect for the Series of Notes specified on the cover page of these Final Terms – the missing information and specifies which of the possibilities provided by the Programme Terms and Conditions shall apply with respect to specific conditions.

For this purpose, the table indicates the respective paragraph of the Programme Terms and Conditions as well as the relevant sub-paragraphs thereunder and specifies and completes the relevant section with the pertaining details. This is achieved by either of the following ways: either (i) the specific information is listed, which specify or complete the pertaining provisions of the Programme Terms and Conditions, or (ii) the relevant provisions of the Programme Terms and Conditions are directly inserted in the table in the relevant place, thereby completing the relevant open information and specifying the relevant options of the Programme Terms and Conditions with effect for the Series of Notes specified on the cover page of these Final Terms, accordingly. The Final Terms may contain duplicate definitions.

The Programme Terms and Conditions are then to be read as if they contained the appropriately completed and specified provisions.)

PART I

Information that complete and specify the Programme Terms and Conditions:

The Notes are:

[Credit Linked Notes linked to a "single Reference Entity".]

[Credit Linked Notes linked to "more than one Reference Entity".]

[Credit Linked Notes linked to "more than one Reference Entity", "Nth to Default".]

**§ 1
(Form)**

OPTIONS: FORM

Option:

Notes represented by a
global note

[Form: Complete and insert § 1 for Notes which are represented
by a global note.]⁸¹

Option:

Increase

[Not Applicable] [Applicable: Complete and insert the
corresponding paragraph]

Option:

TEFRA C/TEFRA D/no
TEFRA

[TEFRA C: Complete and insert the options of § 1 (2) and (3) with
respect to Notes to which TEFRA C applies.]

[TEFRA D: Complete and insert the options of § 1 (2) and (3) with
respect to Notes to which TEFRA D applies.]

[no TEFRA: Complete and insert the options of § 1 (2) and (3) with
respect to Notes to which no TEFRA rules apply.]

Option:

Notes issued in
dematerialised form

[Form: Complete and insert § 1 (1) to (4) for Notes which are
issued in dematerialised form under French law.]

**§ 3
(Interest)**

OPTIONS: INTEREST BEARING NOTES

Option:

fixed rate Notes

[Not Applicable] [Applicable: Complete and insert § 3 (1) regarding fixed
rate Notes]

Business Day [Following Business Day Convention] / [Modified
Convention Following Business Day Convention] /
[Preceding Business Day Convention]

⁸¹

[Internal Note: Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum denomination redemption value of GBP 100,000 (or its equivalent in other currencies).]

Option:

step-up and step-down Notes [Not Applicable] [Applicable: Complete and insert § 3 (1) regarding step-up and step-down Notes]

Business Day Convention [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

Option:

floating rate Notes [Not Applicable] [Applicable: Complete and insert § 3 (1) to (5) regarding floating rate Notes]

Business Day Convention [Floating rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

[§ 3 (6) – minimum interest rate [Not Applicable] [Applicable: Complete and insert § 3 (6) regarding floating rate Notes]]

[§ 3 [(6)][(7)] – maximum interest rate [Not Applicable] [Applicable: Complete and insert § 3 [(6)][(7)] regarding floating rate Notes]]

Option:

fixed-to-floating rate Notes [Not Applicable] [Applicable: Complete and insert § 3 (1) to (6) regarding fixed-to-floating rate Notes]

Business Day Convention Fixed Interest Term [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

Business Day Convention Floating Interest Term [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

[§ 3 [(6)][(7)] - minimum interest rate [Not Applicable] [Applicable: Complete and insert § 3 [(6)][(7)] regarding fixed-to-floating rate Notes]]

[§ 3 [(7)][(8)] – maximum interest rate [Not Applicable] [Applicable: Complete and insert § 3 [(7)][(8)] regarding fixed-to-floating rate Notes]]

Option:

Notes with CMS as Reference Interest Rate [Not Applicable] [Applicable: Complete and insert § 3 (1) to (5) regarding Notes with CMS as Reference Interest Rate]

Business Day Convention [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

[§ 3 [(5)][(6)] - minimum interest rate	[Not Applicable] [Applicable: Complete and insert § 3 [(5)][(6)] regarding Notes with CMS as Reference Interest Rate]]
[§ 3 [(6)][(7)] – maximum interest rate	[Not Applicable] [Applicable: Complete and insert § 3 [(6)][(7)] regarding Notes with CMS as Reference Interest Rate]]

Option:

Notes in respect of which the interest rate is determined by reference to an inflation index	[Not Applicable] [Applicable: Complete and insert § 3 (1) to (4) regarding Notes in respect of which the interest rate is determined by reference to an inflation index]
Business Day Convention	[Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

[§ 3 (5) - minimum interest rate	[Not Applicable] [Applicable: Complete and insert § 3 (5) regarding Notes in respect of which the interest rate is determined by reference to an inflation index]]
[§ 3 [(5)][(6)] – maximum interest rate	[Not Applicable] [Applicable: Complete and insert § 3 [(5)][(6)] regarding Notes in respect of which the interest rate is determined by reference to an inflation index]]

Effect of Credit Events on Interest Payments

§ 3 [(2)][(5)][(6)][(7)][(8)][(9)]	[Complete and insert § 3 [(2)][(5)][(6)][(7)][(8)][(9)] regarding Notes with fixed interest, step-up and step-down Notes and Floating Rate Notes, Notes which bear interest on the Cash Settlement Amount, fixed-to-floating rate Notes, Notes with CMS as Reference Interest Rate and Notes in respect of which the interest rate is determined by reference to an inflation index]]
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§ 3 [(3)][(6)][(7)][(8)][(9)][(10)]	Day Count Fraction [Actual/Actual] / [Actual/Actual (ISDA)] / [Actual/Actual (ICMA)] / [Actual/365 (Fixed)] / ["30/360" or "360/360" or "Bond Basis"] / ["30E/360" or "Eurobond Basis"] / ["Actual/360"]
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Option:

Notes, where the Cash Settlement Amount determined in § 6 is paid at maturity and shall be subject to interest payment	[Not applicable] [Applicable: Complete and insert § 3 [[4 and 5][7 and 8][8 and 9)][9 and 10)][10 and 11)][11 and 12]] regarding Notes, where payment of interest continues at the original rate of the Notes]
§ 3 [[4 and 5][7 and 8][8 and 9)][9 and 10)][10 and 11)][11 and 12]]	

Option:

Notes, where the Cash Settlement Amount determined in § 6 is paid at maturity and shall be subject to interest payment	§ 3 [[4 to 8]][(7 to 11)][8 to 12]][(9 to 13)][(10 to 14)][(11 to 15)]	[Not applicable] [Applicable: Complete and insert § 3 [[4 to 8]][(7 to 11)][8 to 12]][(9 to 13)][(10 to 14)][(11 to 15)] regarding Notes with newly applicable floating rates]
	Business Day Convention	[Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	Day Count Fraction	[Actual/Actual] / [Actual/365 (Fixed)] / ["30/360" or "360/360" or "Bond Basis"] / ["30E/360" or "Eurobond Basis"] / ["Actual/360"]

OPTION: ZERO-COUPON-NOTES

Option:

Zero-Coupon-Notes	[Not Applicable] [Applicable: Complete and insert § 3 (1) and (2) regarding Zero-Coupon-Notes]
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§ 3 (3)

Day Count Fraction	[Actual/Actual] / [Actual/365 (Fixed)] / ["30/360" or "360/360" or "Bond Basis"] / ["30E/360" or "Eurobond Basis"] / ["Actual/360"]
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**§ 4
(Repayment)**

OPTIONS: REPAYMENT

Option:

Notes with respect to which the Redemption Amount may not be adjusted in accordance with § 7 (no Adjusted Principal Amount)	[Not Applicable] [Applicable: Complete and insert the first sub-paragraph of § 4.]
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Option:

Notes with respect to which the Adjusted Principal Amount in accordance with § 7 may apply (Adjusted Principal Amount)	[Not Applicable] [Applicable: Complete and insert the options of § 4 (1) to (3).]
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§ 5
(Early Redemption, Repurchase of Notes)

- § 5 (1) – Call Option** [Not Applicable: Insert § 5 (1) regarding Notes with respect to which the Issuer does not have a Call Option.]
[Applicable: Insert § 5 (1) regarding Notes with respect to which the Issuer has a Call Option.]
- § 5 (2) – Put Option** [Not Applicable: Insert § 5 (2) regarding Notes with respect to which the Noteholders do not have a Put Option.]
[Applicable: Insert § 5 (2) regarding Notes with respect to which the Noteholders have a Put Option.]

OPTIONS: EARLY REDEMPTION AMOUNT

- § 5 (3)** [Option interest bearing Notes: Complete and insert § 5 (3) regarding interest bearing Notes.]
[Option Zero-Coupon-Notes: Complete and insert § 5 (3) regarding Zero-Coupon-Notes.]

OPTION: PORTFOLIO OF REFERENCE ENTITIES, EACH CREDIT EVENT LEADS TO AN
ADJUSTMENT OF THE REDEMPTION AMOUNT, AND THUS THE EARLY REDEMPTION AMOUNT

- § 5 (4)** [Not Applicable] [Applicable: Complete and insert § 5 (4).]

APPLICABLE TO ALL NOTES

- § 5 [(4)][(5)]** [Complete and insert options of § 5 [(4)][(5)]]

§ 6
(Credit Event, Notice)

§ 6 (1)

- Option I:** [If applicable, complete and insert § 6 (1) regarding Notes providing for cash settlement on the Cash Settlement Date or the Maturity Date and only one Reference Entity.]
- Option II:** [If applicable, complete and insert § 6 (1) regarding Notes providing for cash settlement on the Cash Settlement Date or the Maturity Date and a basket of Reference Entities.]
- Option III:** [If applicable, complete and insert § 6 (1) regarding Notes providing for physical settlement on the Physical Settlement Date and only one Reference Entity.]
- Option IV:** [If applicable, complete and insert § 6 (1) regarding Notes providing for physical settlement on the Physical Settlement Date and a basket of Reference Entities.]

Option V: [If applicable, complete and insert § 6 (1) regarding Notes providing for cash settlement on the Cash Settlement Date or physical settlement on the Physical Settlement Date and only one Reference Entity.]

Option VI: [If applicable, complete and insert § 6 (1) regarding Notes providing for cash settlement on the Cash Settlement Date or physical settlement on the Physical Settlement Date and a basket of Reference Entities.]

§ 6 (2)

OPTIONS: REFERENCE ENTITY

Option I: [If applicable, insert the relevant defined terms of § 6 (2) regarding one Reference Entity other than a Sovereign Reference Entity.]

Option II: [If applicable, insert the relevant defined terms of § 6 (2) regarding one Reference Entity being a Sovereign Reference Entity.]

Option III: [If applicable, insert the relevant defined terms of § 6 (2) regarding a basket of Reference Entities including no Sovereign Reference Entity.]

Option IV: [If applicable, insert the relevant defined terms of § 6 (2) regarding a basket of Reference Entities including only Sovereign Reference Entities.]

Option V: [If applicable, complete and insert the relevant defined terms of § 6 (2) regarding a basket of Reference Entities including Sovereign Reference Entities and non-Sovereign Reference Entities.]

OPTION: NOTES PROVIDING FOR ONLY ONE CREDIT EVENT (FIRST-TO-DEFAULT)

Notes providing for only one Credit Event (First-to-Default) [If not applicable: Insert sub-paragraph of § 6 (2).]

OPTIONS: CREDIT EVENTS

Option: [If applicable with respect to one or more Reference Entities as per the Failure to Pay Reference Entity Annex: Complete and insert defined terms of § 6 (2) regarding Failure to Pay.]

Option: Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Payment Requirement]

Option: Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert definition of Potential Failure to Pay]

Option: [If applicable with respect to one or more Reference Entities as per the
Obligation Acceleration Reference Entity Annex: Complete and insert defined terms of § 6 (2)
regarding Obligation Acceleration.]

Option: [If applicable with respect to one or more Reference Entities as per the
Repudiation/Moratorium Reference Entity Annex: Complete and insert defined terms of § 6 (2)
regarding Repudiation/Moratorium.]

**Option: Where "Failure to Pay" is not specified as applicable with
respect to any Reference Entity in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert and complete definitions of Failure
to Pay and Payment Requirement]

**Option: Where "Restructuring" is not specified as applicable with
respect to any Reference Entity in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert definition of Restructuring]

Option: [If applicable with respect to one or more Reference Entities as per the
Bankruptcy Reference Entity Annex: Insert defined terms of § 6 (2) regarding
Bankruptcy.]

Option: [If applicable with respect to one or more Reference Entities as per the
Restructuring Reference Entity Annex: Insert relevant paragraph of § 6 (2) regarding
Multiple Holder Obligation.]

Option: [If applicable with respect to one or more Reference Entities as per the
Multiple Holder Obligation Reference Entity Annex: Insert relevant paragraph of § 6 (2) regarding
Multiple Holder Obligation.]

Option: [If applicable with respect to one or more Reference Entities as per the
Governmental Intervention Reference Entity Annex: Complete and insert defined terms of § 6 (2)
regarding Governmental Intervention.]

§ 6 (3)

Notice period for Notification of [•] Business Days
the occurrence of a Credit
Event

§ 6 (4)

CREDIT DERIVATIVES DEFINITIONS

Business Day a day (other than a Saturday or Sunday) on which [commercial banks
are open for business in [•] and] [the Trans-European Automated Real-
Time Gross settlement Express Transfer system (TARGET-System)
settles payments].

DC Credit Event **Option: Where "Failure to Pay" is specified as applicable with
Announcement respect to one or more Reference Entities in the Reference Entity
Annex and "Grace Period Extension" is also specified as
applicable with respect to such Reference Entity or Reference
Entities (as the case may be) in the Reference Entity Annex:**

[Not Applicable] [Applicable: Insert applicable proviso of DC Credit

Event Announcement]

Option: Where "Repudiation/Moratorium" is applicable with respect to one or more Reference Entities as per the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of DC Credit Event Announcement]

Event Determination Date **Option 1: the Final Price is determined pursuant to an ISDA auction**

[Not Applicable] [Applicable: Complete with respect to whether physical settlement, cash settlement or physical and cash settlement shall apply and insert respective sub-paragraphs of Event Determination Event]

Option 2: the Final Price is not determined pursuant to an ISDA auction

[Not Applicable] [Applicable: Insert respective paragraph regarding Event Determination Date]

Excluded Obligation [Complete specified obligation(s)]

Option 1: Where (A) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and (i) the relevant Reference Obligation is a Senior Obligation, or, (ii) there is no relevant Reference Obligation and (B) with respect to such Reference Entity or Reference Entities (as the case may be) Governmental Intervention and/or Restructuring are applicable Credit Event(s)

[Not Applicable] [Applicable: Insert applicable proviso of Excluded Obligation]

Option 2: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex, the relevant Reference Obligation is a Subordinated Obligation and with respect to such Reference Entity or Reference Entities (as the case may be) Governmental Intervention and/or Restructuring are applicable Credit Event(s)

[Not Applicable] [Applicable: Insert applicable proviso of Excluded Obligation]

Extension Date **Option: Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert applicable proviso of Extension Date]

Option: Where "Repudiation/Moratorium" is applicable with respect to one or more Reference Entities as per the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Extension

	Date]
Further Subordinated Obligation	<p>Option: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and the relevant Reference Obligation is a Subordinated Obligation</p> <p>[Not Applicable] [Applicable: Insert definition of Further Subordinated Obligation]</p>
Grace Period	<p>Option: Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex</p> <p>[Not Applicable] [Applicable: Insert definition of Grace Period, Grace Period Business Day]</p> <p>Option: Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex</p> <p>[Not Applicable: Insert applicable proviso of Grace Period] [Applicable: Insert applicable proviso of Grace Period]</p> <p>Option: Where "Grace Period Extension" is not specified as applicable with respect to any Reference Entity in the Reference Entity Annex</p> <p>[Not Applicable] [Applicable: Insert applicable proviso of Grace Period]</p> <p>Option: Where in the case of a basket of Reference Entities, "Grace Period Extension" is specified as not applicable with respect to one or more Reference Entities (as the case may be) in the Reference Entity Annex but is also specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex</p> <p>[Not Applicable] [Applicable: Insert applicable proviso of Grace Period]</p>
Grace Period Extension Date	<p>Option: Where "Failure to Pay" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Grace Period Extension" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex</p> <p>[Not Applicable] [Applicable: Insert definition of Grace Period Extension Date]</p>
Notice Delivery Period	means the period from and including the Issue Date to and including [the last day of the Observation Period] / [the Maturity Date]
Obligation	<p>Option 1: any obligation is applicable</p> <p>[Not Applicable] [Applicable: Complete and insert respective sub-paragraph of Obligation]</p> <p>Option 2: each Reference Obligation is applicable</p> <p>[Not Applicable] [Applicable: Complete and insert respective sub-</p>

paragraph of Obligation]

Observation Period means the period commencing on and including the [Issue Date][Trade Date] and ending on and including [[•][the Business Day falling [•] Business Days prior to the Maturity Date] (the "**Observation Period End Day**").

Publicly Available Information **Option: Where "Failure to Pay" or "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert applicable provisos of Publicly Available Information]

Option: Where "Repudiation/Moratorium" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Publicly Available Information]

Qualifying Guarantee **Option 1: Where (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex and (ii) "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert applicable proviso of Qualifying Guarantee]

Option 2: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Qualifying Guarantee]

Option 3: If "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Qualifying Guarantee]

Relevant Guarantee **Option: If "All Guarantees" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert applicable proviso of Relevant Guarantee]

Relevant Obligations **Option 1: If "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and (i) the relevant Reference Obligation is**

a Senior Obligation, or, (ii) there is no relevant Reference Obligation

[Not Applicable] [Applicable: Insert applicable proviso of Relevant Obligation]

Option 2: If "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and the relevant Reference Obligation is a Subordinated Obligation

[Not Applicable] [Applicable: Insert applicable proviso of Relevant Obligation]

Senior Obligation **Option: If "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert definition of Senior Obligation]

Subordinated Obligation **Option: If "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert definition of Subordinated Obligation]

Trade Date **【●】**

§ 6 (5)

OBLIGATION CHARACTERISTICS

Definitions depending on the applicable Obligation Characteristics

The following definitions are applicable:

【None】

【Listed: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Listed"】

【Not Domestic Currency: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Not Domestic Currency" and "Domestic Currency", and insert definition of "Sovereign" (if applicable) and "Standard Specified Currency"】

【Not Domestic Issuance: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Domestic Issuance"】

【Not Domestic Law: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Not Domestic Law", insert definition of "Domestic Law" and insert definition of "Sovereign" (if applicable)】

【Not Sovereign Lender: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Sovereign Lender" and "Sovereign"】

【Not Subordinated: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Subordinated" and "Prior Reference Obligation"】

[Specified Currency: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Specified Currency"]

§ 6 (6) CREDIT DERIVATIVES DEFINITIONS RELATING TO PHYSICAL SETTLEMENT

Deliverable Option 1: any obligation is applicable

Obligation [Not Applicable] [Applicable: Complete and insert respective sub-paragraph of Deliverable Obligation]

Option 2: each Reference Obligation is applicable

[Not Applicable] [Applicable: Complete and insert respective sub-paragraph of Deliverable Obligation]

Option 3: If "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entities is/are a Sovereign Reference Entity

[Not Applicable] [Applicable: Insert applicable provisos of Deliverable Obligation and insert the definitions of "Asset", "Asset Market Value", "Asset Package", "Asset Package Delivery", the second sub-paragraph of the definition "Deliver", "Largest Asset Package", "Non-Financial Instrument", "Non-Transferable Instrument", "Package Observable Bond", "Prior Deliverable Obligation" and "Relevant Holder"]

Option 4: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Deliverable Obligation and insert the definitions of "Asset", "Asset Market Value", "Asset Package", "Asset Package Credit Event", "Asset Package Delivery", the second sub-paragraph of the definition "Deliver", "Largest Asset Package", "Non-Financial Instrument", "Non-Transferable Instrument", "Package Observable Bond", "Prior Deliverable Obligation" and "Relevant Holder"]

Asset Package Option 1: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

Credit Event

[Not Applicable] [Applicable: Insert applicable proviso of Asset Package Credit Event]

Option 2: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" and "Restructuring" are both specified as applicable with respect to

such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Asset Package Credit Event]

Option 3: Where "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity

[Not Applicable] [Applicable: Insert applicable proviso of Asset Package Credit Event]

Permitted Contingency **Option 1: If "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert applicable proviso of Permitted Contingency]

Option 2: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert applicable proviso of Permitted Contingency]

§ 6 (7) CREDIT DERIVATIVES DEFINITIONS RELATING TO DELIVERABLE OBLIGATION CATEGORIES AND DELIVERABLE OBLIGATION CHARACTERISTICS

Reference Obligation Only **Option: Reference Obligation Only**

[Not Applicable] [Applicable with respect to one or more Reference Entities in the Reference Entity Annex: insert definition of "Reference Obligation Only"]

Definitions depending on the applicable Deliverable Obligation Characteristics The following definitions are applicable:

[None]

[Accelerated or Matured: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Accelerated or Matured"]

[Assignable Loan: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Assignable Loan"]

[Consent Required Loan: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Consent Required Loan"]

[Direct Loan Participation: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Direct Loan Participation" and "Qualifying Participation Seller" means

[•.]

[Listed: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Listed"]

[Maximum Maturity: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Maximum Maturity"]

[Not Bearer: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Bearer"]]

[Not Domestic Currency: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Domestic Currency", and insert definition of "Not Domestic Currency" and "Standard Specified Currency" and insert definition of "Sovereign" (if applicable)]

[Not Domestic Issuance: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Domestic Issuance"]

[Not Domestic Law: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Not Domestic Law" and "Domestic Law" and insert definition of "Not Domestic Law" and insert definition of "Sovereign" (if applicable)]

[Not Sovereign Lender: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Sovereign Lender" and "Sovereign"]

[Not Subordinated: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Not Subordinated" and "Prior Reference Obligation"]

[Specified Currency: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, complete and insert definition of "Specified Currency"]

[Transferable: If applicable with respect to one or more Reference Entities in the Reference Entity Annex, insert definition of "Transferable"]

Definitions in case of a Restructuring Credit Event applicable to Sovereign Reference Entity	The following definitions are applicable: [Sovereign Restructured Deliverable Obligation] [Sovereign]
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§ 6 (8) INTERPRETATION OF PROVISIONS

Interpretations of Provisions **Option: If the Obligation Characteristic "Listed" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex**

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Obligation Characteristic "Not Domestic Issuance" is

specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Not Bearer" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Transferable" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Assignable Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Consent Required Loan" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Direct Loan Participation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If more than one of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If the Deliverable Obligation Characteristic "Maximum Maturity" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: Where "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: Where either (i) "Financial Reference Entity Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and "Governmental Intervention" is also specified as applicable with respect to such Reference Entity or Reference Entities (as the case may be) in the Reference Entity Annex or (ii) "Restructuring" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex and such Reference Entity or Reference Entities (as the case may be) is/are a Sovereign Reference Entity

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If "Subordinated European Insurance Terms" is specified as applicable with respect to one or more Reference Entities in the Reference Entity Annex

[Not Applicable] [Applicable: Insert respective sub-paragraph of Interpretation of Provisions]

Option: If any obligation is applicable or if a Restructuring Credit Event is applicable to one or more Sovereign Reference Entities

[Not Applicable] [Applicable: Complete and insert respective sub-paragraph of Deliverable Obligation]

§ 7

OPTIONS: SETTLEMENT

[(Cash Settlement)]

Cash Settlement: –

Notes in respect of which a Credit Event of only one Reference Entity and/or the nth Credit Event of a basket of Reference Entities leads to the payment of a Cash Settlement Amount

[Not Applicable] [Applicable: Complete and insert options of § 7 (1) to (3).]

Option I: Cash Settlement Amount is not leveraged

[Not Applicable] [Applicable: Complete and insert options of § 7 (1) regarding Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a not leveraged Cash Settlement Amount.]

Option II: Cash Settlement Amount is leveraged

[Not Applicable] [Applicable: Complete and insert option of § 7 (1) regarding Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a leveraged Cash Settlement Amount.]

Alternative Determination of the Final Price pursuant to an ISDA auction

[Not Applicable] [Applicable: Insert sub-paragraph of § 7 (2) regarding the alternative determination of the Final Price]

	to an ISDA auction]
Reference Obligation	Complete and insert applicable provisos of definition of "Reference Obligation"
Unwind Costs	[Not Applicable] [Applicable: Insert applicable proviso and definition of "Unwind Costs"]

[(Predefined Settlement Amount)]

Predefined Settlement Amount: –

Notes in respect of which a Credit Event of only one Reference Entity and/or the nth Credit Event of a basket of Reference Entities leads to the payment of a Predefined Settlement Amount

[Not Applicable] [Applicable: Complete § 7 (1) and (2).]

Unwind Costs

[Not Applicable] [Applicable: Insert applicable proviso and definition of "Unwind Costs"]

[(Adjusted Principal Amount)]

Option A: Adjusted Principal Amount: –

Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and **Cash Settlement Amount**

[Not Applicable] [Applicable: Complete and insert options of § 7 (1) to [(3)][(5)] regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and **Cash Settlement Amount.**]

Option I: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount, in each case where no reference is made to a tranche

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount, in each case where no reference is made to a tranche.]

Option II: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement

Amount, in each case where reference is made to a tranche

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Cash Settlement Amount, in each case where reference is made to a tranche.]

Option III: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is not leveraged

[Not Applicable] [Applicable: Complete and insert § 7 (2) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is not leveraged and complete and insert § 7 (3) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount.]

Unwind Costs	[Not Applicable] [Applicable: Insert applicable proviso and definition of "Unwind Costs"]
Alternative Determination of the Final Price pursuant to an ISDA auction	[Not Applicable] [Applicable: Insert subparagraph of § 7 (3) regarding Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a Cash Settlement Amount and in case of an alternative determination of the Final Price to an ISDA auction]
Reference Obligation	Complete and insert applicable provisos of definition of "Reference Obligation"

Option IV: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is leveraged

[Not Applicable] [Applicable: Complete and insert § 7 (2) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount in respect of which the loss amount is leveraged and complete and insert § 7 (3) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Cash Settlement Amount.]

Unwind Costs	[Not Applicable] [Applicable: Insert applicable provisos and definition of "Unwind Costs"]
Alternative Determination of the Final Price pursuant to an ISDA auction	[Not Applicable] [Applicable: Insert subparagraph of § 7 (3) regarding Notes in respect of which a Credit Event and/or the nth Credit Event leads to the payment of a Cash Settlement Amount and in case of an

alternative determination of the Final Price to an ISDA auction]

Reference Obligation Complete and insert applicable provisos of definition of "Reference Obligation"

Option B: Adjusted Principal Amount: –

Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and **Predefined Settlement Amount**

[Not Applicable] [Applicable: Complete and insert options of § 7 (1) to [(3)][(4)] regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and **Predefined Settlement Amount.**]

Option I: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where no reference is made to a tranche

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where no reference is made to a tranche.]

Option II: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where reference is made to a tranche

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount or an Adjusted Principal Amount and Predefined Settlement Amount, in each case where reference is made to a tranche.]

Option III: Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and a Predefined Settlement Amount

[Not Applicable] [Applicable: Complete and insert § 7 (2) regarding Notes relating to a basket of Reference Entities in respect of which each relevant Credit Event leads to an Adjusted Principal Amount and Predefined Settlement Amount.]

Cash Settlement Date [Not Applicable] [Applicable: Insert definition of

"Cash Settlement Date"]

Unwind Costs

[Not Applicable] [Applicable: Insert applicable proviso and definition of "Unwind Costs"]

[(Physical Settlement and delivery of Deliverable Obligations)]

Physical Settlement and delivery of Deliverable Obligations [Not Applicable] [Applicable: Complete and insert § 7 (1) to (7) regarding Notes providing for physical settlement of Deliverable Obligations.]

Unwind Costs

[Not Applicable] [Applicable: Insert applicable proviso and definition of "Unwind Costs"]

Partial Cash Settlement Date

[is the date that is three Business Days after the calculation of the Final Price]

[is the Maturity Date]

[means [•]].

Alternative Determination of the Final Price pursuant to an ISDA auction

[Not Applicable] [Applicable: Insert sub-paragraph of § 7 (6) regarding the alternative determination of the Final Price to an ISDA auction]

Cash Settlement Valuation Date

[•] Business Days

[(Cash or Physical Settlement of a Deliverable Obligation)]

Cash or Physical Settlement of Deliverable Obligations **Option I: Loss Amount is not leveraged and Predefined Settlement Amount**

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes providing for cash or physical settlement of Deliverable Obligations in respect of which the loss amount in case of a Credit Event is not leveraged and as regards cash settlement "Predefined Settlement Amount" is applicable and insert the subsequent paragraphs up to § 7 (8)]

Option II: Loss Amount is not leveraged and Cash Settlement Amount

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes providing for cash or physical settlement of Deliverable Obligations in respect of which the loss amount in case of a Credit Event is not leveraged and as regards cash settlement "Cash Settlement Amount" is applicable and § 7 (2) regarding "Final Price" and insert the subsequent paragraphs up to § 7 (9)]

Option III: Loss Amount is leveraged and Cash Settlement Amount

[Not Applicable] [Applicable: Complete and insert § 7 (1) regarding Notes providing for cash or physical settlement of Deliverable Obligations in respect of which the loss amount in case of a Credit Event is leveraged and as regards cash settlement "Cash Settlement Amount" is applicable and § 7 (2) regarding "Final Price" and insert the

subsequent paragraphs up to § 7 (9)]

§ 8 (Payments)

OPTIONS: PAYMENTS

§ 8 (1) [Not applicable] [Applicable: Insert § 8 (1) regarding the Notes with respect to which TEFRA D does not apply.]

[Not applicable] [Applicable: Insert § 8 (1) regarding the Notes with respect to which TEFRA D applies.]

§ 8 (3) sub-paragraph 1 of the Programme Terms and Conditions is completed as followed:

Payment Business Day	any day (other than a Saturday or Sunday) on which [the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System)] [and] [commercial banks and foreign exchange markets in [Main Financial Centre of the Issue Currency]] [and] [the Clearing- System] settle payments in [Issue Currency].
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OPTIONS: REFERENCES TO PRINCIPAL

§ 8 (4) – interest bearing Notes [Not applicable] [Applicable: Insert § 8 (4) with respect to interest bearing Notes (except Zero-Coupon-Notes)]

[Not applicable] [Applicable: Insert § 8 (4) sub-paragraph c with respect to interest bearing Notes with a Call and/or Put Option]

[Not applicable] [Applicable: Insert § 8 (4) sub-paragraph d with respect to interest bearing Notes in respect of which a Credit Event or the nth Credit Event leads to the payment of a Cash Settlement Amount or to an adjustment of the Principal Amount]

§ 8 (4) – Zero-Coupon-Notes [Not applicable] [Applicable: Insert § 8 (4) regarding Zero-Coupon-Notes.]

[Not applicable] [Applicable: Insert § 8 (4) sub-paragraph c with respect to interest bearing Notes in respect of which a Credit Event or the nth Credit Event leads to the payment of a Cash Settlement Amount or to an adjustment of the Principal Amount]

§ 9
(Taxes)

OPTIONS: TAXES

§ 9 (1-3) [Not Applicable] [Applicable: Complete and insert options of § 9 (1) to (3) regarding Notes in respect of which Additional Amounts shall be paid after deduction or withholding of tax.]

§ 9 (1-2) [[Not Applicable] [Applicable: Complete and insert options of § 9 (1) to (2) regarding Notes in respect of which Additional Amounts shall not be paid after deduction or withholding of tax.]

§ 11
(Paying Agents; Determination Agent)

Determination Agent [COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main][Insert name and address]

§ 14
(Notices)

Option:

Notes which are listed on a regulated market within the European Union [Not Applicable] [Applicable: Complete and insert options of § 14 (1) to (3) regarding Notes which are listed on a regulated market within the European Union.]

Option:

Notes which are not listed on a stock exchange [Not Applicable] [Applicable: Insert option of § 14 regarding Notes which are not listed on a stock exchange.]

§ 18
(Final Clauses)

Option:

Notes represented by a global note [Not applicable][Applicable: Complete and insert first alternative of § 18 (1)]

Option:

Notes in dematerialised form under French law [Not applicable][Applicable: Complete and insert second alternative of § 18 (1)]

Inflation Index Annex
(GBP-Non-Revised Retail Price Index)

Reference Period I	Option 1 [Not applicable][Applicable: Complete and insert wording set out as Option 1] Option 2 [Not applicable][Applicable: Complete and insert wording set out as Option 2]
Reference Period II	Option 1 [Not applicable][Applicable: Complete and insert wording set out as Option 1] Option 2 [Not applicable][Applicable: Complete and insert wording set out as Option 2]

Inflation Index Annex
(Unrevised Harmonised Index of Consumer Prices (excluding Tobacco))

Reference Interest Rate	[Complete formula relating to the Reference Interest Rate set out in the introductory paragraph of the index]
RP(t)	[Complete definition of "RP(t)"]
RP(t-1)	[Complete definition of "RP(t-1)"]

REFERENCE ENTITY ANNEX⁸²

Reference Entity (name)	Financial Reference Entity Terms	Subordinated European Insurance Terms	All Guarantees	Credit Events	Grace Period Extension	[Weighted Amount]	[Reference Obligation(s), ISIN]	Multiple Holder Obligation	[Final Price (per cent.)]	[Obligation Category]
[Name of Reference Entity]	[Applicable] [Not Applicable]	[Applicable] [Not Applicable]	[Applicable] [Not Applicable]	[Failure to Pay] [Obligation Acceleration] [Repudiation/Moratorium] [Bankruptcy] [Restructuring] [Governmental Intervention] ["Default Requirement" means U.S. Dollar [amount]]	[Applicable] [Not Applicable]	[[currency] [amount]]	[Standard Reference Obligation] [Reference Obligations, ISIN]	[Applicable] [Not Applicable]	[[price] per cent.]	[Borrowed Money] [Bond] [Bond or Loan] [Loan]

⁸² Complete Reference Entity Annex.

PART II

Other Conditions which shall not be inserted in the Terms and Conditions of the Notes and which apply to all Notes

[Provisions preceded by *) are not required for Notes with a denomination of at least €100,000, subject to the implementation of the 2010 PD Amending Directive (as defined under "Selling Restrictions") in the relevant Member States:]

Issue Date	[date]
Issue Price	[•][(fixed price)]*
[Application Process	[•]
[German Securities Identification No.	[•]
Common Code	[•]
ISIN	[•]
Listing and admission to trading	[Not applicable]
	[Luxembourg Stock Exchange, regulated market]
	[Official List of Luxembourg Stock Exchange]
	[Spanish Corporate Debt Market AIAF (Mercado de Renta Fija), regulated market]
	[stock exchange][market segment]
	[if known, insert the earliest dates on which the securities will be admitted to trading]
[Special issuance][Payment instructions, clearing-system]	[dealer]
	- Euroclear Account No. [•] or
	- CBL Account No. [•]
*)Delivery:	Delivery [against][free of] payment
Transaction to be a syndicated issue	[yes][no]
Details (names and addresses) of Manager(s) / Purchaser(s) and underwriting commitment	[List of all Managers/Purchaser(s) including relevant underwriting commitments]
	[c/o]
	[Lead Manager] [/] [Purchaser]
	[address]
	Telephone: [•]
	Fax: [•]
	Attention: [•]
[Selling Concession	[•]
[Expenses and taxes specifically charged to the subscriber or purchaser	[Not applicable] [•]
[Date of Subscription Agreement	[date]
[Investor Category	[•]
[Material features, including quotas	[•]

Stabilising Agent

[Indication of the tranche being reserved for certain markets, if the offer is being made simultaneously in the markets of two or more countries]

[Market Making

[Interests of natural and legal persons involved in the issue/offer]

Prohibition of Sales to European Economic Area Retail Investors⁸³

Reasons for the offer, estimated net proceeds and total expenses

[(i) Reasons for the offer]

[(ii) Estimated net proceeds]

[(iii) Estimated total expenses]

[Dealer][None]

[•]

[•]

[insert name and address of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment]

Save as discussed under "Selling Restrictions" and "Risk Factors relating to the Notes", so far as the Issuer is aware, no person involved in the offer of the Notes is subject to any conflict of interest material to the offer.]

[description of conflicts of interest (if any)]

[Applicable] [Not applicable]

[•]

[see "Use of Proceeds" wording in Prospectus – (if reasons for offer are different from making profit and/or hedging certain risks will need to include those reasons here)]

[•]

[if proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses state amount and sources of other funding]

[•] *[include breakdown of expenses]*

[if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above]

⁸³

If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

*)[Floating Rate Notes only - Historic interest rates

Details of historic [LIBOR][EURIBOR][**other**] rates can be obtained from [Reuters][•].]

[Notes with CMS as Reference Interest Rate only - Historic interest rates

Details of historic CMS rates can be obtained from [Reuters][•].]

[Notes in respect of which the interest rate is determined by reference to an inflation index - Historic inflation index values

Details of historic inflation index values can be obtained from [•].]

[Other information concerning the underlying

[•]
The information included herein with respect to the [[sovereign] reference entities][[and] entit(y)(ies)] to which the Notes are linked (the "**Reference Entities**") consists only of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, the Issuer accepts no responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Reference Entities of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.]]

⁸⁴[Specific Risk Factors

[•]]

Information to be provided regarding the consent by the Issuer or person responsible for drawing up the Prospectus

[Not applicable] [**Specify details**]

[**ANNEX Summary of the individual issue**]

⁸⁴ [Internal Note: Reference to relevant sections in the Prospectus.]

Taxation

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular holder of the Notes. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

Prospective Noteholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of Germany, Luxembourg, France, Spain and each country of which they are residents or citizens.

Taxation in the Federal Republic of Germany

Tax withheld at source

On the date of this Prospectus there is in the Federal Republic of Germany ("**Germany**") no statutory obligation for the Issuer to withhold or deduct taxes or other duties on payments on the Notes ("taxes at source"). Accordingly, the Issuer assumes no responsibility for the withholding or deduction of taxes at the source in connection with the Notes. The withholding of the withholding tax for which the Domestic Paying Agent (as defined below) is responsible, is to be distinguished from the aforesaid. Prospective Noteholders should consult their own tax advisers as to the particular tax consequences of purchasing, holding and disposing of the Notes.

German tax resident investors

The following general description does not consider all aspects of income taxation in Germany that may be relevant to a holder in the light of the holder's particular circumstances and income tax situation. This general description is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

German tax resident investors holding the Notes as private assets

Taxation of income from the Notes

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not

permitted. In case of physical delivery of assets upon redemption of the Notes, generally the fair market value of the assets delivered will be taken into account when determining the amount of proceeds received from the redemption subject to the provisions on the rollover relief described below.

Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

In case of the Notes where the Issuer is entitled to physical delivery of securities (*Wertpapiere*), the delivery of the securities may be depending on the final terms of the Notes not constitute a taxable event with respect to capital gain or losses built into the Notes at the time of the delivery (so-called rollover relief). In case of the rollover relief being available, the acquisition costs the investor has in the Notes will generally be rolled over into acquisition costs of the securities delivered. Any capital gains or losses built into the Notes would then be taxable upon the sale or redemption of the securities delivered only.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent, as defined below) the investor will have to include the income received with respect to the Notes in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the sale or redemption of the Notes held as private assets should generally be tax-recognised irrespective of the holding period of the Notes. According to the view of German tax authorities losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. With respect to a bad debt loss the German Federal Tax Court has recently rejected the view of German tax authorities. With respect to a (voluntary) waiver of receivable a lower German fiscal court confirmed the view of German tax authorities in a final decision. Furthermore, capital losses might not be recognised by the German tax authorities if the Notes are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price or if no (or only *de minimis*) payments are made to the individual investors on the maturity or redemption date of the Notes. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro for jointly assessed investors). The

saver's lump sum tax allowance is also taken into account for purposes of withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

Please note that the coalition agreement between the German Christdemocratic Party and the German Socialdemocratic Party for the formation of a new German federal government provides that the flat tax regime shall be partially abolished for certain capital investment income. The coalition agreement further provides that the solidarity surcharge shall be abolished in stages provided that the individual income does not exceed certain thresholds. There is however no draft bill available yet and a lot of details are hence still unclear. That means however that income received by investors holding the Notes as private assets may be taxed at individual progressive income tax rates of up to 45 per cent. in the future (plus a 5.5 per cent. solidarity surcharge thereon, unless abolished or reduced in the future, and church tax, if applicable to the individual investor).

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale or redemption of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Central Tax Office.

German resident investors holding the Notes as business assets

Taxation of income from the Notes

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per

cent. solidarity surcharge thereon and church tax, if applicable to the individual investor) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbsteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors, the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances.

In case of physical delivery of assets upon redemption of the Notes, the delivery will constitute a taxable exchange where the difference amount between the fair market value of the Notes and the tax base of the Notes (i.e., generally book values) will be subject to personal income tax or corporate income tax and, in general, trade tax as described above. Unlike for German tax resident investors holding the Notes as private assets, no rollover relief will be available for German resident investors holding the Notes as business assets.

Capital losses from the sale or redemption of the Notes should generally be tax-recognised and may generally be offset against other income. It can however not be ruled out that certain Notes may be classified as derivative transactions (*Termingeschäfte*) for tax purposes. In this case, any capital losses from such Notes would be subject to a special ring-fencing provision and could generally only be offset against gains from other derivative transactions.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Central Tax Office.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return.

Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

Non-German tax resident investors

Income derived from the Notes by investors who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Notes are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Notes does otherwise constitute German source income (such as income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent

against presentation of the Notes or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Notes is subject to German taxation according to (i) through (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax and gift tax

The transfer of the Notes to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if inter alia

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to business assets attributable to a permanent establishment or a permanent representative in Germany,

Special regulations may apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other taxes

The purchase, sale or other disposal of the Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of the Notes to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept referred to below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Under Luxembourg general tax laws currently in force and subject to certain exceptions (as described below), no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal of the Notes.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to or for the benefit of Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

France

This summary is based on tax laws and taxation practice, as currently in effect and applied by the French tax authorities and is intended to provide general information only. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in this summary.

Stamp duty

The purchase or sale of Notes is not subject to stamp duty in France (unless there is a voluntary filing or registration of the purchase or sale of the Notes with the French tax authorities).

Withholding tax

Income paid or accrued on Notes, to the extent such Notes are not issued through a French branch of an Issuer, is not subject to withholding tax in France. However, prospective purchasers of Notes who are French resident for tax purposes or who would hold Notes through a permanent establishment or a fixed base in France should be aware that transactions involving the Notes including any purchase or disposal of, or other dealings in the Notes and any transaction involved in the exercise and settlement of the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals) and on the specific terms and conditions of the relevant Notes.

Pursuant to Articles 125 A and 125 D of the French tax code (*code général des impôts*), subject to certain limited exceptions, interest and other similar revenues paid by a paying agent established in France or, under certain conditions, outside France in a member State of the European Union or in a State which is a member of the European Economic Area and which has entered into a convention with France providing for administrative assistance with a view to combating tax fraud and avoidance, and received by individuals who are fiscally domiciled in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2% on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

Prospective purchasers of Notes should consult their own advisers about the tax implications of holding Notes and of any transactions involving Notes.

Spain

The information provided below does not purport to be a complete overview of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof that may take effect after the date of this prospectus, and which could be made with retroactive effect.

Furthermore, this is not a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes issued by the Issuer, an entity resident for tax purposes in Germany, and does not describe the tax consequences for certain categories of taxpayers including, but not limited to, entities falling under the attribution of income regime, financial institutions, collective investment institutions and cooperatives, which may be subject to specific rules.

Prospective Noteholders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Spain.

The tax implications herein contained refer exclusively to the Notes, on an individual basis. If, together with the Notes, derivative instruments are granted, a case-by-case analysis must be made in respect of the tax implications derived from such instruments.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

- (i) For individuals resident for tax purposes in Spain who are subject to personal income tax: (a) Law 35/2006, of November 28, on Personal Income Tax ("**PIT Law**"), as amended; (b) the Personal Income Tax Regulations approved by Royal Decree 439/2007, of March 30, as amended ("**PIT Regulations**"); (c) Law 19/1991, of June 6, on Net Wealth Tax, as amended ("**NWT Law**"); (d) Law 29/1987, of December 18, on Inheritance and Gift Tax, as amended ("**IGT Law**"); and
- (ii) For legal entities resident for tax purposes in Spain which are subject to Corporate Income Tax: (a) Law 27/2014, of November 27, of Corporate Income Tax ("**CIT Law**"); and (b) the Corporate Income Tax Regulations approved by Royal Decree 634/2015, of July 10 ("**CIT Regulations**").

Taxation of a Spanish tax resident individual

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas) ("PIT")

Interest from the Notes obtained by individuals who have the status of taxpayers for the purposes of PIT, and also income from the transfer, reimbursement, redemption, exchange or conversion of the Notes should, in general terms, be considered capital income obtained from the transfer of a person's own capital to third parties under the terms of Article 25 of PIT Law.

Capital income qualifying as interest is calculated as the gross income less certain tax-deductible expenses, such as general securities administration and custody fees (fees relating to discretionary and individualized management of a portfolio of securities are not treated as tax deductible). In case of transfer, reimbursement, redemption, exchange or conversion of the Notes, the capital income obtained by the investor would be the difference between the amount received and the acquisition cost or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Such capital income would be included in the savings taxable base. In case of losses its integration on the savings taxable base and its offsetting will be subject to the rules foreseen in that respect in the PIT.

Income included in the savings income taxable base will be taxed at (i) 19 per cent. for taxable income up to EUR 6,000, (ii) 21 per cent. for taxable income between EUR 6,000.01 and EUR 50,000, and (iii) 23 per cent. for taxable income in excess of EUR 50,000.

As regards income obtained by Spanish resident individuals under the Notes, no Spanish withholding taxes should be deducted by the Issuer if it is a non-Spanish tax resident entity which does not have a permanent establishment in Spain.

However, Spanish withholding taxes on income obtained under the Notes may have to be deducted by other entities as follows:

- (i) Interest paid to investors who are Spanish resident individuals will be subject to Spanish withholding tax at a 19 per cent. rate to be deducted by the depositary entity of the Notes or the entity in charge of collecting the income derived there under, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.
- (ii) Income obtained upon transfer of the Notes will be subject to Spanish withholding tax at a 19 per cent. rate to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.
- (iii) Income obtained upon redemption or reimbursement of the Notes will be subject to Spanish withholding tax at a 19 per cent. rate to be deducted by the Issuer, or the financial entity appointed by the Issuer (if any) for redemption or reimbursement of the Notes, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.

The above notwithstanding, when the Notes (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, a withholding tax exemption in respect of the income arising from the transfer or repayment of the Notes may apply. However, under certain circumstances, when a transfer of the Notes has occurred within the 30-day period immediately preceding any relevant interest payment date, such Personal Income Taxpayers may not be eligible for such withholding tax exemption.

Amounts withheld may be credited against the final Spanish resident individuals PIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio) ("NWT")

Subject to the application of any relevant Double Tax Treaties, the ownership of Notes would be subject to the NWT for tax year 2018.

Only individuals holding Notes would be subject to the NWT. Legal entities are not taxable persons under the NWT.

According to NWT Law (subject to any exceptions provided under relevant legislation in an autonomous region), Spanish tax resident individuals whose net worth is above EUR 700,000 (note that a different minimum tax exempt amount may be approved by the corresponding regional authorities) and who hold Notes on December 31, are subject to NWT for such year at marginal rates varying between 0.2 per cent. and 2.5 per cent, of the average listing price of the Notes during the last quarter of such year (or of the nominal value for non-listed Notes).

Filing obligations will only be applicable to taxpayers who have to pay NWT, and to those who do not have to pay any NWT but have assets whose value is higher than EUR 2,000,000.

In accordance with article 4 of the Royal Decree-Law 3/2016, of 2 December, approving tax measures for the consolidations of the public finance and other urgent social measures, a full exemption from NWT will apply as from January 1, 2018. Therefore, from year 2018 and onwards, individuals resident in Spain will be released from formal filing obligations in relation to Spanish NWT, unless the application of this full exemption is postponed again, even with retroactive effect for 2018.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones) ("IGT")

Spanish tax resident individuals who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to IGT in accordance with the Spanish IGT Law, without prejudice to the specific legislation applicable in each autonomous region. The effective tax rate, after applying all relevant factors, ranges from 7.65 per cent. to 81.6 per cent. Some tax benefits could reduce the effective tax rate.

Taxation of legal entities with tax residency in Spain subject to Corporate Income Tax (Impuesto sobre Sociedades) ("CIT")

According to article 10.3 of the CIT Law, the taxable income derived from the interest generated by the Notes and also from the transfer, reimbursement, redemption, exchange or conversion of the Notes will be calculated in accordance with the accounting treatment of such income. The tax adjustments to the accounting treatment which may be of application should be taken into account when calculating the taxable base.

As a general rule, the resulting amounts will be taxed at the standard rate of 25 per cent. in accordance with the general rules contained in the CIT Law.

Tax credits for the avoidance of international double taxation may apply (with certain limitations) in respect of taxes paid outside Spain on income deriving from the Notes, if any.

Income derived from the Notes obtained by entities which are considered taxable persons for CIT purposes will not be subject to withholding tax in accordance with the provisions of article 61.s) of the CIT Regulations provided that the Notes are traded on an organised market of an OECD country.

Finally, please note that income from the Notes obtained by a non-Spanish tax resident through a permanent establishment in Spain will be subject to Non-Residents Income Tax ("NRIT") at the applicable tax rate (the standard rate is 25 per cent.), subject to the provisions of any relevant Double Tax Treaty.

The taxable base of a permanent establishment is computed in accordance with the rules foreseen in the Spanish CIT Law for Spanish resident companies, with the particularities foreseen in the Spanish NRIT Law.

Withholding taxes on income received by Spanish permanent establishments are governed by CIT legislation, and thus, income derived from the Notes will not be subject to withholding tax in accordance with the provisions of article 61.s) of the CIT Regulations, provided that the Notes are traded on an organised market of an OECD country.

Spanish Value Added Tax (Impuesto sobre el Valor Añadido) ("VAT"), Transfer Tax and Stamp Duty (Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados)

The issuance, acquisition and transfer of unsecured Notes is, in principle, exempt from Transfer Tax and Stamp Duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993 of September, 24. Nor will it be taxable, in principle, under Spanish VAT in accordance with VAT Law 37/1992, of December 28. In any case, a case-by-case analysis should be made in order to ascertain potential tax implications.

U.S. Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Germany) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

Selling Restrictions

United States of America

The Notes and the securities, if any, to be delivered upon any redemption of the Notes have not been and will not be registered under the Securities Act and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act. The Notes 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 ("Regulation S") or pursuant to an exemption from the registration requirements of the Securities Act. The Issuer has represented and agreed that it has offered and sold the Notes of any Series, and agrees that it will offer and sell the Notes of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, only in accordance with Rule 903 of Regulation S. Accordingly, the Issuer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The Issuer has agreed to notify COMMERZBANK Aktiengesellschaft or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any Series of Notes so that COMMERZBANK Aktiengesellschaft or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of all Notes of that Series of Notes and notify the other relevant dealers of the end of the distribution compliance period. The Issuer has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

*"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."*

The Issuer has represented that it has not entered into and will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution of Notes, except with its affiliates or with the prior written consent of the Issuer.

Terms used in the paragraphs above have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

For Notes which are subject to TEFRA D, the following shall apply:

Except to the extent permitted under U.S.Treas.Reg. § 1.163-5(c)(2)(i)(D) (the "**D Rules**"):

- (i) the Issuer has represented that it has not offered or sold, and has agreed that during a 40-day restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person;
- (ii) the Issuer has represented that it has not delivered, and has agreed that it will not deliver, within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (iii) the Issuer has represented that it has not offered or sold, and has agreed that during a 40-day restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
- (iv) the Issuer has represented that it has not delivered and has agreed that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

The Issuer has represented that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

If it is a United States person, each dealer has represented that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes for its own account, it will only do so in accordance with the requirements of U.S.Treas.Reg. § 1.163-5(c)(2)(i)(D)(6); and

With respect to each affiliate that acquires from the Issuer Notes for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in Clauses 1.2.1, 1.2.2 and 1.2.3 on behalf of such affiliate or (b) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in Clauses 1.2.1, 1.2.2 and 1.2.3.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder, including the D Rules.

For Notes which are subject to TEFRA C, the following shall apply:

Under U.S.Treas.Reg. §.1.163-5(c)(2)(i)(C) (the "C Rules"), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance by an issuer that (directly or indirectly through its agents) does not significantly engage in interstate commerce with respect to the issuance. The Issuer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, the Issuer has represented that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

An issuance of index-, commodity- or currency-linked Notes may be subject to such additional U.S. selling restrictions as the relevant dealer(s) may agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. The Issuer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

Unless the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to European Economic Area Retail Investors*" as "*Not Applicable*", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of December 9, 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive); and
- (b) the expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to European Economic Area Retail Investors*" as "*Not Applicable*", in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Issuer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final

Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

France

The Issuer has represented and agreed that:

- (1) Offer to the public in France

it has only made and will only make an offer of Notes to the public in France (i) on or after the date of publication of the prospectus relating to those Notes approved by the *Autorité des marchés financiers* ("**AMF**") or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Prospectus; or

- (2) Private Placement in France

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties

(*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

If necessary these selling restrictions will be supplemented in the relevant Final Terms.

United Kingdom

The Issuer has represented and agreed that:

- (1) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

No representation is made by the Issuer that any action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. The Issuer will (to the best of its knowledge after due and careful enquiry) comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material, in all cases at its own expense.

Address List

1. Issuer

COMMERZBANK Aktiengesellschaft
Attn.: GM-T /Capital Management & Funding
Mainzer Landstraße 153
60327 Frankfurt am Main
Federal Republic of Germany

2. Issuing Agent

COMMERZBANK Aktiengesellschaft
Attn.: GS-MO 3.1.5
New Issues & SSD Services
Neue Börsenstraße 1
60487 Frankfurt am Main
Federal Republic of Germany

3. Dealer

COMMERZBANK Aktiengesellschaft
Attn.: FK-FICC
Credit Solutions
Mainzer Landstraße 153
60327 Frankfurt am Main
Federal Republic of Germany

London Branch
Attn: FK-FICC
Credit Solutions
30 Gresham Street
London EC2P 2XY
United Kingdom

4. Legal Advisors

Linklaters LLP
Taunusanlage 8
60329 Frankfurt am Main
Federal Republic of Germany

(Luxembourg law)
Linklaters LLP
Allegro Building
Avenue John F. Kennedy 35
L-1855
Luxembourg

(French law)
Linklaters LLP
25 rue de Marignan
75008 Paris
France

(English law)
Linklaters LLP
One Silk Street
London
EC2Y 8HQ
United Kingdom

(Spanish law)
Linklaters LLP
Almagro 40
28010 Madrid
Kingdom of Spain