

Deutsche Bank Aktiengesellschaft

(Frankfurt am Main, Germany)

Programme for the issuance of Credit Linked Securities

This document constitutes a base prospectus (the "**Base Prospectus**" or the "**Prospectus**") according to Article 5(4) of Directive 2003/71/EC as amended from time to time, including Directive 2010/73/EU (the "**Prospectus Directive**") as implemented by the relevant provisions of the EU member states, in connection with Commission Regulation (EC) No 809/2004 of the European Commission, as amended. Under this Programme for the issuance of credit linked securities (the "**Programme**") Deutsche Bank Aktiengesellschaft (the "**Issuer**" or "**Deutsche Bank**") may from time to time issue securities ("**Securities**"). Such issuance is carried out by the Issuer as part of its general banking business (set out in article 2(1) of the Articles of Association of the Issuer).

Application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). Securities issued under the Programme may also be admitted to trading or listed on the Euro MTF exchange regulated market operated by the Luxembourg Stock Exchange, other or further stock exchange(s) or multilateral trading facility(ies) or may not be admitted to trading or listed.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectus for securities as amended by the Luxembourg Act dated 3 July 2012 (the "**Prospectus Law**") to approve this Base Prospectus as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Law. The Issuer has also requested the CSSF to provide the competent authorities in Portugal, Spain, France, Belgium and the United Kingdom with a certificate of approval (a "**Notification**") attesting that this base prospectus has been drawn up in accordance with the Prospectus Law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and should consider the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Securities should refer to the "Risk Factors" section of this Base Prospectus. The Securities will represent unsubordinated, unsecured contractual obligations of the Issuer which will rank *pari passu* in all respects with each other.

The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and pay, any tax, duty, charge, withholding or other payment whatsoever in connection with the Securities. All payments made by the Issuer shall be made subject to any tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons defined as such in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of certain restrictions on the sale and transfer of the Securities, please refer to the General Selling and Transfer Restrictions section of

<http://www.oblible.com>

this Base Prospectus. This Base Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.x-markets.db.com).

The date of this Base Prospectus is 17 July 2014.

IMPORTANT NOTICES

No person is authorised to give any information or to make any representation other than contained in this Base Prospectus and related Final Terms.

No person is authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the offering or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither this Base Prospectus nor any further information supplied in connection with the Securities is intended to provide the basis of any credit or other evaluation and neither this Base Prospectus nor any such further information should not be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any further information supplied in connection with the Securities should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the risks involved in an investment in the Securities.

Restrictions on distribution of this Base Prospectus

Neither this Base Prospectus nor any other information supplied in connection with the Securities constitutes an offer by or on behalf of the Issuer or any other person to subscribe for or purchase any Securities. The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, and does not assume any responsibility for facilitating any distribution or offering. Accordingly, the Securities may not be offered or sold, directly or indirectly, and none of this Base Prospectus, any advertisement relating to the Securities and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus comes must inform themselves about, and observe, any such restrictions. Please refer to "General Selling and Transfer Restrictions" contained in section VI of this Base Prospectus.

Responsibility Statements

Deutsche Bank Aktiengesellschaft (the "**Responsible Person**" and together with its subsidiaries and affiliates "**Deutsche Bank**") with its registered office in Frankfurt am Main is solely responsible for the information given in this Base Prospectus. The Issuer hereby declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Consent to use this Base Prospectus

With respect to Article 3 (2) of the Prospectus Directive the Issuer consents, to the extent and under the conditions, if any, indicated in the relevant Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 9 of the Prospectus Directive and accepts responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of Securities by any financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified financial intermediaries, as stated in the Final Terms, and such consent shall be valid in relation to the Grand Duchy of Luxembourg and each other member state the competent authority of which has been provided with a Notification by the CSSF, including Portugal, Spain, France, Belgium and the United Kingdom, provided that it shall be a condition of such consent that the Base Prospectus may only be used by the relevant financial intermediaries to make offerings of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

"**Non-exempt Offer**" means an offer of the Securities to the public requiring the prior publication of a prospectus under the Prospectus Directive.

Such consent by the Issuer is subject to each dealer and/or financial intermediaries complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law.

Each dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuer reserves the right to withdraw its consent to the use of this Base Prospectus in relation to certain dealer and/or each financial intermediaries.

In case of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

If the Final Terms state that the consent to use the Base Prospectus is given to all financial intermediaries (general consent), any financial intermediary using the Base Prospectus has to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

If the Final Terms state that the consent to use the Final Prospectus is given to one or more specified financial intermediaries (individual consent), any new information with respect to financial intermediaries is unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the internet page www.x-markets.db.com.

Defined Terms

The credit ratings of Deutsche Bank referred to in this Base Prospectus have been issued by Standard & Poor's Credit Market Services France S.A.S ("**S&P**"), Moody's Investors Services Ltd., London, United Kingdom ("**Moody's**") and by Fitch Italia S.p.A. ("**Fitch**", together with S&P and Moody's, the "**Rating Agencies**"). Each of the Rating Agencies has its registered office in the European Union and is registered under Article 14(1) in connection with Article 2(1) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

In this Base Prospectus, all references to "**€**", "**Euro**", and "**EUR**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended, all references to "**£**" and "**GBP**" are to Pounds Sterling and all references to "**CHF**" refer to Swiss Francs, all references to "**U.S. dollars**", "**U.S.\$**", "**USD**" and "**\$**" refer to United States dollars, all references to "**SEK**" refer to Swedish Kronas and all references to "**PLN**" refer to Polish Zlotys.

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I. SUMMARY OF THE PROGRAMME

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 of the 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 and marked as "Not Applicable".

Section A – Introduction and Warnings

A.1 **Introduction:** This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Securities should be based on a consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor may, under the national legislation of that Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary (including any translation thereof) but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering to invest in the Securities.

A.2 **Consent:** [The Issuer consents to the use of the Prospectus for a later resale or final placement of the Securities by all financial intermediaries (general consent).]

[The Issuer consents to the use of the Prospectus for a later resale or final placement of the Securities by the following financial intermediaries (individual consent): [Insert name[s] and address[es].]

The subsequent resale or final placement of Securities by financial intermediaries can be made [as long as this Prospectus is valid in accordance with Article 9 of Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State (the "**Prospectus Directive**") [insert time period].

[Such consent is also subject to [●].] [This consent is not subject to any conditions.]

In case of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Section B – Issuer

B.1 **Legal and commercial name of Issuer:** Deutsche Bank Aktiengesellschaft ("**DBA**" or "**Deutsche Bank**"), acting through the following branch office: [DBL as Issuer: Deutsche Bank Aktiengesellschaft, London Branch ("**DBL**") [DBP as Issuer: Deutsche Bank Aktiengesellschaft, Sucursal em Portugal ("**DBP**") [DBS as Issuer: Deutsche Bank Aktiengesellschaft, Sucursal en España ("**DBS**") (the "**Issuer**").

- B.2 **Domicile and legal form of the Issuer, legislation under which the Issuer operates and its country of incorporation:** DBA is a banking institution and stock corporation incorporated and operating under the laws of Germany. DBA has its registered office in Frankfurt am Main. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main. [DBL as Issuer: On 14 January 1993 DBA registered under Schedule 21A to the Companies Act 1985 as having established a branch in England and Wales. DBA, acting through DBL is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000.] [DBP as Issuer: DBA, acting through DBP is registered with the Commercial Registry Office of Lisbon.] [DBS as Issuer: DBA, acting through DBS is registered in the Madrid Commercial Registry of the official registry of Spain].
- B.4b **Known trends:** Not applicable; there are no known trends affecting the Issuer and the industries in which it operates.
- B.5 **Description of the group:** DBA is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").
- B.9 **Profit forecast or estimate:** Not applicable; no profit forecast or estimate is made.
- B.10 **Audit report qualifications:** Not applicable; there are no qualifications in the audit report on the historical financial information.

B.12 **Selected historical key financial information:**

	31 December 2012 (IFRS, audited) ¹	31 December 2013 (IFRS, audited)	31 March 2013 (IFRS, unaudited)	31 March 2014 (IFRS, unaudited)
Share capital (in EUR)	2,379,519,078.40	2,609,919,078.40	2,379,519,078.40	2,609,919,078.40
Number of ordinary shares	929,499,640	1,019,499,640	929,499,640	1,019,499,640
Total assets (in million Euro)	2,022,275	1,611,400	2,032,690	1,636,574
Total liabilities (in million Euro)	1,968,035	1,556,434	1,976,612	1,580,557
Total equity (in million Euro)	54,240	54,966	56,078	56,017
Common Equity Tier 1 ratio ²	11.4%	12.8%	12.1%	13.2% ³
Tier-1-capital ratio ⁴	15.1%	16.9%	16.0%	13.2% ⁵

1. Restated information as of 31 December 2012 to account for changes in accounting principles Source: Financial Data Supplement 1Q2014 published on the issuer's website https://www.deutsche-bank.de/ir/de/download/FDS_1Q2014.pdf as at 7 May 2014. For more details on the changes in accounting principles please see the section "Recently Adopted and New Accounting Pronouncements" of Deutsche Bank Group's Consolidated financial statement as of 31 December 2013.

2. Capital ratios for 31 March 2014 are based upon transitional rules of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" as amended (Capital Requirements Regulation, or "CRR" and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" as amended (Capital Requirements Directive 4, or "CRD 4"), together the "CFD/CRD 4 capital framework"; prior periods are based upon Basel 2.5 rules excluding transitional items pursuant to section 64h (3) of the German Banking Act.

3. Common Equity Tier 1 ratio as of 31 March 2014 amounts 9.5%, calculated on the basis of CRR/CRD 4 fully loaded without taking into account the transitional provisions of CRR/CRD 4.
4. Capital ratios for 31 March 2014 are based upon transitional rules of CRR/CRD 4 capital framework; prior periods are based upon Basel 2.5 rules excluding transitional items pursuant to section 64h (3) of the German Banking Act.
5. Common Equity Tier 1 ratio as of 31 March 2014 amounts 9.5%, calculated on the basis of CRR/CRD 4 fully loaded without taking into account the transitional provisions of CRR/CRD 4.

There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2013. There has been no significant change in the financial position of Deutsche Bank Group since 31 March 2014.

- | | | |
|------|-----------------------------|---|
| B.13 | Recent events: | 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 on group: | Please see Element B.5. Not applicable; the Issuer is not dependent upon other entities. |

B.15	Principal activities:	<p>The objects of Deutsche Bank, as laid down in Article 2(1) of its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. Deutsche Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, Deutsche Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of Deutsche Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.</p> <p>Deutsche Bank maintains its head office in Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.</p> <p>Following a comprehensive strategic review, Deutsche Bank realigned its organizational structure in the fourth quarter 2012. Deutsche Bank reaffirmed its commitment to the universal banking model and to its four existing corporate divisions. Deutsche Bank strengthened this emphasis with an integrated Asset & Wealth Management Corporate Division that includes former Corporate Banking & Securities businesses such as exchange-traded funds (ETFs). Furthermore, Deutsche Bank created a Non-Core Operations Unit. This unit includes the former Group Division Corporate Investments (CI) as well as non-core operations which were re-assigned from other corporate divisions.</p> <p>As of 31 December 2013 Deutsche Bank was organized into the following five corporate divisions:</p> <ul style="list-style-type: none"> • Corporate Banking & Securities (CB&S) • Global Transaction Banking (GTB) • Asset & Wealth Management (AWM) • Private & Business Clients (PBC) • Non-Core Operations Unit (NCOU) <p>The five corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank has a regional management function that covers regional responsibilities worldwide.</p> <p>Deutsche Bank has operations or dealings with existing or potential customers in most countries in the world. These operations and dealings include:</p> <ul style="list-style-type: none"> • subsidiaries and branches in many countries; • representative offices in many other countries; and • one or more representatives assigned to serve customers in a large number of additional countries.
B.16	Ownership and control:	Not applicable; the Issuer is not directly or indirectly owned or controlled.
B.17	Ratings	<p>Deutsche Bank is rated by Standard & Poor's Credit Market Services France S.A.S. ("S&P"), by Moody's Investors Services Ltd., London, United Kingdom ("Moody's") and by Fitch Italia S.p.A. ("Fitch", together with S&P and Moody's, the "Rating Agencies").</p> <p>At the date of this Prospectus, the following ratings were assigned to the Issuer:</p>

Rating agency	Long-term	Short-term	Outlook
S&P	A	A-1	Negative
Moody's	A2	P-1	On review for downgrade
Fitch	A+	F1+	Negative

The Securities have not been rated.

Section C – Securities

C.1	Description of type and the class of the Securities, including any security identification number:	<p>The Securities are [Single Reference Entity] [FTD¹] [Basket] [Fixed Recovery] [Zero Recovery Principal Amount Reduction] [Maturity Capital Protected] [Floating Rate] [Fixed Rate] [Fixed/Floating Switch Option] [Floating/Fixed Switch Option] [Range Accrual] [Inflation Index] [Underlying Linked Coupon Rate] [Underlying Linked Redemption] [Non Credit Linked Coupon] [Credit Event Accrued Interest] [Loss at Maturity] [Credit Contingent Call Option] [Callable] [English Law] [Portuguese Law] [Spanish Law] Securities. (the "Securities").</p> <p>ISIN: [●]</p>
C.2	Currency:	[Euro ("EUR")] [U.S. Dollars ("USD")] [Pounds Sterling ("GBP")] [Swiss Franc ("CHF")] [Swedish Krona ("SEK")] [Polish Zloty ("PLN")].
C.5	Restrictions on free transferability:	<p>[Unless otherwise permitted, the Securities may not be offered, sold, resold or delivered in the United States or to, or for the account or benefit of, any U.S. person, and no Securities may be exercised or redeemed by or on behalf of a U.S. person or a person within the United States.]</p> <p>[The Securities may not be offered or sold except to (i) persons who are (A) “qualified institutional buyers” as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act") who are also “qualified purchasers” (“QPs”) as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, in reliance on Rule 144A under the Securities Act, or (B) eligible institutional investors who are also QPs in private transactions intended to be exempt from registration under the Securities Act, or (ii) non-U.S. persons located outside the United States in reliance on Regulation S under the Securities Act.]</p> <p>Further, unless otherwise permitted, the Securities may not be acquired by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts.</p> <p>Subject to the above, each Security is freely transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent (as defined in C.17) through whose books such Security is transferred.</p>
C.8	Description of the rights attaching to the Securities,	<p>Interest and Principal Payments</p> <p>Provided that, the Securities have not been previously redeemed, cancelled or purchased, the holder of a Security (the</p>

¹ FTD means "first to default"

including ranking and limitations to those rights:

"Securityholder") has the right to receive payments on account of interest and principal.

[See C.9 below for further details in respect of interest payments on the Securities.]

[See C.18 below for further details on returns on the Securities linked to the credit risk of reference entities and performance amount underlying (as applicable).]

[Insert for Securities issued by DBP: Meetings of Securityholders:

Securityholders of the same series of Securities have the right to hold meetings to consider any matter affecting their interests, including the modification or abrogation of any of the conditions and to appoint a common representative (which must be a firm of lawyers, a firm of certified auditors or a natural person) as representative of their interests, under the terms of articles 355 to 359 of the Portuguese Companies Code, enacted by Decree-Law 262/86, of 2 September 1986 (as amended).]

Ranking

The Securities constitute unsubordinated, unsecured contractual obligations of the Issuer and rank *pari passu* in all respects among themselves.

Limitations to the Rights

Investors in the Securities do not have any rights in respect of the reference entity or underlying, and shall have no right to call for any underlying to be delivered to them.

Coupon:

[See C.8 above.]

[The Securities bear interest at a rate per annum equal to [*Fixed Rate Securities*: [●] per cent. per annum] [*Floating Rate Securities*:, in respect of each relevant period, [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS] [Structured Floating Rate (Aggregate Reference Rate)] [Structured Floating Rate ([EUR] [USD] CMS (SP1-SP2))] [plus a margin of [●]% p.a.]] [*Range Accrual Securities*:, in respect of each relevant period, the product of (i) [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS] plus a margin of [●] % p.a. and (ii) the range day accrual rate in respect of such coupon period] [*Fixed/ Floating Switch Option Securities*: in respect of each relevant period commencing prior to the fixed to floating rate switch option exercise date, [●] per cent. per annum and in respect of each subsequent relevant period, [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] plus a margin of [●]% p.a.] [*Floating/Fixed Switch Option Securities*: in respect of each relevant period commencing prior to the floating to fixed rate switch option exercise date, [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] plus a margin of [●]% p.a. and in respect of each subsequent relevant period [●] per cent. per annum] [*Inflation Index Securities*: in respect of such coupon period, the reference rate for each coupon period plus a margin of [●] per cent.]. Interest will accrue from [the Issue Date] [●]. Interest is payable on each date falling [●] Business Days following each [●] [other than the final coupon payment date which will be on the] [and the] Scheduled Maturity Date. [*If Maximum/Minimum Coupon Rate*: Interest for each relevant period is subject to a [maximum][minimum] of [●]% per annum [and a [maximum][minimum] of [●]% p.a.] [*If Leverage Factor applies*: multiplied by the Leverage Factor (being [●])]. Interest is calculated on [an Act/360][a 30/360][an Act/Act] basis.]

[*If the Securities are Floating Rate Securities where the applicable Reference Rate is Structured Floating Rate (Aggregate Reference Rate)*: The Interest Rate will be the sum of [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS] [plus a margin of [●] % per annum] [multiplied by the Leverage Factor [●]].]

[*If the Securities are Floating Rate Securities where the applicable Reference Rate is Structured Floating Rate (EUR or USD CMS (SP1-SP2))*: The Interest Rate will be (i) [EUR] [USD] CMS for the specified period equal to [*insert first specified period*], minus (ii) [EUR] [USD] CMS for a specified period equal to [*insert second specified period*] [plus a margin of [●] % per annum.] [*If Leverage Factor applies*: multiplied by the Leverage Factor (being [●])];]

[*Range Accrual Securities*: The rate of interest for such Securities will only accrue on days for each relevant period when the applicable reference rate from which the interest rate is derived falls within the specified range.]

[*If Underlying Linked Coupon Rate*: [*Coupon Payout 1*: If on a relevant observation date the quotient of the reference level divided by the initial reference level is greater than the barrier level, interest will be calculated as set out above. In all other circumstances, the applicable interest rate shall be the minimum coupon rate (being [●]% per annum determined by the Calculation Agent on or around the trade date) (the

"Minimum Coupon Rate").]

[*Coupon Payout 2*: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left[\left(\frac{\text{Reference Level}}{\text{Initial Reference Level}} - K \right) \times \left(\frac{1}{t} \right) \right]$$

[*Coupon Payout 3*: The rate of interest for each relevant period coupon period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Reference Level}}{\text{Initial Reference Level}} - K \right)$$

[*Coupon Payout 4*: If on a relevant observation date the quotient of the underlying 1 reference level divided by the underlying 1 initial reference level and underlying 2 reference level divided by the underlying 2 initial reference level are both greater than the barrier level, interest will be calculated as set out above. In all other circumstances, the applicable rate of interest shall be the Minimum Coupon Rate (being [●]% per annum determined by the Calculation Agent on or around the Trade Date.)

[*Coupon Payout 5*: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Highest Reference Level}}{\text{Initial Reference Level}} - K \right)$$

[*Coupon Payout 6*: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Reference Level on the Observation Date}}{\text{Reference Level on the previous Observation Date}} - K \right)$$

[*Coupon Payout 7*: The rate of interest for each relevant period will be determined as follows:

$$\text{Max} \{0, R_1, R_2, \dots, R_n\}$$

Where:

$$"R_n" = \left(\frac{\text{Underlying}_n \text{ Initial Reference Level}}{\text{Underlying}_n \text{ Reference Level on the Observation Date}} - 1 \right)$$

[*Coupon Payout 8*: The rate of interest for each relevant period will be a [fixed rate of [●]%] [floating rate of [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]] [plus a margin of [●] %] plus an amount calculated in accordance with Coupon Payout [1] [2] [3] [4] [5] [6] [7] [*If Maximum/Minimum Coupon Rate*: Interest for each relevant period is subject to a [maximum][minimum] of [●]% [and a [maximum][minimum] of [●]%.]

[*Coupon Payouts 1/4*: Barrier Level [●] [*Coupon Payout 4*: underlying 1 initial valuation date [●] [*Coupon Payout 4*: underlying 1 valuation date [●]; [*Coupon Payout 4*: underlying 2 initial valuation date [●] [*Coupon Payout 4*: underlying 2 valuation date [●].]

[*Coupon Payouts 2/3/5/6*: initial valuation date [●].]

[*Coupon Payout 7*: underlying 1 [●]; underlying 1 initial valuation date [●]; underlying 1 observation date [●]; underlying 2 [●]; underlying 2 initial valuation date [●]; underlying 2 observation date [●]; [*Specify fields for applicable number of Underlyings (ie 1...n)*]]

[*Coupon Payouts 2, 3, 5 and 6*: participation factor [[●] (the "**Participation Factor**") to be determined by the Calculation Agent on or around the trade date]. reference level [[●] [the arithmetic average of the reference levels observed on each observation date in the coupon period] determined by the Calculation Agent on [●], [●]] *Coupon Payouts 2/3/5/6*: K [[●] to be determined by the Calculation Agent on or around the trade date]]. *Coupon Payouts 1/2/3/5/7*: initial reference level means the reference level of the underlying on the initial valuation date. trade date [●].]

[*Except Non Credit Linked Coupon Securities*: Interest on the Securities is linked to the credit risk of [; the] [*FTD/Basket Securities*: each] Reference Entity]. [*Single Name/FTD Securities*: Interest payments are contingent on the non-satisfaction of the Conditions to Settlement (as defined in Product Condition 3.1) with respect to [*Single Reference Entity Securities*: the] [*FTD Securities*: any single] reference entity.] [*Basket Securities*: Interest is payable on the outstanding nominal amount (being the nominal amount of [●] per Security less the sum of the reference entity nominal amounts with respect to each reference entity for which the Conditions to Settlement are satisfied) of each Security, as reduced following the satisfaction of the Conditions to Settlement in respect of any reference entity.] [*Except Non Credit Linked Coupon Securities*: Payments of interest may be suspended or postponed in whole [*Basket Securities*: or part] in certain circumstances.

If payments of interest are suspended or postponed, no additional amount shall be payable in respect of any delay.

If the Scheduled Maturity Date is postponed, an additional amount of interest shall accrue in respect of each Security on [*Single Reference Entity Securities/FTD Securities*: the nominal amount] [*Basket Securities*: the reference entity nominal amount in respect of the affected reference entity] at an overnight rate of [*Securities denominated in USD*: USD Federal Funds Compound Rate] [*Securities denominated in GBP*: GBP WMBA SONIA Compound Rate] [*Securities denominated in EUR*: EONIA (Euro Overnight Index Average) Compound Rate] [*Securities denominated in CHF*: CHF TOIS OIS Compound Rate] [*Securities denominated in SEK*: SEK SIOR OIS Compound Rate] [*Securities denominated in PLN*: PLN POLONIA OIS Compound Rate] during the relevant period of postponement.

[Unless previously redeemed, purchased or cancelled, the maturity date of the Securities shall be [●].]

[Unless previously redeemed or purchased or cancelled, each Security will be redeemed by the Issuer on the maturity date [at par].]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[The yield is [●].]

Representative of holders of Securities:

If the Securities are Portuguese Law Securities, Securityholders of the same series of Securities have the right to hold meetings to consider any matter affecting their interests, including the modification or abrogation of any of the conditions and to appoint a common representative (which must be a firm of lawyers, a firm of certified auditors or a natural person) as representative of their interests, under the terms of articles 355 to 359 of the Portuguese Companies Code, enacted by Decree-Law 262/86, of 2 September 1986 (as amended).

Otherwise, the Issuer has not appointed any person to be a representative of the holders of the Securities.

- C.10 **Derivative component in coupon payments** See C.9 above.
[[*Underlying Linked Coupon Rate Securities*: The Coupon payments are [credit linked] [linked to the performance of [an underlying index] [reference rate] [exchange rate(s)] [commodity(ies)] [futures contract(s)] [fund share(s)] [fund unit(s)] [●].]
[Not Applicable.]
- C.11 **Admission to trading:** [Application [has been] [will be] made to admit the Securities to trading on the regulated market of the Luxembourg Stock Exchange] [Not Applicable. The Securities will not be listed or admitted to trading on the regulated market of any exchange.]
- C.15 **Effect of underlying on value of investment:** The value of the Securities will depend on the likelihood of a Credit Event (as defined in Product Condition 3.2.1) occurring. [*Securities other than 100% Maturity Capital Protected Securities*: If the Conditions to Settlement have been satisfied then the Securityholders may receive a reduced amount on redemption of the Securities which may be zero.] [*Securities other than Non Credit Linked Coupon Securities*: If the Conditions to Settlement are satisfied, the Securityholders may receive a reduced amount by way of coupon on the Securities.] [*Underlying Linked Coupon Rate Securities*: The amount payable on the Securities will additionally depend on the value of the underlying.] [*Underlying Linked Redemption Securities*: The amount payable on the Securities will additionally depend on the performance of the performance amount underlying.]
- C.16 **Maturity Date of the Securities:** Scheduled Maturity Date: [●].
The Maturity Date may be subject to postponement following the Scheduled Maturity Date in certain circumstances, including [*Other than Fixed Recovery Securities, Zero Recovery Principal Amount Reduction Securities or Maturity Capital Protected Securities*: where a Credit Event has occurred but the related settlement price has not yet been determined or] where a resolution of a Credit Derivatives Committee established by ISDA as to the occurrence or non-occurrence of a Credit Event is pending, the Calculation Agent has requested but not received opinions of market participants as to the occurrence or non-occurrence of a Credit Event or, in the opinion of the Calculation Agent, a Credit Event may have occurred [*Securities in respect of which Repudiation / Moratorium applies*: or a Potential Repudiation/Moratorium has occurred].
The Securities may additionally be subject to redemption prior to their scheduled maturity:

- [*Callable Securities*: at the option of the Issuer on any date for payment of coupons falling on or after [●];]
- [*Other than FTD Securities*: if the Issuer consolidates or amalgamates or merges or transfers all its assets to [*Single Reference Entity Securities*: the][*Basket Securities*: a] Reference Entity, or vice versa, or the Issuer and [*Single Reference Entity Securities*: the][*Basket Securities*: a] Reference Entity become affiliated.

C.17 **Settlement:** Any amounts payable to the Securityholders will be transferred by an Agent on behalf of the Issuer to [Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert 11, B1210 Brussels] [and] [Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg] [specify other] ([each a] "**Clearing Agent**") for distribution to the Securityholders. Payments to a Clearing Agent will be made in accordance with the rules of such Clearing Agent.

C.18 **Return on the Securities:** The return on the Securities is linked to the credit risk of the reference [*Single Reference Entity Securities*: entity] [*FTD/Basket Securities*: Entities] [*Underlying Linked Redemption Securities*: and to the performance of the performance amount underlying]. Unless previously redeemed or purchased and cancelled [*Except 100% Maturity Capital Protected Securities*: (including as a result of the satisfaction of the Conditions to Settlement)], each Security will be redeemed on the Maturity Date (as may be deferred in certain circumstances: see C.16 above) by payment of a redemption amount equal to the [*Single Reference Entity/FTD Securities*: nominal amount] [*Basket Securities*: outstanding nominal amount (being the nominal amount of [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●] per Security less the sum of the reference entity nominal amounts with respect to each reference entity for which the Conditions to Settlement are satisfied) which may be zero] [*Underlying Linked Redemption Securities which are not Maturity Capital Protected Securities*: plus an amount equal to the performance amount] [*Underlying Linked Redemption Securities which are Maturity Capital Protected Securities and not Basket Securities*: plus an amount equal to the capital protected performance amount] [*Underlying Linked Redemption Securities which are Maturity Capital Protected Securities and Basket Securities*: plus an amount equal to the capital protected basket performance amount].

The Conditions to Settlement are satisfied by delivery of a Credit Event Notice by the Issuer, describing a relevant Credit Event.

Credit Events:

- (a) [Bankruptcy (broadly, one or more reference entities becomes insolvent or enters into formal bankruptcy or rehabilitation proceedings or an administrator is appointed);]
- (b) [Failure to Pay (subject to a minimum threshold amount, the reference entity fails to pay any amounts due on any of its borrowings (including its bonds or loans) or guarantees);]
- (c) [Obligation Acceleration (the reference entity defaults on a minimum amount of its borrowings (including its bonds or loans) or guarantees and as a result such obligations are accelerated);]
- (d) [Obligation Default (the reference entity defaults on a minimum amount of its borrowings (including its bonds or

loans) or guarantees and as a result such obligations are capable of being accelerated);]

- (e) [Restructuring (following a deterioration of the reference entity's creditworthiness, any of its borrowings or guarantees, subject to a minimum threshold amount of such borrowings or guarantees, are restructured in such a way as to adversely affect a creditor (such as a reduction or postponement of the interest or principal payable on a bond or loan));] [and]
- (f) [Repudiation/Moratorium ((i) the reference entity repudiates or rejects, in whole or in part, its obligations in relation to its borrowings or its guarantees, or it declares or imposes a moratorium with respect to its borrowings or guarantees and (ii) thereafter within a certain period it fails to pay any amounts due on any of its borrowings (including its bonds or loans) or its guarantees, or it restructures any of its borrowings or guarantees in such a way as to adversely affect a creditor)].

The Credit Events which are applicable to [*Single Reference Entity Securities*: the] [*FTD/Basket Securities*: each] reference entity shall be determined by reference to the most recent Credit Derivatives Physical Settlement Matrix published by ISDA as at the Trade Date of the Securities.

[*Single Reference Entity/FTD Securities*: Unless previously redeemed or purchased and cancelled, if the Conditions to Settlement are satisfied in relation to [*Single Reference Entity Securities*: the] [*FTD Securities*: a] reference entity, each Security will be [*other than Zero Recovery Principal Amount Reduction Securities*: redeemed by payment of [*Single Reference Entities/FTD Securities (other than Maturity Capital Protected Securities)*: (i) the nominal amount per Security (being [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●]) multiplied by the settlement price [*Other than Fixed Recovery Securities*: (as determined by reference to a credit derivatives auction sponsored by ISDA or, where applicable, by reference to firm bids for obligations of the reference entity, or if neither of the foregoing are applicable, [15][30]%) [*Fixed Recovery Securities*: (being [●]%) [*Other than Loss at Maturity Securities*: minus (ii) unwind costs (being costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging or funding arrangements)] [*Underlying Linked Redemption Securities*: plus (iii) an amount equal to the performance amount on the [*Other than Fixed Recovery Securities and Loss at Maturity Securities*: second Business Day following determination of the settlement price] [*Fixed Recovery Securities*: tenth Business Day following the satisfaction of the Conditions to Settlement] [*Loss at Maturity Securities*: Maturity Date]] [*Zero Recovery Principal Amount Reduction Securities*: cancelled as to the nominal amount without payment.].] [*Maturity Capital Protected Securities*: the nominal amount (being [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●])] multiplied by the capital protection percentage (being [●]%) on the Maturity Date][*Underlying Linked Redemption Securities*: plus an amount equal to the performance amount (if such performance amount is positive).]

[*Basket Securities*: Unless previously redeemed or purchased and cancelled, if the Conditions to Settlement are satisfied with respect to [*Basket Securities other than Loss at Maturity Securities and Maturity Capital Protected Securities*: a reference entity, each Security will be [*Basket Securities other than Zero Recovery Principal Amount Reduction Securities*: partially redeemed as to an amount equal to the

relevant reference entity nominal amount by payment of (i) the reference entity nominal amount multiplied by the settlement price [*Basket Securities other than Fixed Recovery Securities*: (as determined by reference to a credit derivatives auction sponsored by ISDA or, where applicable, by reference to firm bids for obligations of the reference entity, or if neither of the foregoing are applicable, [15][30]%) [*Fixed Recovery Securities*: (being [●]%) minus (ii) unwind costs (being costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging or funding arrangements)] [*Underlying Linked Redemption Securities*: plus (iii) an amount equal to the performance amount on the [*Basket Securities other than Fixed Recovery Securities*: second Business Day following determination of the settlement price] [*Fixed Recovery Securities*: tenth Business Day following the satisfaction of the Conditions to Settlement]] [*Zero Recovery Principal Amount Reduction Securities*: partially cancelled as to the relevant reference entity nominal amount without payment].] [*Loss at Maturity Securities*: one or more reference entities, each Security will be redeemed on the Maturity Date in an amount equal to the sum for all reference entities of, if the Conditions to Settlement are satisfied with respect to a reference entity, the product of the reference entity nominal amount and the relevant settlement price [*Basket Securities other than Fixed Recovery Securities*: (as determined by reference to a credit derivatives auction sponsored by ISDA or, where applicable, by reference to firm bids for obligations of the reference entity, or if neither of the foregoing are applicable, [15][30]%) [*Fixed Recovery Securities*: (being [●]%)] or, if the Conditions to Settlement are not satisfied with respect to a reference entity, the relevant reference entity nominal amount]] [*Underlying Linked Redemption Securities*: plus an amount equal to the performance amount] [*Maturity Capital Protected Securities*: one or more reference entities, each Security will be redeemed on the Maturity Date in an amount equal to the sum for all reference entities of, if the Conditions to Settlement are satisfied with respect to a reference entity, the product of the reference entity nominal amount multiplied by the capital protection percentage in each case in respect of such reference entity and, if the Conditions to Settlement are not satisfied with respect to a reference entity, the relevant reference entity nominal amount]] [*Underlying Linked Redemption Securities*: plus, in either case, an amount equal to the capital protected basket performance amount (if such performance amount is positive)]

Reference [*Single Reference Entity Securities*: entity] [*FTD/Basket Securities*: Entities and [reference entity nominal amounts] [reference entity weightings]: [●].

[*Underlying Linked Redemption Securities*: The performance amount is calculated using the following formula:

Outstanding Nominal Amount x Min {Max { K%, Perf(T) – 100%}, M%}

Where:

"K" = [●]

"M" = [●]

"Perf(T)" is the quotient of the reference level of the performance amount underlying on the observation date divided by the initial reference level of the performance amount underlying.

Performance amount underlying [●].]

Coupon

[Range Accrual Securities: The rate of interest for such Securities will only accrue on days for each relevant period when the applicable reference rate from which the interest rate is derived falls within the specified range.]

[If Underlying Linked Coupon Rate: [Coupon Payout 1: If on a relevant observation date the quotient of the reference level divided by the initial reference level is greater than the barrier level, interest will be calculated as set out above. In all other circumstances, the applicable interest rate shall be the minimum coupon rate (being [●]% per annum determined by the Calculation Agent on or around the trade date) (the "Minimum Coupon Rate").]

[Coupon Payout 2: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left[\left(\frac{\text{Reference Level}}{\text{Initial Reference Level}} - K \right) \times \left(\frac{1}{t} \right) \right]]$$

[Coupon Payout 3: The rate of interest for each relevant period coupon period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Reference Level}}{\text{Initial Reference Level}} - K \right)]$$

[Coupon Payout 4: If on a relevant observation date the quotient of the underlying 1 reference level divided by the underlying 1 initial reference level and underlying 2 reference level divided by the underlying 2 initial reference level are both greater than the barrier level, interest will be calculated as set out above. In all other circumstances, the applicable rate of interest shall be the Minimum Coupon Rate (being [●]% per annum determined by the Calculation Agent on or around the Trade Date.)

[Coupon Payout 5: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Highest Reference Level}}{\text{Initial Reference Level}} - K \right)]$$

[Coupon Payout 6: The rate of interest for each relevant period will be determined as follows:

$$\text{Participation Factor} \times \left(\frac{\text{Reference Level on the Observation Date}}{\text{Reference Level on the previous Observation Date}} - K \right)]$$

[*Coupon Payout 7*: The rate of interest for each relevant period will be determined as follows:

$$\text{Max } \{0, R_1, R_2, \dots, R_n\}$$

Where:

$$"R_n" = \left(\frac{\text{Underlying}_n \text{ Initial Reference Level}}{\text{Underlying}_n \text{ Reference Level on the Observation Date}} - 1 \right)]$$

[*Coupon Payout 8*: The rate of interest for each relevant period will be a [fixed rate of [●] %] [floating rate of [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]] [plus a margin of [●] %] plus an amount calculated in accordance with Coupon Payout [1] [2] [3] [4] [5] [6] [7] [*If Maximum/Minimum Coupon Rate*: Interest for each relevant period is subject to a [maximum][minimum] of [●] % [and a [maximum][minimum] of [●] %].]

[*Coupon Payouts 1/4*: Barrier Level [●] [*Coupon Payout 4*: underlying 1 initial valuation date [●] [*Coupon Payout 4*: underlying 1 valuation date [●]; [*Coupon Payout 4*: underlying 2 initial valuation date [●] [*Coupon Payout 4*: underlying 2 valuation date [●].]

[*Coupon Payouts 2/3/5/6*: initial valuation date [●].]

[*Coupon Payout 7*: underlying 1 [●]; underlying 1 initial valuation date [●]; underlying 1 observation date [●]; underlying 2 [●]; underlying 2 initial valuation date [●]; underlying 2 observation date [●]; [*Specify fields for applicable number of Underlyings (ie 1...n)*]]

[*Coupon Payouts 2, 3, 5 and 6*: participation factor [[●] (the "**Participation Factor**") to be determined by the Calculation Agent on or around the trade date]. reference level [[●] [the arithmetic average of the reference levels observed on each observation date in the coupon period] determined by the Calculation Agent on [●], [●]] [*Coupon Payouts 2/3/5/6*: K [[●] to be determined by the Calculation Agent on or around the trade date]]. [*Coupon Payouts 1/2/3/5/7*: initial reference level means the reference level of the underlying on the initial valuation date. trade date [●].]

[*Except Non Credit Linked Coupon Securities*: Interest on the Securities is linked to the credit risk of [: the] [*FTD/Basket Securities*: each] Reference Entity]. [*Single Name/FTD Securities*: Interest payments are contingent on the non-satisfaction of the Conditions to Settlement (as defined in Product Condition 3.1) with respect to [*Single Reference Entity Securities*: the] [*FTD Securities*: any single] reference entity.] [*Basket Securities*: Interest is payable on the outstanding nominal amount (being the nominal amount of [●] per Security less the sum of the reference entity nominal amounts with respect to each reference entity for which the Conditions to Settlement are satisfied) of each Security, as reduced following the satisfaction of the Conditions to Settlement in respect of any reference entity.] [*Except Non Credit Linked Coupon Securities*: Payments of interest may be suspended or postponed in whole [*Basket Securities*: or part] in certain circumstances.

If payments of interest are suspended or postponed, no additional amount shall be payable in respect of any delay.

If the Scheduled Maturity Date is postponed, an additional amount of interest shall accrue in respect of each Security on [*Single Reference Entity Securities/FTD Securities*: the nominal amount] [*Basket Securities*: the reference entity nominal amount in respect of the affected reference entity] at an overnight rate of [*Securities denominated in USD*: USD Federal Funds Compound Rate] [*Securities denominated in GBP*: GBP WMBA SONIA Compound Rate] [*Securities denominated in EUR*: EONIA (Euro Overnight Index Average) Compound Rate] [*Securities denominated in CHF*: CHF TOIS OIS Compound Rate] [*Securities denominated in SEK*: SEK SIOR OIS Compound Rate] [*Securities denominated in PLN*: PLN

POLONIA OIS Compound Rate] during the relevant period of postponement.

[Unless previously redeemed, purchased or cancelled, the maturity date of the Securities shall be [●].]

[Unless previously redeemed or purchased or cancelled, each Security will be redeemed by the Issuer on the maturity date [at par].]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[The yield is [●].]

C.19 **Exercise price or the final reference price:** [Not applicable]

C.20 **The underlying and where the information on the underlying can be found:** Details on the past and further performance of the reference [*Single Reference Entity Securities*: entity] [*FTD/Basket Securities*: entities] can be obtained from Bloomberg (www.bloomberg.com), financial reports from credit rating agencies and the websites of the relevant reference [*Single Reference Entity Securities*: entity] [*FTD/Basket Securities*: entities].

Interest payable under the Securities is linked to the [*Credit Linked Securities*: credit of the reference [*Single Reference Entity Securities*: entity] [[*FTD/Basket Securities*: entities]] [*Credit Linked Securities which are also Underlying Linked Coupon Rate Securities*: and to the] [*Underlying Linked Coupon Rate Securities*: performance of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]. Details on the past and future performance of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]] can be obtained from Bloomberg (www.bloomberg.com)[●].]

The redemption amount payable under the Securities is linked to the [*Credit Linked Securities*: credit of the reference [*Single Reference Entity Securities*: entity] [[*FTD/Basket Securities*: entities]] [*Credit Linked Securities which are also Underlying Linked Redemption Securities*: and to the] [*Underlying Linked Redemption Securities*: performance of the performance amount underlying which [is][are] [a[n]] [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]. Details on the past and future performance of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]] can be obtained from [Bloomberg (www.bloomberg.com)][●].]

C.21 **Market where the securities will be traded and for which Base Prospectus has been published:** [Application [has been] [will be] made to admit the Securities to trading on the regulated market of the Luxembourg Stock Exchange] [Not Applicable. The Securities will not be listed or admitted to trading on the regulated market of any exchange.]

Section D – Risks

D.2 **Key information on the key risks that are specific** Investors will be exposed to the risk of the Issuer becoming insolvent and thus over indebted or unable to pay debts, i.e. a temporary or permanent inability to meet interest and/or principal payments on time.

to the Issuer: The Issuer's credit rating reflects the assessment of these risks.

The financial strength of Deutsche Bank which is also reflected in its ratings described above depends in particular on its profitability. Factors that may have a negative impact on Deutsche Bank's profitability are described in the following:

- As a global investment bank with a large private client franchise, Deutsche Bank's businesses are materially affected by global macroeconomic and financial market conditions. Over the last several years, banks, including Deutsche Bank, have experienced nearly continuous stress on their business models and prospects. A widespread loss of investor confidence, both in the banking industry and in the broader markets, has put significant pressure on the financial sector and Deutsche Bank's businesses.
- Deutsche Bank has been and may continue to be directly affected by the on-going European sovereign debt crisis, and it may be required to take impairments on its exposures to the sovereign debt of European or other countries. The credit default swaps Deutsche Bank has entered into to manage sovereign credit risk may not be available to offset these losses.
- Regulatory and political actions by European governments in response to the sovereign debt crisis may not be sufficient to prevent the crisis from spreading or to prevent departure of one or more member countries from the common currency. The default or departure of any one or more countries from the euro could have unpredictable consequences on the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. Deutsche Bank's ability to protect itself against these risks is limited.
- Deutsche Bank has a continuous demand for liquidity to fund its business activities, and may be limited in its ability to access the capital markets for liquidity and to fund assets in the current market environment. In addition, Deutsche Bank may suffer during periods of market-wide firm specific liquidity constraints, and liquidity may not be available to it even if Deutsche Bank's underlying business remains strong.
- Regulatory reforms enacted and proposed in response to the persistent weaknesses in the financial sector, together with increased regulatory scrutiny more generally, will require Deutsche Bank to maintain increased capital and may significantly affect Deutsche Bank's business model and the competitive environment. Any perceptions in the market that Deutsche Bank may be unable to meet its capital requirements with an adequate buffer, or that Deutsche Bank should maintain capital in excess of the requirements, could intensify the effect of these factors on Deutsche Bank's business and results.
- Adverse market conditions, historically low prices and volatility have affected and may in the future materially and adversely affect Deutsche Bank's revenues and profits, particularly in its investment banking, brokerage and other commission-based and fee-based businesses. As a result,

Deutsche Bank has incurred and may in the future continue to incur significant losses from its trading and investment activities.

- In order to address concerns about recent market and regulatory developments in addition to greatly increased costs of risk, Deutsche Bank has recently announced its Strategy 2015+. If Deutsche Bank is unable to implement its new strategy successfully, it may be unable to achieve its financial objectives, or incur losses or low profitability.
- Deutsche Bank's credit businesses materially add to its traditional banking credit risks.
- Deutsche Bank has incurred losses, and may incur further losses, as a result of changes in the fair value of its financial instruments.
- Deutsche Bank's risk management policies, procedures and methods leave Deutsche Bank exposed to unidentified or unanticipated risks, which could lead to material losses.
- Deutsche Bank operates in an increasingly regulated and litigious environment, potentially exposing it to liability claims and other costs, the amounts of which may be difficult to estimate.
- Deutsche Bank is currently the subject of regulatory and criminal industry-wide investigations relating to interbank offered rates, as well as civil actions. Due to a number of uncertainties, including those related to the high profile of the matters and other banks' settlement negotiations, the eventual outcome of these matters is unpredictable, and may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.
- Deutsche Bank has been subject to contractual claims and litigation in respect of its U.S. residential mortgage loan business that may materially and adversely affect Deutsche Bank's results or reputation.
- Operational risks may disrupt Deutsche Bank's business.
- The size of Deutsche Bank's clearing operations exposes it to a heightened risk of material losses should these operations fail to function properly.
- Deutsche Bank may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm Deutsche Bank's results of operations and its share price.
- The effects of the takeover of Deutsche Postbank AG may differ materially from Deutsche Bank's expectations.
- Deutsche Bank may have difficulties selling non-core assets at favourable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.

- Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact its revenues and profitability.
- Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism or persons targeted by U.S. economic sanctions may lead potential customers and investors to avoid doing business with Deutsche Bank, investing in its securities, harm its reputation or result in regulatory action which could materially and adversely affect Deutsche Bank's business.

D.3

Key risks that are specific to the Securities:

Key risks:

- Purchasing the Securities bears significant risks and is only suitable for investors with the requisite knowledge and experience of financial and business matters to evaluate the information contained herein and to assess the risks and merits of an investment in the Securities.
- Potential purchasers should only reach an investment decision after careful consideration with their legal, tax, accounting and other advisers as they determine appropriate under the circumstances, of: (i) the suitability of an investment in the Securities in light of their own particular financial, fiscal, tax and other circumstances, (ii) the information set out in this document and any documents incorporated by reference and (iii) such independent investigation and analysis regarding the Issuer and the reference [*Single Reference Entity Securities /FTD Securities: entity*] [*Basket Securities: entities*] as they deem appropriate to evaluate the risks and merits of an investment in the Securities.
- The value of the Securities will be affected by, amongst other things, the market's general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the market value of the Securities. If insolvency proceedings are commenced with respect to the Issuer, a Securityholder's return will be limited, with any recovery likely to be substantially delayed, and in certain circumstances may be zero. The worst case would be that an investor loses their initial investment and receives no return in respect thereof.
- Credit risk refers to the risk that a company or entity [*Sovereign Reference Entities: (including as in this case a sovereign entity)*] may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. The terms "transactions" and "obligations" are used widely and can include (but are not limited to) loan agreements entered into by the company or entity and also securities issued by the company or entity. This risk arises for other companies or parties which enter into transactions with the company or entity or in some other way have exposure to the credit risk of the company or entity and this is a risk for a holder of the Securities].

- The Coupon Amount payable is calculated by reference to [*Fixed Rate Securities*: a fixed rate which may be lower than prevailing benchmark funding rates and credit spreads] [*Floating Rate Securities*: a variable floating rate which may fall] [*Fixed/Floating Switch Option Securities*: a variable floating rate which may fall and be lower than the fixed rate if the switch option is exercised] [*Floating/Fixed Switch Option Securities*: the fixed rate which may be lower than the variable floating rate if the switch option is exercised]
- The Securities may be redeemed prior to their Scheduled Maturity Date in certain circumstances pursuant to the terms and conditions of the Securities.
- There is no guarantee that a secondary market for the Securities will develop or, if such a secondary market does develop, that it will provide Securityholders with liquidity of investment or that it will continue to exist for the life of the Securities. In an illiquid market an investor may not be able to sell their Securities at all, or at an appropriate market price.
- Any payments made by the Issuer to the Securityholders will be made subject to the Securityholder Expenses and any applicable taxes and duties.

D.6

Key risks that are specific to the Securities, including a risk warning relating to the value of the entire investment:

Key risks:

- Purchasing the Securities bears significant risks and is only suitable for investors with the requisite knowledge and experience of financial and business matters to evaluate the information contained herein and to assess the risks and merits of an investment in the Securities.
- Potential purchasers should only reach an investment decision after careful consideration with their legal, tax, accounting and other advisers as they determine appropriate under the circumstances, of: (i) the suitability of an investment in the Securities in light of their own particular financial, fiscal, tax and other circumstances, (ii) the information set out in this document and any documents incorporated by reference and (iii) such independent investigation and analysis regarding the Issuer and the reference [Single Reference Entity Securities /FTD Securities: entity] [Basket Securities: entities] as they deem appropriate to evaluate the risks and merits of an investment in the Securities.
- The value of the Securities will be affected by, amongst other things, the market's general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the market value of the Securities. If insolvency proceedings are commenced with respect to the Issuer, a Securityholder's return will be limited, with any recovery likely to be substantially delayed, and in certain circumstances may be zero. The worst case would be that an investor loses their initial investment and receives no return in respect thereof.
- In addition to the credit risk of the Issuer in performing its obligations when due under the Securities, an investment in

the Securities provides exposure to the credit risk of the reference [Single Reference Entity Securities/FTD Securities: entity] [Basket Securities: entities] and related direct or indirect debt obligations.

- Credit risk refers to the risk that a company or entity [Sovereign Reference Entities: (including as in this case a sovereign entity)] may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. The terms "transactions" and "obligations" are used widely and can include (but are not limited to) loan agreements entered into by the company or entity and also securities issued by the company or entity. This risk arises for other companies or parties which enter into transactions with the company or entity or in some other way have exposure to the credit risk of the company or entity and this is a risk for a holder of the Securities].
- The Coupon Amount payable is calculated by reference to [Fixed Rate Securities: a fixed rate which may be lower than prevailing benchmark funding rates and credit spreads] [Floating Rate Securities: a variable floating rate which may fall] [Fixed/Floating Switch Option Securities: a variable floating rate which may fall and be lower than the fixed rate if the switch option is exercised] [Floating/Fixed Switch Option Securities: the fixed rate which may be lower than the variable floating rate if the switch option is exercised] [Range Accrual Securities: a variable floating rate which may fall outside the relevant range] [Inflation Index Securities: the level of an inflation index which may fall] [Underlying Linked Coupon Rate Securities: the performance of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share].
- [Underlying Linked Redemption Securities: The redemption amount payable is calculated by reference to the performance of the Performance Amount Underlying which [is][are] [a[n]] [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share].]
- The Securities may be redeemed prior to their Scheduled Maturity Date in certain circumstances pursuant to the terms and conditions of the Securities.
- There is no guarantee that a secondary market for the Securities will develop or, if such a secondary market does develop, that it will provide Securityholders with liquidity of investment or that it will continue to exist for the life of the Securities. In an illiquid market an investor may not be able to sell their Securities at all, or at an appropriate market price.
- By choosing to invest in the Securities, Securityholders are taking on additional risks which would not apply when investing in normal debt securities. The amounts payable by the Issuer under the Securities will be dependent upon the non-occurrence of a Credit Event and the satisfaction of the Conditions to Settlement in relation to [Single Reference Entity Securities: the] [FTD Securities: a] [Basket Securities: any] Reference Entity.

- The Issuer has not and will not make any representation or warranty whether express or implied as to the credit quality of [Single Reference Entity Securities: the] [FTD/Basket Securities: any] Reference Entity.
- Any payments made by the Issuer to the Securityholders will be made subject to the Securityholder Expenses and any applicable taxes and duties.
- The financial condition and creditworthiness of [Single Reference Entity Securities: the] [FTD/Basket Securities: any] Reference Entity may change over time. Public information which is available in relation to [Single Reference Entity Securities: the] [FTD/Basket Securities: any] Reference Entity may be incomplete or misleading or out of date. Where a successor Reference Entity is identified, the risks associated with such successor may be greater than the risks associated with the original Reference Entity.
- Where a Credit Event occurs, coupon will cease to accrue on all or the relevant part of the principal amount of the Securities, the principal of the Securities may be reduced (including to zero) without any corresponding payment to Securityholders and any payments to Securityholders may be subject to substantial delay without compensation.
- Where settlement of the Securities following a Credit Event is determined by reference to a credit derivatives auction, the outcome of such auction may be affected by technical factors, resulting in a lower payment to Securityholders.

Investors may lose all or a substantial portion of their investment. Securityholders may not be able to sell such Securities readily or at prices that enable them to realise their anticipated yield. No investor should purchase Securities unless such investor understands and is able to bear the risk that such Securities may not be readily saleable, that the value of such Securities will fluctuate over time, that such fluctuations may be significant and that in certain circumstances such investor may lose all or a substantial portion of the purchase price of the Securities.

Section E – Offer

E.2b **Reasons for the offer, use of proceeds:** [The net proceeds from the issue of the Securities will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Securities may be used to hedge market risk with respect to such Securities. [●] *[Insert other reasons for the offer/use of proceeds, if applicable].*]

E.3 **Terms and conditions of the offer:** [An offer of Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in the Grand Duchy of Luxembourg ("**Public Offer Jurisdictions**") during the period [from [●] until [●]] (the "**Offer Period**") by [●] (the "**Distributor[s]**").]

[The Offer Price is [●] (the "**Issue Price**") [The Distributor[s] will offer and sell the Securities to [its] [their] their customers in accordance with arrangements in place between each such Distributor[s] and its customers by reference to the Issue Price and market conditions prevailing at the time.]

[Offers of Securities are conditional on their issue and are subject to *[specify conditions]*. [The Issuer reserves the right to [discontinue or change the Offer Period] [and to]cancel for any reason the issuance of the Securities.] As between the Distributor[s] and [its] [their]

customers, offers of Securities are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]

[An investor will purchase the Securities in accordance with the arrangements in place between the Distributor[s] and [its] [their] customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Securities.]

E.4 **Interests material to the offer:** [Not Applicable. There are no interests material to the offer.] [Save for any fees payable to the Distributor[s], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer] [●].

E.7 **Estimated expenses charged to the investor by the Issuer or the offeror:** [Not Applicable; There are no expenses charged by the Issuer or the offeror to the investor.] [The estimated expenses charged to the investor by way of the Issuer or offeror will be [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●].]

II. RISK FACTORS

There are risks associated with an investment in Securities. You should ensure that you understand fully the nature of the Securities, as well as the extent of your exposure to risks associated with an investment in the Securities and you should consider the suitability of an investment in the Securities in light of your own particular financial, fiscal and other circumstances.

The following factors can affect the value of the Securities or the Issuer's ability to fulfil its obligations under the Securities it has issued, but a decline in the value of, or the payments due under, the Securities may occur for other reasons. The factors below are not exhaustive. To evaluate the merits and the risks of an investment in the Securities, you should conduct such independent investigation and analysis as you deem appropriate. You should also consider all other market and economic factors and your own personal circumstances. You should read the other detailed information set out in this Base Prospectus and reach your own views prior to making any investment decision.

The following Sections A – E describe the principal material risk factors as well as conflicts of interest of the Issuer related to an investment in the Securities.

A. ISSUER RISK FACTORS

An investment in Securities bears the risk that the Issuer is not able to fulfil its obligations created by the Securities on the relevant due date. If this happens investors may lose some or all of their investment in the Securities. If a bankruptcy proceeding is commenced with respect to the Issuer, the return to an investor in the Securities may be limited and any recovery will likely be substantially delayed. Thus investors may lose all or part of their investment.

In order to assess the risk, prospective investors should consider all information provided in this Base Prospectus, including, but not limited to, the section entitled "Risk factors in respect of the Issuer" provided in the Deutsche Bank AG EUR 80 billion Debt Issuance Programme Base Prospectus dated 26 June 2014 referred to in Section III. C of this Base Prospectus (entitled "*Documents Incorporated by Reference*"). Prospective investors should consult with their own legal, tax, accounting and other advisers if they consider it necessary.

Investors are dependent on the Issuer's ability to pay or deliver, as applicable, all amounts due on the Securities, and therefore investors are subject to the Issuer's credit risk. Changes in the Issuer's credit ratings and credit spreads may adversely affect the market value of the Securities even if there was no default on the Issuer's obligations under the Securities. The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's credit worthiness. Any deterioration of the credit worthiness of the Issuer during the term of the Securities may result in increasing refinancing costs for the Issuer and thus adversely affect the value of the Securities. However, any improvement of the credit worthiness of the Issuer during the term of the Securities may not increase the value of the Securities. If the Issuer was to default on its payment or other obligations, an investor may not receive any amounts owed to it under the Securities and could lose up to its entire investment amount.

At the date of this Prospectus, the following ratings² were assigned to the Issuer:

Rating agency	Long-term	Short-term	Outlook
S&P	A	A-1	Negative
Moody's	A2	P-1	On review for downgrade
Fitch	A+	F1+	Negative

² The information for these ratings has been extracted from information made available by each rating agency referred to below.

As at the date of this Prospectus the ratings for the Issuer were:

Short-term:

Fitch, Inc rating was F1+: F1 indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

Moody's rating was P-1: Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

S&P rating was A-1: An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

Long-term:

Fitch, Inc rating was A+: 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.

Moody's rating was A2: Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

S&P rating was A: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

B. PRODUCT SPECIFIC RISK FACTORS

The explanation below is intended to describe certain of the risks associated with an investment in the Securities. The Securities are complex financial instruments. No investment should be made in the Securities without careful consideration of these risks. The Issuer believes that these risks represent the principal risks inherent in investing in the Securities, but does not represent that they are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this document and form their own independent views prior to making any investment decision.

1. Introduction

An investment in the Securities involves substantial risks. These risks may include, amongst other things, equity market, bond market, foreign exchange, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Some of these are briefly described below. Prospective purchasers should be experienced with respect to investments in instruments such as the Securities. Prospective purchasers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers as they determine appropriate under the circumstances, of (i) the suitability of an investment in the Securities in light of their own particular financial, fiscal, tax and other circumstances, (ii) the information set out in this document and (iii) such independent investigation and analysis regarding the Reference Entity(ies) and, if appropriate, the Index or any relevant Underlying, Performance Amount Underlying or Reference Item as they deem appropriate to evaluate the risks and merits of an investment in the Securities.

1.1 Independent advice

The Base Prospectus and the relevant Final Terms are not a substitute for the advice of an investor's legal, tax, accounting and other advisers (including, as appropriate and without limitation, their own bank), which in all circumstances should be sought prior to making any investment decision. Investors should thus not expect the Base Prospectus and the relevant Final Terms to contain all information and risks material to their own individual circumstances. Only an investor's legal, tax, accounting and other advisers are in a position to provide individual advice and explanations suited to an investor's requirements, objectives, experience and knowledge and situation, so that they are able to understand the nature and risks of the Securities and consequently to make an investment decision on an informed basis.

1.2 Credit risk

The Securities are notes with an embedded credit derivative, which means that the payment of any Coupon Amount or the Redemption Amount, or any Coupon Amount and the Redemption Amount, payable in respect of the Securities is dependent on whether one or more credit-risk-related events (known as Credit Events) occur with respect to one or more third party corporates or sovereigns, each termed a Reference Entity. The Coupon Amount and the Redemption Amount may be dependent on the non-occurrence of Credit Events with respect to the Reference Entity(ies).

In some cases, the Redemption Amount may be dependent on the non-occurrence of Credit Events with respect to any Reference Entity(ies) and the Coupon Amount shall not be credit linked (known as Non Credit Linked Coupon Securities).

If the Securities are not Maturity Capital Protected Securities for which the applicable Capital Protection Percentage is 100% ("**100% Maturity Capital Protected Securities**"), the Securities will only be redeemable at their Nominal Amount at maturity if, as further described in the Product Conditions, none of the Credit Events specified in the Product Conditions (being one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Restructuring or Repudiation/Moratorium) has occurred with respect to one or more Reference Entities. If the Securities are not Non Credit Linked Coupon Securities, the payment of the Coupon Amount will be dependent on the non-occurrence of a Credit Event with respect to one or more Reference Entities.

The credit risk of the Reference Entity(ies) is distinct from the credit risk of the Issuer, to which investors in the Securities are also exposed. In addition to the credit risk of the Issuer in performing its obligations when due under the Securities, an investment in the Securities provides exposure to the credit risk and obligations of the Reference Entity(ies).

Credit risk refers to the risk that a company or entity (including, if applicable, a sovereign entity) may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. The terms "transactions" and "obligations" are used widely and can include (but are not limited to) loan agreements entered into by the company or entity and also securities issued by the company or entity. This risk arises for other companies or parties which enter into transactions with the company or entity or in some other way have exposure to the credit risk of the company or entity and this is a risk for a holder of the Securities (a "**Securityholder**") as, via the Credit Events, they have exposure to the credit of the Reference Entity(ies). This is because if a Credit Event is determined to have occurred in respect of a Reference Entity, or one or more Reference Entities, if applicable, in accordance with Product Condition 3.2 and the Conditions to Settlement are satisfied with respect thereto in accordance with Product Condition 3.1, the amounts (if any) payable in respect of the Securities will be reduced and in certain circumstances may be zero.

What is a Credit Event?

For the purposes of the Securities, a "**Credit Event**" will be one or more of the following:

- (a) Bankruptcy (broadly, one or more Reference Entities becomes insolvent or enters into formal bankruptcy or rehabilitation proceedings or an administrator is appointed);
- (b) Failure to Pay (subject to a minimum threshold amount, the Reference Entity fails to pay any amounts due on any of its borrowings (including its bonds or loans) or guarantees);
- (c) Obligation Acceleration (the Reference Entity defaults on a minimum amount of its borrowings (including its bonds or loans) or guarantees and as a result such obligations are accelerated);
- (d) Obligation Default (the Reference Entity defaults on a minimum amount of its borrowings (including its bonds or loans) or guarantees and as a result such obligations are capable of being accelerated);
- (e) Restructuring (following a deterioration of the Reference Entity's creditworthiness, any of its borrowings or guarantees, subject to a minimum threshold amount of such borrowings or guarantees, are restructured in such a way as to adversely affect a creditor (such as a reduction or postponement of the interest or principal payable on a bond or loan)); and
- (f) Repudiation/Moratorium ((i) the Reference Entity repudiates or rejects, in whole or in part, its obligations in relation to its borrowings or its guarantees, or it declares or imposes a moratorium with respect to its borrowings or guarantees and (ii) thereafter within a certain period it fails to pay any amounts due on any of its borrowings (including its bonds or loans) or its guarantees, or it restructures any of its borrowings or guarantees in such a way as to adversely affect a creditor).

The Credit Events which are applicable shall be determined by reference to the most recent Credit Derivatives Physical Settlement Matrix published by ISDA as at the Trade Date of the Securities. Whether a Credit Event occurs will be determined in accordance with the Product Conditions.

1.3 **FTD Securities**

If the Securities are FTD Securities, the nature of the Securities is "first to default" which means that if there is a Credit Event in relation to any one of the Reference Entities, the amounts (if any) payable in respect of the Securities will be reduced, regardless of how the other Reference Entities perform. For a more comprehensive description, see "What is first to default?" below.

1.3.1 *What is first to default?*

"First to default" means that the first Credit Event to occur in respect of any one of the Reference Entities in the basket will result in:

- (a) if the Securities are not Maturity Capital Protected Securities ("**Maturity Capital Protected Securities**"), all of the Securities being redeemed in full due to that Credit Event;

- (b) if the Securities are Maturity Capital Protected Securities for which the Capital Protection Percentage is less than 100%, the amount due on redemption of the Securities at maturity being less than their principal amount and (unless the Securities are Non Credited Linked Coupon Securities) no Coupon Amount being payable in respect of the Securities for the remainder of their life due to that Credit Event. On the occurrence of this first Credit Event in respect of any one of the Reference Entities in the basket, the redemption amount due at maturity in respect of the full principal amount of the Securities will be based upon the Capital Protection Percentage; and
- (c) if the Securities are 100% Maturity Capital Protected Securities and not Non Credit Linked Coupon Securities, no Coupon Amount being payable in respect of the Securities for the remainder of their life due to that Credit Event.

On the occurrence of this first Credit Event with respect to a Reference Entity:

- (d) if the Securities are Fixed Recovery Securities, in respect of any one of the Reference Entities in the basket, the redemption amount in respect of the full principal amount of the Securities will be based upon the fixed recovery percentage specified in the relevant Final Terms; and
- (e) if the Securities are not Maturity Capital Protected Securities or Fixed Recovery Securities, the redemption amount in respect of the full principal amount of the Securities will be based on the value determined pursuant to the relevant ISDA Auction or, if there is no such ISDA Auction, of the Reference Obligations in respect of the relevant Reference Entity (as further described below).

The risk to an investor is therefore not diversified among all of the Reference Entities; rather, on the occurrence of the first Credit Event in respect of any one of the Reference Entities in the basket, if the Securities are not 100% Maturity Capital Protected Securities, the entire principal amount of the Securities (if the Securities are Maturity Capital Protected Securities, by the Capital Protection Percentage being applied thereto and if the Securities are Fixed Recovery Securities by the Settlement Price being applied thereto) become exposed to that one Reference Entity and, if the Securities are not Non Credit Linked Coupon Securities, the Coupon Amount otherwise payable under the Securities become exposed to that one Reference Entity. The remaining Reference Entities in the basket then become irrelevant for the purposes of the Securities.

First to default Securities are therefore potentially riskier than Securities that are simply linked to a basket of Reference Entities with risk diversified equally among each Reference Entity. They are also riskier than Securities that are exposed to the credit risk of just one Reference Entity.

1.3.2 *Default Correlation Risk*

Being first to default Securities, an investment in the Securities can become more or less risky, throughout their life, depending on how likely it is that the Reference Entities in the basket will experience a Credit Event at the same time. This is a concept known as default correlation. For example, if all of the Reference Entities had similar capital structures and were in a similar industry or geographical location, they might be expected to all experience financial difficulties and ultimately a Credit Event at the same time on the occurrence or non-occurrence of a small number of events (for example, an industry downturn). As the linkage, or correlation, between the default risk of the Reference Entities decreases (for example, if the Reference Entities are each in different industries) it becomes less likely that all of the Reference Entities will experience a Credit Event simultaneously, but more likely that one of the Reference Entities will experience a Credit Event at any given time. Since investors suffer their maximum loss on the first Credit Event occurring, a lower correlation or linkage between the chance of default of the entities exposes investors to greater risks of a first default occurring, which in turn increases the chance of loss on the Securities. In practice, the default correlation risk between a basket of Reference Entities will never be 100 per cent.; first to default Securities will therefore always be riskier than Securities referencing the credit risk of a single Reference Entity.

2. **Risks of a loss of investment**

2.1 **Investors risk losing all of their investment in the Securities**

Potential investors should be aware that depending on the terms of the relevant Securities (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of 100% Maturity Capital Protected Securities, they may lose all or a substantial portion of their investment.

Investors in Securities which are 100% Maturity Capital Protected Securities may still be subject to loss of some or all of their investment if the relevant Issuer is subject to bankruptcy or insolvency proceedings or some other event occurs which impairs its ability to meet its obligations under the Securities. An investor may also lose some or all of its investment if it seeks to sell the relevant Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market is less than the initial investment or the relevant Securities are subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid upon redemption being reduced to or being valued at an amount less than an investor's initial investment.

2.2 **100% Maturity Capital Protected Securities**

If the Securities are 100% Maturity Capital Protected Securities, the Securities will be redeemed on the Maturity Date at a Redemption Amount equal to the Nominal Amount.

2.3 **Single Reference Entity Securities that are not 100% Maturity Capital Protected Securities**

If the Securities are linked to a single Reference Entity, and a Credit Event occurs and the Conditions to Settlement are satisfied with respect to such Reference Entity, the Securities will be redeemed on:

- (a) for Maturity Capital Protected Securities and Loss at Maturity Securities, the Scheduled Maturity Date or Postponed Maturity Date, as applicable;
- (b) for Fixed Recovery Securities, the tenth Business Day following the satisfaction of the Conditions to Settlement; and
- (c) for Securities that are not Maturity Capital Protected Securities, Loss at Maturity Securities or Fixed Recovery Securities, the second Business Day following the determination of the Settlement Price.

If the Securities are:

- (d) neither Maturity Capital Protected Securities nor Loss at Maturity Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Settlement Price less Unwind Costs (being costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging or funding arrangements); or
- (e) Loss at Maturity Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Settlement Price; or
- (f) Maturity Capital Protected Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Capital Protection Percentage.

In either case, the Redemption Amount in respect of such Securities will be less, and may be considerably less, than an investor's initial investment, and in the worst case may be zero.

Examples of calculations of the amount that might be payable on redemption of the Securities following the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement with respect to a Reference Entity are set out at 2.6 below.

2.4 **FTD Securities that are not 100% Maturity Capital Protected Securities**

If the Securities are FTD Securities, and a Credit Event occurs and the Conditions to Settlement are satisfied with respect to any one Reference Entity, the Securities will be redeemed on:

- (a) for Maturity Capital Protected Securities and Loss at Maturity Securities, the Maturity Date or Postponed Maturity Date, as applicable;
- (b) for Fixed Recovery Securities, the tenth Business Day following the satisfaction of the Conditions to Settlement; and
- (c) for Securities that are not Maturity Capital Protected Securities, Loss at Maturity Securities or Fixed Recovery Securities, the second Business Day following the determination of the Settlement Price.

If the Securities are:

- (a) neither Maturity Capital Protected Securities nor Loss at Maturity Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Settlement Price less Unwind Costs (being costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging or funding arrangements);
- (b) Loss at Maturity Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Settlement Price; or
- (c) Maturity Capital Protected Securities, they will be redeemed at a Redemption Amount equal to the Nominal Amount multiplied by the Capital Protection Percentage.

In either case, the Redemption Amount in respect of such Securities will be less, and may be considerably less, than an investor's initial investment, and in the worst case may be zero.

Examples of calculations of the amount that might be payable on redemption of the Securities following the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement with respect to a Reference Entity are set out at 2.6 below.

2.5 **Basket Securities that are not 100% Maturity Capital Protected Securities**

If the Securities are Basket Securities (other than Zero Recovery Principal Amount Reduction Securities or Loss at Maturity Securities) and a Credit Event occurs and the Conditions to Settlement are satisfied with respect to a Reference Entity in the basket, each Security will be partially redeemed in respect of a portion of the Nominal Amount equal to the Reference Entity Nominal Amount for such Reference Entity (being the portion of an investor's initial investment in the Nominal Amount giving exposure to such Reference Entity) on:

- (a) if the Securities are not Fixed Recovery Securities, the second Business Day following the determination of the Settlement Price in respect of such Reference Entity; and
- (b) if the Securities are Fixed Recovery Securities, the tenth Business Day following satisfaction of the Conditions to Settlement,

and in such circumstances each Security will be partially redeemed at a Redemption Amount equal to the relevant Reference Entity Nominal Amount multiplied by the Settlement Price in respect of such Reference Entity and less any Unwind Costs in respect of such Reference Entity (being costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging or funding arrangements in connection such partial redemption). The relevant partial Redemption Amount in respect of such Securities will be less, and may be considerably less, than an investor's initial investment in the Nominal Amount giving exposure to such Reference Entity, and may in certain circumstances be zero.

If such Securities are Basket Securities and Zero Recovery Principal Amount Reduction Securities, and a Credit Event occurs and the Conditions to Settlement are satisfied with respect to a Reference Entity in the basket each Security will be partially cancelled in respect of a portion of the Nominal Amount of such Security equal to the Reference Entity Nominal Amount for the relevant Reference Entity.

If such Securities are Basket Securities and Loss at Maturity Securities, and a Credit Event occurs and the Conditions to Settlement are satisfied with respect to one or more Reference Entities in the basket each Security will be redeemed on the Maturity Date in an amount equal to the sum for all Reference

Entities of (a) if the Conditions to Settlement are satisfied with respect to a Reference Entity, the product of (i) the Reference Entity Nominal Amount and (ii) the relevant Settlement Price and (b) if the Conditions to Settlement are not satisfied with respect to a Reference Entity, the relevant Reference Entity Nominal Amount.

The more Reference Entity(ies) with respect to which the Conditions to Settlement are satisfied and the greater the weighting of each such Reference Entity (reflected in its Reference Entity Nominal Amount as a portion of the Nominal Amount), the greater the loss of an investor's initial investment.

Examples of calculations of the amount that might be payable on the partial redemption, cancellation or redemption of the Securities following the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement with respect to a Reference Entity are set out below. In the worst case, for Zero Recovery Principal Amount Reduction Securities the Conditions to Settlement could be satisfied with respect to all of the Reference Entities in the basket, in which case investors will lose their entire investment and for Securities other than Zero Recovery Principal Amount Reduction Securities, the Conditions to Settlement could be satisfied with respect to all of the Reference Entities in the basket and each relevant Settlement Price could be zero, in which case investors will lose their entire investment.

2.6 Example calculations of Redemption Amounts

Set out below are examples of calculations of the relevant Redemption Amount that may be payable on a redemption in full of Single Reference Entity Securities or FTD Securities or a redemption in part of Basket Securities, in each case following the occurrence of a Credit Event and the satisfaction of Conditions to Settlement with respect to a Reference Entity.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or amounts payable in respect of, the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

2.6.1 *Maturity Capital Protected Securities (which are Single Reference Entity Securities or FTD Securities)*

If the Nominal Amount of each Security were USD 1,000 and the Capital Protection Percentage were 70 per cent., the amount payable on redemption of each Security at maturity would be USD 700, calculated as 70 per cent. (being the Capital Protection Percentage) of the Nominal Amount.

In these circumstances, investors would lose 30 per cent. of their investment.

2.6.2 *Fixed Recovery Securities*

(a) Single Reference Entity Securities

Assuming that the Settlement Price is specified as 40 per cent., if the Securities are not Loss at Maturity Securities and the Nominal Amount of each Security were GBP 5,000 and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be GBP 1,900, calculated as follows:

- (i) GBP 2,000 (being 40 per cent. (the Settlement Price) of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case each Security would redeem at the Maturity Date or Postponed Maturity Date, as the case may be, at GBP 2,000 (being 40 per cent. (the Settlement Price) of the Nominal Amount).

(b) FTD Securities

If the Securities are not Loss at Maturity Securities and the Nominal Amount of each Security were GBP 5,000 and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be GBP 1,900, calculated as follows:

- (i) GBP 2,000 (being 40 per cent. (the Settlement Price) of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case each Security would redeem at the Maturity Date or Postponed Maturity Date, as the case may be, at GBP 2,000 (being 40 per cent. (the Settlement Price) of the Nominal Amount).

(c) Basket Securities

If the Reference Entity Nominal Amount for the relevant Reference Entity were EUR 250 and the Unwind Costs per Security were EUR 25, the amount payable on redemption of each Security would be EUR 125, calculated as follows:

- (i) EUR 150 (being 60 per cent. (the Settlement Price) of the Reference Entity Nominal Amount); minus
- (ii) EUR 25 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case the portion of each Security credit linked to the relevant Reference Entity would redeem at the Maturity Date or Postponed Maturity Date, as the case may be, at EUR 150 (being 60 per cent. (the Settlement Price) of the Reference Entity Nominal Amount).

2.6.3 *Securities that are not Maturity Capital Protected Securities or Fixed Recovery Securities*

(a) Single Reference Entity Securities or FTD Securities

If the Nominal Amount of the Securities was GBP 1,000, the Settlement Price were 40 per cent. and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be GBP 300, calculated as follows:

- (i) GBP 400 (being 40 per cent. of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case each Security would redeem at the Maturity Date or Postponed Maturity Date, as the case may be, at GBP 400 (being 40 per cent. (the Settlement Price) of the Nominal Amount).

If the Settlement Price were zero - as would be the case, for example, if there was no possibility of the Reference Entity paying back any of the money which it had borrowed - and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be zero, calculated as follows and floored at zero:

- (i) zero (being 0 per cent. of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

(b) FTD Securities

If the Nominal Amount of the Securities were GBP 1,000, the Settlement Price were 40 per cent. and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be GBP 300, calculated as follows:

- (i) GBP 400 (being 40 per cent. of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case each Security would redeem at the Maturity Date or Postponed

Maturity Date, as the case may be, at GBP 400 (being 40 per cent. (the Settlement Price) of the Nominal Amount).

If the Settlement Price were zero - as would be the case, for example, if there was no possibility of the Reference Entity paying back any of the money which it had borrowed - and the Unwind Costs per Security were GBP 100, the amount payable on redemption of each Security would be zero, calculated as follows and floored at zero:

- (i) zero (being 0 per cent. of the Nominal Amount); minus
- (ii) GBP 100 (being the Unwind Costs).

(c) **Basket Securities**

If the Settlement Price were 40 per cent., the Reference Entity Nominal Amount for the relevant Reference Entity were EUR 250 and the Unwind Costs per Security were EUR 25, the amount payable on redemption of each Security would be EUR 75, calculated as follows:

- (i) EUR 100 (being 40 per cent. of the Reference Entity Nominal Amount); minus
- (ii) EUR 25 (being the Unwind Costs).

If such Securities are Loss at Maturity Securities, no Unwind Costs would be included in the calculation, in which case the portion of each Security credit linked to the relevant Reference Entity would redeem at the Maturity Date or Postponed Maturity Date, as the case may be, at EUR 100 (being 40 per cent. (the Settlement Price) of the Reference Entity Nominal Amount).

If the Settlement Price were zero - as would be the case, for example, if there was no possibility of the relevant Reference Entity paying back any of the money which it had borrowed the Reference Entity Nominal Amount for the relevant Reference Entity were EUR 250 and the Unwind Costs per Security were EUR 25, the amount payable on redemption of each Security would be zero, calculated as follows and floored at zero:

- (i) zero (being 0 per cent. of the Reference Entity Nominal Amount); minus
- (ii) EUR 25 (being the Unwind Costs).

2.6.4 *Securities that are Zero Recovery Principal Amount Reduction Securities*

If the Nominal Amount of each Security were USD 1,000 and the Reference Entity Nominal Amount for the relevant Reference Entity were USD 250, a portion of the Nominal Amount of such Security equal to USD 250 will be partially cancelled. In these circumstances, investors would lose 25 per cent. of their investment.

2.7 **Example calculations of Coupon Amounts**

Set out below are examples of calculations of the relevant Coupon Amount that may be payable in the case of Securities whose coupon is linked to the performance of an Underlying.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or Coupon Amounts payable in respect of, the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

2.7.1 *Securities for which Coupon Payout 4 is applicable*

If the Nominal Amount of a Security were USD 1,000, the Coupon Amount payable in relation to such Security on a Coupon Payment Date would be determined by the Calculation Agent as follows:

- (i) If on a relevant Observation Date the quotient of the Underlying 1 Reference Level divided by the Underlying 1 Initial Reference Level and Underlying 2 Reference Level divided by the Underlying 2 Initial Reference Level were both greater than the Barrier Level, the Coupon Amount would be calculated by multiplying USD 1,000 (the Nominal Amount) and the Coupon

Rate (as specified in the relevant Final Terms) for such Coupon Period, and the Day Count Fraction (as specified in the relevant Final Terms) for such Coupon Period. In all other circumstances, the Coupon Amount would be calculated by multiplying USD 1,000 (the Nominal Amount) and the Minimum Coupon Rate (as specified in the relevant Final Terms) for such Coupon Period, and the Day Count Fraction for such Coupon Period.

2.7.2 *Securities for which Coupon Payout 5 is applicable*

Where Coupon Payout 5 is applicable, the Coupon Rate is determined in accordance with the formula below:

Participation Factor $\times \left(\frac{\text{Highest Reference Level}}{\text{Initial Reference Level}} \right) - K$; and

Where "K" is the number defined as such in the relevant Final Terms.

If the Nominal Amount of a Security were USD 1,000, the Coupon Amount payable in relation to such Security on a Coupon Payment Date would be calculated by the Calculation Agent by multiplying USD 1,000 (the Nominal Amount), the Coupon Rate (determined in accordance with the above formula) for such Coupon Period, and the Day Count Fraction (as specified in the Product Conditions or, if applicable, in the relevant Final Terms) for such Coupon Period.

2.8 **Example calculations of Performance Amount**

Set out below are example calculations of the relevant Performance Amount that may be payable in the case of Securities that are Underlying Linked Redemption Securities.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

2.8.1 *Securities that are Underlying Linked Redemption Securities*

(a) Example 1

If the Outstanding Nominal Amount of the Securities were EUR 1,000, K was -10 per cent., Perf(T) was 95 per cent., and M was 50 per cent., then Performance Amount shall be calculated as follows:

- (i) EUR 1000; multiplied by
- (ii) $\min(\max(-10\%, 95\% - 100\%), 50\%)$.

The Performance Amount shall therefore be calculated as EUR 1,000 multiplied by -5 per cent., which equals *negative* EUR 50.

(b) Example 2

If the Outstanding Nominal Amount of the Securities were EUR 1,000, K was -10 per cent., Perf(T) was 85 per cent., and M was 50 per cent., then Performance Amount shall be calculated as follows:

- (i) EUR 1000; multiplied by
- (ii) $\min(\max(-10\%, 85\% - 100\%), 50\%)$.

The Performance Amount shall therefore be calculated as EUR 1,000 multiplied by -10 per cent., which equals *negative* EUR 100.

(c) Example 3

If the Outstanding Nominal Amount of the Securities were EUR 1,000, K was -10 per cent., Perf(T) was 160 per cent. and M was 50 per cent., then Performance Amount shall be calculated as follows:

- (i) EUR 1000; multiplied by
- (ii) $\min(\max(-10\%, 160\% - 100\%), 50\%)$.

The Performance Amount shall therefore be calculated as EUR 1,000 multiplied by 50 per cent., which equals EUR 500

2.8.2 *Securities that are Maturity Capital Protected Securities with Underlying Linked Redemption*

If the Outstanding Nominal Amount of the Securities were EUR 1,000, K was -50 per cent., Perf(T) was 25 per cent., M was 50 per cent., and Capital Protection Percentage was 70 per cent., then Performance Amount shall be calculated as follows:

- (i) EUR 1000; multiplied by
- (ii) $\min(\max(-50\%, 25\% - 100\%), 50\%)$.

The Performance Amount shall therefore be calculated as EUR 1,000 multiplied by -50 per cent., which equals *negative* EUR 500. However, as the Capital Protection Percentage is 70 per cent., the amounts payable on redemption of each Security would be EUR 700 calculated as 70 per cent. (being the Capital Protection Percentage) of the Nominal Amount and **not** EUR 500 (calculated as EUR 1,000, being the outstanding Nominal Amount, less the Performance Amount, being negative EUR 500) as it would have been if the Securities were not Maturity Capital Protected Securities with Underlying Linked Redemption.

3. **Risks of loss of Coupon Amounts with respect to Securities**

3.1 **Credit linkage**

Payments of Coupon Amounts in respect of Securities (other than Non Credit Linked Coupon Securities) are credit linked to one or more Reference Entities.

The payment of any Coupon Amount for Non Credit Linked Coupon Securities is not credit linked.

3.2 **Single Reference Entity Securities**

If the Securities are Single Reference Entity Securities (and are not Non Credit Linked Coupon Securities), if a Credit Event occurs and the Conditions to Settlement are satisfied with respect to the Reference Entity, the Coupon Amount will cease to accrue from (and including) either (i) the first day of the Coupon Period for which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are satisfied if, the Securities are not Credit Event Accrued Interest Securities or (ii) the Event Determination Date where an ISDA Credit Event has occurred or the date on which the Conditions to Settlement were satisfied where an ISDA Credit Event has not occurred if, the Securities are Credit Event Accrued Interest Securities, and investors will receive no return on their investment for the remainder of the life of the Securities, notwithstanding that the Securities may remain outstanding until the Maturity Date.

In a worst case scenario, if the Conditions to Settlement are satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities and investors will receive no return on their investment.

3.3 **FTD Securities**

If the Securities are FTD Securities (and are not Non Credit Linked Coupon Securities), if a Credit Event occurs and the Conditions to Settlement are satisfied with respect to any one Reference Entity in the basket, the Coupon Amount will cease to accrue from (and including) either (i) the first day of the Coupon Period for which the relevant Coupon Payment Date has not occurred on or prior to the date on

which the Conditions to Settlement are satisfied if, the Securities are not Credit Event Accrued Interest Securities or (ii) the Event Determination Date where an ISDA Credit Event has occurred or the date on which the Conditions to Settlement were satisfied where an ISDA Credit Event has not occurred if, the Securities are not Credit Event Accrued Interest Securities, and investors will receive no return on their investment for the remainder of the life of the Securities, notwithstanding that the Securities may remain outstanding until the Maturity Date.

In a worst case scenario, if the Conditions to Settlement are satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities and investors will receive no return on their investment.

3.4 **Basket Securities**

If the Securities are Basket Securities (and are not Non Credit Linked Coupon Securities), if a Credit Event occurs and the Conditions to Settlement are satisfied with respect to a Reference Entity in the basket, the Coupon Calculation Amount by reference to which Coupon Amounts are calculated will be reduced by the related Reference Entity Nominal Amount (being the portion of the Coupon Amount giving exposure to such Reference Entity). The Coupon Amount will cease to accrue in full from (and including) either (i) the first day of the Coupon Period for which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are satisfied with respect to all the Reference Entities in the basket if, the Securities are not Credit Event Accrued Interest Securities or (ii) the Event Determination Date where an ISDA Credit Event has occurred with respect to the last Reference Entity in the basket or the date on which the Credit Event Notice is delivered to Securityholders where an ISDA Credit Event has not occurred with respect to the last Reference Entity in the basket if, the Securities are not Credit Event Accrued Interest Securities, and investors will receive no return on their investment for the remainder of the life of the Securities, notwithstanding that the Securities may remain outstanding until the Maturity Date.

In a worst case scenario, if the Conditions to Settlement with respect to all the Reference Entities in the Basket were satisfied prior to the first Coupon Payment Date, no Coupon Amount would be payable in respect of the Securities and investors would receive no return on their investment.

4. **Determination of Credit Events and satisfaction of the Conditions to Settlement**

4.1 **Determination of Credit Events**

A Credit Event as outlined above is determined to have occurred for the purposes of the Securities if:

- (a) the International Swaps and Derivatives Association Inc. ("**ISDA**") has publicly announced that a Credit Derivatives Determinations Committee (as described below) has resolved that an event has occurred which constitutes a Credit Event with respect to a Reference Entity or Obligation thereof;
- (b) the Calculation Agent has requested three leading dealers, banks or banking corporations in the credit derivatives markets (the "**Dealers**") to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity or Obligation in accordance with the Product Conditions and the majority of the opinions provided (or, if only one opinion is provided, such opinion) confirm(s) that a Credit Event has occurred with respect to a Reference Entity; or
- (c) the Calculation Agent has requested opinions from the Dealers as described above, but no such opinions have been provided and, in the determination of the Calculation Agent, a Credit Event has occurred with respect to a Reference Entity.

4.2 **Satisfaction of the Conditions to Settlement**

The "**Conditions to Settlement**" are satisfied by the Issuer delivering a notice to Securityholders that is effective during the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date (as such period may be extended as described in "*Risks related to postponement of redemption and Coupon Amount*" below) and describes a Credit Event that occurred during the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date (as such period may be extended as described in "*Risks related to postponement of redemption and Coupon Amount*" below).

The Issuer has the right but not the obligation to satisfy the Conditions to Settlement.

5. Risks related to the Settlement Price

For Fixed Recovery Securities, the Settlement Price used in the calculation of the Redemption Amount (or, if the Securities are Basket Securities, the relevant partial Redemption Amount) if the Conditions to Settlement are satisfied as described above, will be specified in the relevant Final Terms and for other Securities the Settlement Price, will be either the "Auction Final Price" determined pursuant to an auction held by ISDA. ("ISDA") for obligations of appropriate seniority of the Reference Entity (an "ISDA Auction") (with, where more than one such ISDA Auction is held, the applicable ISDA Auction being as determined pursuant to the Product Conditions as described at 5.5 ("*Additional risks related to a Restructuring Credit Event*") below or, if an ISDA Auction is not announced or the relevant Auction Final Price determined by certain cut-off dates as provided in the Product Conditions, the market value of the Reference Obligation(s) for the relevant Reference Entity, if appropriate, determined as described at 5.6 ("*Risks related to determinations made by the Calculation Agent*") below or, if there is no Reference Obligation at the relevant time (for example because it has been redeemed and no substitute identified), 15 or 30 per cent., as specified in the Final Terms of the Securities.

5.1 Single Reference Entity

Investors should note that, if there is a single Reference Entity, the value determined pursuant to an ISDA Auction (if applicable) will be determined by reference to obligations of the Reference Entity which may not include the Reference Obligation(s) and such value may be lower than the market value that would otherwise have been determined in respect of those Reference Obligation(s).

The market value of the obligations of a Reference Entity may vary widely and it is likely that after a Credit Event the market value of such obligations will fall very substantially (including in the case of a Restructuring Credit Event notwithstanding that the Reference Entity may not be in default) and if this happens the amount payable on the redemption of the Securities is expected to be considerably lower than the Nominal Amount (because the Reference Entity has suffered a Credit Event, its obligations are less likely to be met and therefore are worth less in the market), and may in certain circumstances be zero.

5.2 Basket of Reference Entities

Investors should note that, if there is a basket of Reference Entities, the value determined pursuant to an ISDA Auction (if applicable) will be determined by reference to obligations of the relevant Reference Entity which may not include the Reference Obligation(s) for that Reference Entity and such value may be lower than the market value that would otherwise have been determined in respect of those Reference Obligation(s).

The market value of the obligations of a Reference Entity may vary widely and it is likely that after a Credit Event the market value of such obligations will fall very substantially (including in the case of a Restructuring Credit Event notwithstanding that the relevant Reference Entity may not be in default) and if this happens the amount payable on the:

- (a) partial redemption of the Securities is expected to be considerably lower than the relevant Reference Entity Nominal Amount (if the Securities are not FTD Securities); or
- (b) redemption of the Securities is expected to be considerably lower than the Nominal Amount (if the Securities are FTD Securities),

(because the Reference Entity has suffered a Credit Event, its obligations are less likely to be met and therefore are worth less in the market), and may in certain circumstances be zero.

Investors should note that the value determined pursuant to an ISDA Auction (if applicable) will be determined by reference to obligations of the relevant Reference Entity which may not include the Reference Obligation(s) for that Reference Entity and such value may be lower than the market value that would otherwise have been determined in respect of those Reference Obligation(s).

The market value of a Reference Obligation may vary widely and it is likely that after a Credit Event the market value of a Reference Obligation will fall very substantially (including in the case of a Restructuring Credit Event notwithstanding that the relevant Reference Entity may not be in default) and if this happens the amount payable on the redemption (if the securities are Basket Securities, related partial redemption) of the Securities is expected to be considerably lower than the Nominal Amount (if the Securities are Single Reference Entity Securities or FTD Securities) or the relevant Reference Entity Nominal Amount (if the Securities are Basket Securities) (because the Reference Entity has suffered a Credit Event, its obligations are less likely to be met and therefore are worth less in the market), and may in certain circumstances be zero.

5.3 **Risks related to an Auction Final Price**

ISDA may establish committees for purposes of making certain determinations in connection with credit derivatives transactions ("**Credit Derivatives Determinations Committees**") including determining whether an ISDA Auction will be held for a Reference Entity following a Credit Event and the members of which may participate in that ISDA Auction.

Investors should be aware that Deutsche Bank Aktiengesellschaft may be a member of such a Credit Derivatives Determinations Committee and may participate in the determination of the Auction Final Price in respect of an ISDA Auction, each of which could lead to conflicts of interest and may, from an investor's perspective, have an adverse effect on the level of a Settlement Price. For possible associated conflicts of interest, investors are advised to refer to the risk factors in Section E ("*Conflicts of Interest*") below.

5.4 **Risks relating to Fixed Recovery Securities and Zero Recovery Principal Amount Reduction Securities**

Where the Securities are Fixed Recovery Securities, the Settlement Price may be lower than the price which would have been determined by reference to a credit derivatives auction sponsored by ISDA or by reference to a poll of market dealers. Accordingly, an investor in such Securities may suffer an increased loss in such circumstance.

Where the Securities are Zero Recovery Principal Amount Reduction Securities, the Settlement Price will be zero, and investors in such Securities will not benefit from any recovery which might otherwise have been determined in respect of the relevant Reference Entity.

5.5 **Additional risks related to a Restructuring Credit Event**

If a Restructuring Credit Event occurs, the relevant Credit Derivatives Determinations Committee may determine that multiple ISDA Auctions should be held for deliverable obligations of the relevant Reference Entity with varying times remaining to maturity which will apply to certain credit derivatives transactions depending on their scheduled termination dates and whether they are triggered by the credit protection buyer thereunder ("**buyer credit derivatives transactions**") or the credit protection seller thereunder ("**seller credit derivatives transactions**"). Depending on the time remaining to maturity of appropriate deliverable obligations of the Reference Entity, the applicable ISDA Auction for buyer credit derivatives transactions may be for deliverable obligations of the Reference Entity with maturity dates falling earlier or later than the scheduled termination dates of those credit derivatives transactions.

If a Restructuring Credit Event is determined for the purposes of the Securities and the relevant ISDA Auction(s) are announced and held by the cut-off dates provided in the Product Conditions, the Settlement Price will be the Auction Final Price determined in respect of the ISDA Auction (the "**Matching ISDA Auction**") for buyer credit derivatives transactions with a range of scheduled termination dates within which the Scheduled Maturity Date of the Securities falls.

If no such ISDA Auction is held, the Settlement Price will be the Auction Final Price determined in respect of the ISDA Auction for buyer credit derivatives transactions with a range of scheduled termination dates falling next earliest to the Scheduled Maturity Date.

If no such ISDA Auction is held, the Settlement Price will be the Auction Final Price determined in respect of the ISDA Auction for buyer credit derivatives transactions with a range of scheduled termination dates falling next earliest to the Scheduled Maturity Date.

If no such ISDA Auction is held, the Settlement Price will be the Auction Final Price determined in respect of the ISDA Auction for seller credit derivatives transactions. For the avoidance of doubt, the Settlement Price will only be calculated using this Auction Final Price if no other ISDA Auction is held.

If the applicable ISDA Auction is for buyer credit derivatives transactions with scheduled termination dates falling after those that would be covered by the Matching ISDA Auction or for seller credit derivatives transactions, the Auction Final Price for such ISDA Auction will be determined on the basis of obligations of the Reference Entity of (potentially considerably) longer tenor than those that would have fallen within any Matching ISDA Auction and than the Reference Obligation(s), and as a result it is very likely that the value determined pursuant to such ISDA Auction will be lower than the value that would have been determined for any Matching ISDA Auction or the market value that would have been determined in respect of the Reference Obligation(s).

5.6 Risks related to determinations by the Calculation Agent

If an ISDA Auction is not announced or the Auction Final Price is determined by certain cut-off dates as further provided in the Product Conditions, the Settlement Price will be determined by the Calculation Agent on the basis of the unweighted arithmetic mean, for each Reference Obligation, of the firm bid quotations obtained by the Calculation Agent from the Dealers for an amount of each Reference Obligation equal to USD 1,000,000 (or equivalent). In the event that no such firm bid quotation is obtained, the Settlement Price will be calculated by the Calculation Agent based on prices for bonds issued by the relevant Reference Entity available on the bond markets and other pricing information that the Calculation Agent determines relevant and may be zero.

There is a risk that any firm bid quotation obtained may be lower than the Auction Final Price which would have been determined in respect of an ISDA Auction.

If there is no Reference Obligation in respect of the relevant Reference Entity at the relevant time (for example because it has been redeemed and no substitute has been identified), the Settlement Price will be 15 or 30 per cent., as specified in the Final Terms of the Securities. In such circumstances, an investor may suffer a greater loss than would otherwise have been the case had the Settlement Price been calculated on the basis of an Auction Final Price or, had there been a Reference Obligation (in respect of the relevant Reference Entity, if applicable) at the relevant time, firm bid quotations for the Reference Obligation.

If there are subordinated Reference Obligation(s) which may be redeemed prior to the maturity of the Securities, investors should note that the possibility of the Settlement Price being 15 per cent. as set out above may be particularly relevant to the Securities as:

- (a) if there is only one subordinated Reference Obligation and the Securities are linked to a single Reference Entity, the obligation currently specified as the Reference Obligation in the Product Conditions is scheduled to mature prior to the maturity of the Securities and contains a call option exercisable prior to the maturity of the Securities, if applicable;
- (b) if there is only one subordinated Reference Obligation and the Securities are linked to a basket of Reference Entities, one of the obligations currently specified as a Reference Obligation in the Product Conditions is scheduled to mature prior to the maturity of the Securities and contains a call option exercisable prior to the maturity of the Securities, if applicable; and
- (c) if there is more than one subordinated Reference Obligation and the Securities are linked to a basket of Reference Entities the obligations currently specified as Reference Obligations for a number of Reference Entity(ies) in the Product Conditions are scheduled to mature prior to the maturity of the Securities and contain a call option exercisable prior to the maturity of the Securities, if applicable, and accordingly may be redeemed early.

6. Risks related to postponement of redemption and final coupon payment

6.1 Postponement of redemption of the Securities - risks related to Securities in respect of which Repudiation / Moratorium is not an Applicable Credit Event

In this section 6.1, references to "Potential Credit Event" shall, if Grace Period Extension is applicable to the Reference Entity, include a Potential Failure to Pay for the purposes of defining such event.

6.1.1 *Single Reference Entity Securities*

If as of the Scheduled Maturity Date (a) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred; (b) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred, and in either case such request is unresolved; or (c) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred (each such event being a Potential Credit Event), the Maturity Date may be postponed to the second Business Day after the seventieth calendar day following the Scheduled Maturity Date and, for the purpose of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to that seventieth calendar day.

It is therefore possible that the Maturity Date may be postponed for seventy calendar days and two Business Days, and that the Conditions to Settlement may be satisfied during the postponement period, notwithstanding that a Credit Event was not determined as of the Scheduled Maturity Date.

6.1.2 *FTD Securities*

If as of the Scheduled Maturity Date (a) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred; (b) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred, and in either case such request is unresolved; or (c) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred, in each case with respect to a Reference Entity (each such being a Potential Credit Event), the Maturity Date may be postponed to the second Business Day after the seventieth calendar day following the Scheduled Maturity Date and, for the purpose of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to that seventieth calendar day.

It is therefore possible that the Maturity Date may be postponed for seventy calendar days and two Business Days, and that the Conditions to Settlement may be satisfied during the postponement period, notwithstanding that a Credit Event was not determined as of the Scheduled Maturity Date.

6.1.3 *Basket Securities*

If:

- (a) the Conditions to Settlement are satisfied with respect to one or more Reference Entities (i) if the Securities are Fixed Recovery Securities, after the tenth Business Day preceding the Scheduled Maturity Date; and (ii) if the Securities are not Fixed Recovery Securities and not Zero Recovery Principal Amount Reduction Securities, on or prior to the Scheduled Maturity Date, and a Settlement Price is not determined in respect of any such Reference Entity as of the second Business Day preceding the Scheduled Maturity Date; or
- (b) (i) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity; (ii) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity, and in either case such request is unresolved as of the Scheduled Maturity Date; or (iii) as of the Scheduled Maturity Date the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity (any such event being a Potential Credit Event),

the Maturity Date may be postponed to:

- (a) if the Securities are Fixed Recovery Securities, the tenth Business Day after the last date on which the Conditions to Settlement are satisfied or, if a Potential Credit Event has occurred, the tenth Business Day after the seventieth calendar day following the Scheduled Maturity Date;
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, the seventieth calendar day following the Scheduled Maturity Date (or if such day is not a Business Day the next following Business Day); or
- (c) if the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, the second Business Day after the seventieth calendar day following the Scheduled Maturity Date, and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to that seventieth calendar day.

In such circumstances, the Issuer shall defer payment in respect of a portion of the Outstanding Nominal Amount equal to the Reference Entity Nominal Amount for each affected Reference Entity until the postponed Maturity Date, the amount payable in respect thereof being dependent on whether the Conditions to Settlement are satisfied and (if applicable) the level of the Unwind Costs and the Settlement Price, if appropriate, in each case in respect of each such Reference Entity, all as further provided in the Product Conditions.

It is therefore possible that the Maturity Date may be postponed for seventy calendar days and (i) if the Securities are Fixed Recovery Securities, ten Business Days, (ii) if the Securities are Zero Recovery Principal Amount Reduction Securities, one Business Day and (iii) if the Securities are not Fixed Recovery Securities, two Business Days, and that the Conditions to Settlement may be satisfied with respect to a Reference Entity during the postponement period notwithstanding that a Credit Event was not determined in respect of such Reference Entity as of the Scheduled Maturity Date.

If the Maturity Date is postponed as described above, even if the Conditions to Settlement are not satisfied with respect to an affected Reference Entity, if appropriate, during such postponement period, any Coupon Amount will only accrue during such postponement period on the Securities (if the Securities are linked to a single Reference Entity or are FTD Securities) or the Reference Entity Nominal Amount for such Reference Entity (if the Securities are Basket Securities) on the basis of the EONIA (Euro Overnight Index Average), compounded, for such postponement period, USD Federal Funds, compounded, for such postponement period, CHF TOIS OIS, compounded, for such postponement period, SEK SIOR OIS compounded, for such postponement period, PLN POLONIA OIS compounded, for such postponement period or GBP WMBA SONIA, compounded, for such postponement period, as applicable, without the addition of any margin.

6.2 **Postponement of redemption of the Securities - risks related to Securities in respect of which Repudiation / Moratorium is an Applicable Credit Event**

In this section 6.2, references to "Potential Credit Event" shall, if Grace Period Extension is applicable to the Reference Entity, include a Potential Failure to Pay for the purposes of defining such event.

6.2.1 *Single Reference Entity Securities*

Potential Repudiation/Moratorium and Potential Credit Event

If as of the Scheduled Maturity Date:

- (a) one or more Reference Entities or governmental authorities has disaffirmed, disclaimed, repudiated or rejected, or challenged the validity of obligations, or declared or imposed a moratorium, standstill, roll-over or deferral with respect to obligations and in the reasonable opinion of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined (such event being a "Potential Repudiation/Moratorium"); or
- (b) (i) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred, (ii) the Calculation Agent has requested the Dealers to confirm whether in

their opinion a Credit Event has occurred, and in either case such request is unresolved) or (iii) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred in each case with respect to a Reference Entity for FTD Securities (each such event being a Potential Credit Event),

(x) the Maturity Date may be postponed to the second Business Day after six months after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has occurred) or the second Business Day after the seventieth calendar day after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has not occurred) (such postponed Maturity Date, the "**First Postponed Maturity Date**"), (y) if a Potential Repudiation/Moratorium has occurred, for the purposes of any Repudiation/Moratorium Credit Event, the period during which a Credit Event may occur and the Conditions to Settlement may be satisfied and, if the Securities are not Fixed Recovery Securities or Maturity Capital Protected Securities, the cut-off date for determining the Settlement Price may be extended to six months after the Scheduled Maturity Date and (z) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to the seventieth calendar day following the Scheduled Maturity Date.

Undetermined Settlement Price (if the Securities are not Maturity Capital Protected Securities or Fixed Recovery Securities and Potential Credit Event as of the First Postponed Maturity Date)

Securities that are not Maturity Capital Protected Securities or Fixed Recovery Securities

If (a) the Conditions to Settlement are satisfied and as of the First Postponed Maturity Date the Settlement Price is not determined or (b) as of the First Postponed Maturity Date there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event, the cut-off date for determining the Settlement Price may be further postponed to the seventieth calendar day following the First Postponed Maturity Date and, if a Potential Credit Event has occurred, the Maturity Date may be further postponed to the second Business Day after that seventieth calendar day and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

Maturity Capital Protected Securities or Fixed Recovery Securities

If, as of the First Postponed Maturity Date, there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event, the Maturity Date may be further postponed to the second Business Day after that seventieth calendar day and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

It is therefore possible that the Maturity Date may be postponed twice (with the latest date to which the Maturity Date may be postponed being seventy calendar days and two Business Days after six months and two Business Days after the Scheduled Maturity Date) and that the Conditions to Settlement may be satisfied during the relevant postponement period notwithstanding that a Credit Event was not determined as of the Scheduled Maturity Date.

6.2.2 *FTD Securities*

Potential Repudiation/Moratorium and Potential Credit Event

If, as of the Scheduled Maturity Date:

- (a) one or more Reference Entities or governmental authorities has disaffirmed, disclaimed, repudiated or rejected, or challenged the validity of obligations, or declared or imposed a moratorium, standstill, roll-over or deferral with respect to obligations and in the reasonable opinion of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined (with respect to such Reference Entity) (such event being a "Potential Repudiation/Moratorium"); or
- (b) (i) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred or (ii) the Calculation Agent has requested the Dealers to confirm whether in

their opinion a Credit Event has occurred, and in either case such request is unresolved) or (iii) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred in each case with respect to a Reference Entity for FTD Securities (each such event being a Potential Credit Event),

(x) the Maturity Date may be postponed to the second Business Day after six months after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has occurred) or the second Business Day after the seventieth calendar day after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has not occurred) (such postponed Maturity Date, the "**First Postponed Maturity Date**"), (y) if a Potential Repudiation/Moratorium has occurred, for the purposes of any Repudiation/Moratorium Credit Event, the period during which a Credit Event may occur and the Conditions to Settlement may be satisfied and, if the Securities are not Fixed Recovery Securities or Maturity Capital Protected Securities, the cut-off date for determining the Settlement Price may be extended to six months after the Scheduled Maturity Date and (z) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to the seventieth calendar day following the Scheduled Maturity Date.

Undetermined Settlement Price (if the Securities are not Maturity Capital Protected Securities or Fixed Recovery Securities and Potential Credit Event as of the First Postponed Maturity Date)

Securities that are not Maturity Capital Protected Securities or Fixed Recovery Securities

If (a) the Conditions to Settlement are satisfied and as of the First Postponed Maturity Date the Settlement Price is not determined or (b) as of the First Postponed Maturity Date there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event, the cut-off date for determining the Settlement Price may be further postponed to the seventieth calendar day following the First Postponed Maturity Date and, if a Potential Credit Event has occurred, the Maturity Date may be further postponed to the second Business Day after that seventieth calendar day and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

Maturity Capital Protected Securities or Fixed Recovery Securities

If, as of the First Postponed Maturity Date, there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event, the Maturity Date may be further postponed to the second Business Day after that seventieth calendar day and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

It is therefore possible that the Maturity Date may be postponed twice (with the latest date to which the Maturity Date may be postponed being seventy calendar days and two Business Days after six months and two Business Days after the Scheduled Maturity Date) and that the Conditions to Settlement may be satisfied during the relevant postponement period notwithstanding that a Credit Event was not determined as of the Scheduled Maturity Date.

6.2.3 *Basket Securities*

Unsettled Credit Event, Potential Repudiation/Moratorium and Potential Credit Event - Fixed Recovery Securities

If:

- (a) the Conditions to Settlement are satisfied with respect to one or more Reference Entities after the tenth Business Day preceding the Scheduled Maturity Date; or
- (b) as of the Scheduled Maturity Date:
 - (i) a Reference Entity or governmental authority has disaffirmed, disclaimed, repudiated or rejected, or challenged the validity of obligations, or declared or imposed a moratorium, standstill, roll-over or deferral with respect to obligations and in the reasonable opinion

of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined (such event being a Potential Repudiation/Moratorium); or

- (ii) (A) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or (B) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity, and in either case such request is unresolved or (C) the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity (each such event being a Potential Credit Event),

(x) the Maturity Date may be postponed to the tenth Business Day after six months after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has occurred) or the second Business Day after the seventieth calendar day after the Scheduled Maturity Date (if a Potential Credit Event has occurred and a Potential Repudiation/Moratorium has not occurred) or the tenth Business Day after the last date on which the Conditions to Settlement are satisfied (if neither a Potential Repudiation/Moratorium nor a Potential Credit Event has occurred) (such postponed Maturity Date, the "**First Postponed Maturity Date**"), (y) if a Potential Repudiation/Moratorium has occurred, for the purposes of any Repudiation/Moratorium Credit Event, the period during which a Credit Event may occur and the Conditions to Settlement may be satisfied may be extended to six months after the Scheduled Maturity Date and (z) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to the seventieth calendar day following the Scheduled Maturity Date.

Unsettled Credit Event and Potential Credit Event at postponed maturity

If a Potential Repudiation/Moratorium or a Potential Credit Event has occurred and (a) the Conditions to Settlement are satisfied with respect to one or more Reference Entities after the tenth Business Day preceding the First Postponed Maturity Date, or (b) as of the First Postponed Maturity Date there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event with respect to one or more Reference Entities, the Maturity Date may be further postponed to the tenth Business Day after the last date on which the Conditions to Settlement are satisfied or, if a Potential Credit Event has occurred, the tenth Business Day after the seventieth calendar day following the First Postponed Maturity Date and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

In either case, the Issuer shall defer payment in respect of a portion of the Outstanding Nominal Amount equal to the Reference Entity Nominal Amount for each affected Reference Entity until the postponed Maturity Date, the amount payable in respect thereof being dependent on whether the Conditions to Settlement are satisfied and (if applicable) the level of the Unwind Costs in each case in respect of each such Reference Entity, all as further provided in the Product Conditions.

It is therefore possible that the Maturity Date may be postponed twice (with the latest date to which the Maturity Date may be postponed being seventy calendar days and ten Business Days after six months and ten Business Days after the Scheduled Maturity Date) and that the Conditions to Settlement may be satisfied with respect to a Reference Entity during the relevant postponement period notwithstanding that a Credit Event was not determined in respect of such Reference Entity as of the Scheduled Maturity Date.

Potential Repudiation/Moratorium and Potential Credit Event - Zero Recovery Principal Amount Reduction Securities

If as of the Scheduled Maturity Date:

- (a) a Reference Entity or governmental authority has disaffirmed, disclaimed, repudiated or rejected, or challenged the validity of obligations, or declared or imposed a moratorium, standstill, roll-over or deferral with respect to obligations and in the reasonable opinion of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined (such event being a Potential Repudiation/Moratorium); or

- (b) (i) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or (ii) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity, and in either case such request is unresolved or (iii) the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity (each such event being a Potential Credit Event),

(x) the Maturity Date may be postponed to the day falling six months after the Scheduled Maturity Date or, if such day is not a Business Day, the next following Business Day (if a Potential Repudiation/Moratorium has occurred) or the seventieth (70th) calendar day following the Scheduled Maturity Date or, if such day is not a Business Day, the next following Business Day (if a Potential Credit Event has occurred and a Potential Repudiation/Moratorium has not occurred) (such postponed Maturity Date, the "**First Postponed Maturity Date**"), (y) if a Potential Repudiation/Moratorium has occurred, for the purposes of any Repudiation/Moratorium Credit Event, the period during which a Credit Event may occur and the Conditions to Settlement may be satisfied may be extended to six months after the Scheduled Maturity Date and (z) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to the seventieth calendar day following the Scheduled Maturity Date.

Unsettled Credit Event and Potential Credit Event at postponed maturity

If a Potential Repudiation/Moratorium or a Potential Credit Event has occurred and as of the First Postponed Maturity Date there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event with respect to one or more Reference Entities, the Maturity Date may be further postponed to the seventieth calendar day following the First Postponed Maturity Date or, if such day is not a Business Day, the next following Business Day and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

In either case, the Issuer shall defer payment in respect of a portion of the Outstanding Nominal Amount equal to the Reference Entity Nominal Amount for each affected Reference Entity until the postponed Maturity Date, the amount payable in respect thereof being dependent on whether the Conditions to Settlement are satisfied and (if applicable) the level of the Unwind Costs in each case in respect of each such Reference Entity, all as further provided in the Product Conditions.

It is therefore possible that the Maturity Date may be postponed twice (with the latest date to which the Maturity Date may be postponed being seventy calendar days and one Business Day after six months and one Business Day after the Scheduled Maturity Date) and that the Conditions to Settlement may be satisfied with respect to a Reference Entity during the relevant postponement period notwithstanding that a Credit Event was not determined in respect of such Reference Entity as of the Scheduled Maturity Date.

Undetermined Settlement Price, Potential Repudiation/Moratorium and Potential Credit Event - Securities that are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities

If:

- (a) the Conditions to Settlement are satisfied with respect to one or more Reference Entities on or prior to the Scheduled Maturity Date and a Settlement Price is not determined in respect of any such Reference Entity on or prior to the second Business Day preceding the Scheduled Maturity Date; or
- (b) as of the Scheduled Maturity Date:
- (i) a Reference Entity or governmental authority has disaffirmed, disclaimed, repudiated or rejected, or challenged the validity of obligations, or declared or imposed a moratorium, standstill, roll-over or deferral with respect to obligations and in the reasonable opinion

of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined (such event being a Potential Repudiation/Moratorium); or

- (ii) (A) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or (B) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity, and in either case such request is unresolved or (C) the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity (each such event being a Potential Credit Event),

(x) the Maturity Date may be postponed to the second Business Day after six months after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has occurred) or the second Business Day after the seventieth calendar day after the Scheduled Maturity Date (if a Potential Repudiation/Moratorium has not occurred) (such postponed Maturity Date, the "**First Postponed Maturity Date**"), (y) if a Potential Repudiation/Moratorium has occurred, for the purposes of any Repudiation/Moratorium Credit Event, the cut-off date for determining a Settlement Price and the period during which a Credit Event may occur and the Conditions to Settlement may be satisfied may be extended to six months after the Scheduled Maturity Date and (z) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be extended to the seventieth calendar day following the Scheduled Maturity Date.

Undetermined Settlement Price and Potential Credit Event at postponed maturity

If a Potential Repudiation/Moratorium or a Potential Credit Event has occurred and (a) the Conditions to Settlement are satisfied with respect to one or more Reference Entities and as of the second Business Day before the First Postponed Maturity Date a Settlement Price has not yet been determined in respect of any such Reference Entity or (b) as of the First Postponed Maturity Date there is a Potential Credit Event relating to a Repudiation/Moratorium Credit Event with respect to one or more Reference Entities, the Maturity Date may be further postponed to the second Business Day after the seventieth calendar day following the First Postponed Maturity Date and the cut-off date for determining a Settlement Price and, for the purposes of any Credit Event arising out of such Potential Credit Event, the period during which the Conditions to Settlement may be satisfied may be further extended to that seventieth calendar day.

In either case, the Issuer shall defer payment in respect of a portion of the Outstanding Nominal Amount equal to the Reference Entity Nominal Amount for each affected Reference Entity until the postponed Maturity Date, the amount payable in respect thereof being dependent on whether the Conditions to Settlement are satisfied and (if applicable) the level of the Settlement Price and the Unwind Costs in each case in respect of each such Reference Entity, all as further provided in the Product Conditions.

It is therefore possible that the Maturity Date may be postponed twice (with the latest date to which the Maturity Date may be postponed being seventy calendar days and two Business Days after six months and two Business Days after the Scheduled Maturity Date) and that the Conditions to Settlement may be satisfied with respect to a Reference Entity during the relevant postponement period notwithstanding that a Credit Event was not determined in respect of such Reference Entity as of the Scheduled Maturity Date.

If the Maturity Date is postponed as described above, even if the Conditions to Settlement are not satisfied with respect to an affected Reference Entity, if appropriate, during such postponement period, Coupon Amount will only accrue during such postponement period on the Securities (if the Securities are linked to a single Reference Entity or are FTD Securities) or the Reference Entity Nominal Amount for such Reference Entity (if the Securities are Basket Securities) on the basis of EONIA (Euro Overnight Index Average), compounded, USD Federal Funds, compounded, for such postponement period, CHF TOIS OIS, compounded, for such postponement period, SEK SIOR OIS compounded, for such postponement period, PLN POLONIA OIS compounded, for such postponement period or GBP

WMBA SONIA, compounded, for such postponement period, as appropriate, without the addition of any margin.

6.3 **Suspension or postponement of payment of Coupon Amount**

6.3.1 *Single Reference Entity Securities*

If (a) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred or (b) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred and two days before the end of a Coupon Period (other than the Coupon Period (the "**Final Coupon Period**") ending on (but excluding) the Scheduled Maturity Date), such request is unresolved, no Coupon Amount will be payable in respect of such Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied. In such circumstances, if the Conditions to Settlement are not satisfied on or prior to the Coupon Payment Date for the following Coupon Period, the Coupon Amount that would otherwise have been payable in respect of the earlier Coupon Period will be payable on that next Coupon Payment Date. No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

If the Maturity Date is postponed as described above in respect of such Securities (other than Non Credit Linked Coupon Securities), no Coupon Amount will be payable in respect of the Final Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied. In such circumstances, if the Conditions to Settlement are not satisfied by the end of the postponement period, the Coupon Amount that would otherwise have been payable on the Scheduled Maturity Date will be payable on the postponed Maturity Date, and additional Coupon Amount will accrue during such postponement period on such amount on the basis of EONIA (Euro Overnight Index Average), compounded, USD Federal Funds, compounded, for such postponement period, CHF TOIS OIS, compounded, for such postponement period, SEK SIOR OIS compounded, for such postponement period, PLN POLONIA OIS compounded, for such postponement period or GBP WMBA SONIA, compounded, for such postponement period, as appropriate, without the addition of any margin.

6.3.2 *FTD Securities*

If (a) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred or (b) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred (in either case with respect to a Reference Entity) and two days before the end of a Coupon Period (other than the Coupon Period (the "**Final Coupon Period**") ending on (but excluding) the Scheduled Maturity Date), such request is unresolved, no Coupon Amount will be payable in respect of such Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied. In such circumstances, if the Conditions to Settlement are not satisfied on or prior to the Coupon Payment Date for the following Coupon Period, the Coupon Amount that would otherwise have been payable in respect of the earlier Coupon Period will be payable on that next Coupon Payment Date. No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

If the Maturity Date is postponed as described above in respect of such Securities (other than where the Securities are Non Credit Linked Coupon Securities), no Coupon Amount will be payable in respect of the Final Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied. In such circumstances, if the Conditions to Settlement are not satisfied by the end of the postponement period, the Coupon Amount that would otherwise have been payable on the Scheduled Maturity Date will be payable on the postponed Maturity Date, and additional Coupon Amount will accrue during such postponement period on such amount on the basis of the EONIA (Euro Overnight Index Average), compounded, USD Federal Funds, compounded, for such postponement period, CHF TOIS OIS, compounded, for such postponement period, SEK SIOR OIS compounded, for such postponement period, PLN POLONIA OIS compounded, for such postponement period or GBP WMBA SONIA, compounded, for such postponement period, as appropriate, without the addition of any margin.

6.3.3 *Basket Securities*

If (a) a notice has been delivered to ISDA and not withdrawn requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or (b) the Calculation Agent has requested the Dealers to confirm whether in their opinion a Credit Event has occurred with respect to a Reference Entity, and two days before the end of a Coupon Period (other than the Coupon Period (the "**Final Coupon Period**") ending on (but excluding) the Scheduled Maturity Date), such request is unresolved, the Outstanding Nominal Amount on which the Coupon Amount for such Coupon Period is calculated shall be reduced by the Reference Entity Nominal Amount for the relevant Reference Entity, notwithstanding that the Conditions to Settlement are not satisfied with respect thereto. In such circumstances, if the Conditions to Settlement are not satisfied on or prior to the Coupon Payment Date for the following Coupon Period, the Coupon Amount that would otherwise have been payable in respect of the earlier Coupon Period will be payable on that next Coupon Payment Date. No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

If the Maturity Date is postponed as described above in respect of such Securities (other than Non Credit Linked Coupon Securities), the Outstanding Nominal Amount on which the Coupon Amount for the Final Coupon Period is calculated will be reduced by the Reference Entity Nominal Amount for each affected Reference Entity, notwithstanding that the Conditions to Settlement are not satisfied with respect thereto. In such circumstances, if the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity by the end of the postponement period, the Coupon Amount that would otherwise have been payable on the Scheduled Maturity Date will be payable on the postponed Maturity Date, and additional Coupon Amount will accrue during such postponement period on such amount on the basis of EONIA (Euro Overnight Index Average), compounded, USD Federal Funds, compounded, for such postponement period, CHF TOIS OIS, compounded, for such postponement period, SEK SIOR OIS compounded, for such postponement period, PLN POLONIA OIS compounded, for such postponement period or GBP WMBA SONIA, compounded, for such postponement period, as appropriate, without the addition of any margin.

7. **Risks related to determining a Credit Event and satisfying the Conditions to Settlement**

7.1 **Risks related to determinations by a Credit Derivatives Determinations Committee**

As further provided in the Product Conditions and as described above, the occurrence of a Credit Event may be determined on the basis of a determination of a committee established by ISDA for the purposes of making certain determinations in connection with credit derivative transactions (a "**Credit Derivatives Determinations Committee**") (if the Securities are Maturity Capital Protected Securities or Fixed Recovery Securities) or a Credit Derivatives Determinations Committee (if the Securities are not Maturity Capital Protected Securities or Fixed Recovery Securities).

If the Securities are Spanish Law Securities, any such determination will be considered under Spanish law to be a determination made by a third independent party made to the best of its knowledge (*de acuerdo con su leal saber y entender*) and will be binding for the purposes of the Securities. Any such determination shall be made by construing and interpreting certain events related to the Reference Entity in accordance with English or New York law, depending on the location of the relevant Credit Derivatives Determinations Committee, which may differ from the concepts and definitions of Spanish laws and regulations or which could be alien to Spanish laws and regulations.

By way of the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (as published on 12 March 2009), the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (as published on 14 July 2009) and the Credit Derivatives Determinations Committees Rules (as published by ISDA), a mechanism has been introduced into the credit derivatives market for convening Credit Derivatives Determinations Committees for the purposes of making various determinations in connection with certain credit derivatives transactions.

A Credit Derivatives Determinations Committee will comprise dealer ISDA members selected based on various factors including the level of their trading volume of credit derivatives transactions globally and non-dealer ISDA members in each case identified in accordance with the applicable provisions for the composition of a Credit Derivatives Determinations Committee under the Credit Derivatives

Determinations Committees Rules. A Credit Derivatives Determinations Committee will make decisions on issues submitted to it which are agreed to be deliberated in accordance with the Credit Derivatives Determinations Committees Rules ("**DC Issues**") by resolution ("**DC Resolutions**"), based on the Credit Derivatives Determinations Committee's members' votes on the relevant DC Issue. If a resolution cannot be reached a decision may be made by an external review panel. Thus, the content of a DC Resolution in respect of a Reference Entity will depend on the votes cast by the members of the relevant Credit Derivatives Determinations Committee. The members may have current or future business relationships with each other or with a Reference Entity and, due to possible conflicts of interest, may rate the creditworthiness of a Reference Entity (the deterioration of which may be relevant to the determination of a Restructuring Credit Event) differently in their business relationships with the Reference Entity than in their vote.

Membership of a Credit Derivatives Determinations Committee is generally reviewed each year, meaning that the composition of such a committee at the time of acquiring the Securities is not an indication of future voting behaviour of the relevant committee.

Deutsche Bank AG, London Branch may be a member of the Credit Derivatives Determinations Committee responsible for determining the occurrence of Credit Events at any time. For any resulting conflicts of interest, investors are advised to refer to the risk factors presented in Section E ("*Conflicts of Interest*") below.

7.2 Risks related to determinations by the Calculation Agent

In certain circumstances, as further provided in the Product Conditions, Deutsche Bank AG, London Branch in its role as Calculation Agent may determine whether a Credit Event has occurred. For any resulting conflicts of interest, investors are advised to refer to the risk factors presented in Section E ("*Conflicts of Interest*") below.

7.3 Risks related to the fact that the Issuer is not obliged to satisfy the Conditions to Settlement - Securities that are not Fixed Recovery Securities, Fixed Principal Amount Reduction Securities or Maturity Capital Protected Securities

As provided in the Product Conditions, in order for the Securities to be redeemed (in part, if the Securities are Basket Securities) following the occurrence of a Credit Event, the Conditions to Settlement must be satisfied including the Issuer giving a notice to Securityholders that the Credit Event has occurred.

The Issuer is not obliged to give this notice and thereby meet one of the conditions to satisfying the Conditions to Settlement, but may wait for another Credit Event to occur with respect to the relevant Reference Entity and satisfy the Conditions to Settlement in relation to this later Credit Event. This may have an adverse effect on the interests of Securityholders, as the Settlement Price determined after the subsequent Credit Event, may be lower than that which would otherwise have been determined following the earlier Credit Event.

Securityholders have no rights to require the Issuer to satisfy the Conditions to Settlement in order to benefit from a potentially higher Settlement Price.

8. Risks related to Reference Entities

8.1 Risks related to a Reference Entity – Redemption Amounts

If the Securities are not 100% Maturity Capital Protected Securities, as described above, the Redemption Amounts payable in respect of the Securities are credit-linked to the Reference Entity(ies) and accordingly are dependent on, amongst other things, the creditworthiness of the Reference Entity(ies). Any potential investor in the Securities should therefore form its own independent opinion of the financial, legal and other circumstances of the Reference Entity(ies).

8.2 Risks related to a Reference Entity – Coupon Amounts

If the Securities are not Non Credit Linked Coupon Securities, as described above, any Coupon Amount payable in respect of the Securities throughout their life is credit-linked to the Reference

Entity(ies) and accordingly is dependent on, amongst other things, the creditworthiness of the Reference Entity(ies). In the case of:

- (a) Single Reference Entity Securities, the Coupon Amount is credit linked to the Reference Entity;
- (b) FTD Securities, the Coupon Amount is credit linked to each Reference Entity in the basket; and
- (c) Basket Securities, a portion of the Coupon Amount is credit linked to each Reference Entity.

Any potential investor in the Securities should therefore form its own independent opinion of the financial, legal and other circumstances of the Reference Entities.

8.3 **Risks related to insufficient information**

It is possible that there may be information relevant to assessing the creditworthiness and other circumstances of the Reference Entity(ies) (including information without which publicly available documents of, or relating to, a Reference Entity are incomplete or inaccurate), which are important to determining the value of the Securities or the likelihood of a Credit Event occurring, and which may not be publicly available as at the Issue Date of the Securities.

The holders of the Securities will not have the right to obtain from the Issuer any information in relation to a Reference Entity or any information regarding any obligation of a Reference Entity (any Reference Obligation). The Issuer will not have any obligation to keep the holders of the Securities informed as to matters arising in relation to the Reference Entity(ies), including whether or not circumstances exist under which there is a possibility of a Credit Event occurring.

8.4 **Nature of synthetic credit exposure**

The Securities do not create any legal relationship between Securityholders and the Reference Entity(ies). Investment in the Securities does not constitute a purchase or other acquisition or assignment of any interest in any obligation of a Reference Entity. Neither the Issuer nor the Securityholders will have recourse against the Reference Entity(ies) with respect to the Securities including in the event of any loss. None of the holders of the Securities or any other entity will have any rights to acquire from the Issuer any interest in any obligation of a Reference Entity.

Holders of Securities will not have rights equivalent to those of a holder of the obligations of a Reference Entity. For example, if a Restructuring Credit Event occurs in respect of a Reference Entity, a Securityholder, unlike a direct holder of the Reference Entity's obligations, will have no right to challenge or participate in any element of the restructuring. In addition, unlike a direct investment, holders of the Securities will have no claim for payment against any relevant Reference Entity. In relation to Securities that are not 100% Maturity Capital Protected Securities, the Settlement Price for the relevant Reference Entity which is applied in the calculation of the Redemption Amount may be considerably lower than the equivalent insolvency dividend payable in the case of a direct investment in the relevant Reference Entity.

8.5 **Exposure to Reference Entity(ies) and effects on performance**

A Security does not represent a claim against a Reference Entity or in respect of any obligation of a Reference Entity and, as mentioned above, a holder of the Securities will not have recourse under a Security to a Reference Entity.

An investment in the Securities may differ significantly from a direct investment in debt securities issued by the Reference Entity(ies).

However, investors in the Securities will be exposed to the credit risk of each Reference Entity. Neither the Issuer, the Agents, the Calculation Agent nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity(ies) or any obligations of the Reference Entity(ies) (including any Reference Obligation). Each of such persons may have acquired, or during the term of the Securities may acquire, confidential information with respect to the Reference Entity(ies) or any of its/their respective obligations. None of such persons is under any obligation to make such information available to Securityholders.

If the Securities are FTD Securities, the nature of the Securities is "first to default" which means that if there is a Credit Event in relation to any one of the Reference Entities, the Redemption Amounts (if any) payable in respect of the Securities will be reduced, regardless of how the other Reference Entities perform. For a more comprehensive description, see "*What is first to default?*" at 1.3.1 above.

If the Securities are linked to a basket of Reference Entities which are not weighted equally and are not FTD Securities, although in the case of a direct investment in debt securities issued by the Reference Entities investors would also bear the risk of a payment default, losses suffered by Securityholders following a Credit Event will not be evenly-distributed and if a Credit Event occurs in relation to a higher-weighted Reference Entity, Securityholders will suffer a greater loss.

None of the Issuer, the Agents, the Calculation Agent or any of their respective affiliates has undertaken any investigation of the Reference Entity(ies), as the case may be, for or on behalf of any investor in the Securities.

8.6 Risks related to credit risk of a corporate Reference Entity - Securities that are linked to one or more corporate Reference Entity(ies)

The credit risk of a corporate Reference Entity will be heavily influenced by company-specific and economic and legal conditions, for example by national and international economic development or the industry sector in which the Reference Entity operates and its development.

8.7 Risks related to credit risk of a sovereign Reference Entity - Securities that are linked to one or more sovereign Reference Entity(ies)

The credit risk of a sovereign Reference Entity will be particularly influenced by the stability or instability of the relevant country's political and economic systems.

Emerging market countries may be subject to greater political and economic changes than developed nations. Furthermore, some of emerging market countries may have less predictable and stable, or developing, economic and legal systems. Investors should be aware that all changes (whether current or future) in the governmental politics and the economic and monetary policy of such a Reference Entity could have a significant effect on the market value of the Securities.

8.8 Risks related to accumulation of credit risks with multiple Reference Entity(ies) - Securities that are Basket Securities

If a Credit Event occurs in respect of multiple Reference Entity(ies) this may make it more likely that a Credit Event will occur in respect of other Reference Entity(ies). This risk will be particularly prevalent where the occurrence of a Credit Event in respect of one Reference Entity is likely to affect the creditworthiness or the financial position of one or more other Reference Entity(ies).

8.9 Risks related to Default Correlation Risk - Securities that are FTD Securities

Being first to default Securities, an investment in the Securities can become more or less risky, throughout the life of such investment, depending on how likely it is that the Reference Entities in the basket will experience a Credit Event at the same time. This is a concept known as default correlation. For example, if all of the Reference Entities had similar capital structures and were in a similar industry or geographical location, they might be expected to all experience financial difficulties and ultimately a Credit Event at the same time on the occurrence or non-occurrence of a small number of events (for example, an industry downturn). As the linkage, or correlation, between the default risk of the Reference Entities decreases (for example, if the Reference Entities are each in different industries) it becomes less likely that all of the Reference Entities will experience a Credit Event simultaneously, but more likely that one of the Reference Entities will experience a Credit Event at any given time. Since investors suffer their maximum loss on the first Credit Event occurring, a lower correlation or linkage between the chance of default of the entities exposes investors to greater risks of a first default occurring, which in turn increases the chance of loss on the Securities. In practice, the default correlation risk between a basket of Reference Entities will never be 100 per cent.; first to default Securities will therefore always be riskier than Securities referencing the credit risk of a single Reference Entity.

8.10 **Risks related to the replacement of one or more of the Reference Entities or one or more Reference Obligations**

If the Securities are linked to one or more corporate Reference Entities, a corporate Reference Entity may be replaced by a Successor following a merger, amalgamation, consolidation, transfer of assets or liabilities, demerger or similar restructuring event. Such replacement Reference Entity may have a greater credit risk than the replaced Reference Entity.

If the Securities are linked to one or more sovereign Reference Entities, a sovereign Reference Entity may be replaced by a Successor following an annexation, unification or partition or similar event. Such replacement Reference Entity may have a greater credit risk than the replaced Reference Entity.

A Successor will be determined if a Credit Derivatives Determinations Committee has Resolved a Successor to a Reference Entity or, if the Calculation Agent requests the Dealers to confirm whether in their opinion there is a Successor to a Reference Entity and a majority of such opinions confirm that there is a Successor or, if the Calculation Agent determines that there is a Successor to a Reference Entity, all as further provided in the Product Conditions.

If the Securities are FTD Securities, an existing Reference Entity in the basket or the Issuer would otherwise be a Successor, such entity shall not be a Successor and (if no other Successor has been identified) the Calculation Agent will attempt to identify an alternative entity as a Successor and, if that is not possible, will determine a corresponding reduction to the Coupon Amount payable in respect of the Securities.

Where more than one Successor is determined pursuant to the Product Conditions, the Calculation Agent shall adjust such of the conditions as it determines to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment.

In addition, if the Securities are Basket Securities where one or more existing Reference Entities are determined as Successor(s) in accordance with the Product Conditions, the Calculation Agent shall adjust such of the conditions as it determines appropriate, including without limitation, the relevant Reference Entity Nominal Amount(s) and Reference Obligation(s) to reflect that the original Reference Entity has been replaced by an existing Reference Entity.

Furthermore in certain circumstances (for example if a Reference Entity is replaced by a Successor or a Reference Obligation is redeemed early) a Reference Obligation may be replaced with a Substitute Reference Obligation. Such replacement may have an adverse effect on the Redemption Amount.

If the Securities are Fixed Recovery Securities or Maturity Capital Protected Securities for which the Capital Protection Percentage is less than 100%, such replacement may have an adverse effect on the Redemption Amount as the amount payable on the redemption of the Securities is dependent, amongst other things, on whether a Credit Event occurs and the Conditions to Settlement are satisfied with respect to a Reference Entity.

If the Securities are not Maturity Capital Protected Securities or Fixed Recovery Securities, such replacement may have an adverse effect on the Redemption Amount payable to investors should a Credit Event occur if the Settlement Price in respect of the replacement Reference Obligation is lower than would have been the case in respect of the replaced Reference Obligation.

8.11 **Risks related to Subordinated Reference Obligation(s) - Securities which are not Maturity Capital Protected Securities, Zero Recovery Principal Amount Reduction Securities or Fixed Recovery Securities**

Investors in the securities should be aware that:

- (a) if there is only one subordinated Reference Obligation and the Securities are linked to a single Reference Entity, the Reference Obligation is a subordinated debt obligation of the Reference Entity;

- (b) if there is only one subordinated Reference Obligation and the Securities are linked to a Basket of Reference Entities, one of the Reference Obligations for a Reference Entity is a subordinated debt obligation; and
- (c) if there is more than one subordinated Reference Obligation and the Securities are linked to a Basket of Reference Entities, the Reference Obligations for a number of Reference Entity(ies) are subordinated debt obligations and that, on the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement with respect to any such Reference Entity, the value of the relevant Reference Obligation or the value determined pursuant to an ISDA Auction, as applicable, will be less than that of senior unsecured obligations of the relevant Reference Entity and therefore the amount payable to investors in the Securities on redemption (or, if the Securities are Basket Securities, partial redemption) of the Securities following the satisfaction of the Conditions to Settlement will be lower (and is more likely to be zero) than if the relevant Reference Obligation were a senior unsecured obligation.

9. **Early redemption at the option of the Issuer**

9.1 **Single Reference Entity Securities and FTD Securities**

If the Issuer has an early redemption option, the Issuer has the right, on giving not less than a specified period of notice to Securityholders in accordance with Product Condition 12, to redeem all outstanding Securities at a Redemption Amount equal to the Nominal Amount, together with any Coupon Amount accrued as provided in the Product Conditions.

9.2 **Basket Securities**

If the Issuer has an early redemption option, the Issuer has the right, on giving not less than a specified period of notice to Securityholders in accordance with Product Condition 12, to redeem all outstanding Securities at a Redemption Amount equal to the sum of (a) the Outstanding Nominal Amount as of the due date for redemption and (b) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Partial Redemption Date has not occurred as of the due date for redemption multiplied by the Settlement Price (if the Securities are Fixed Recovery Securities), the Outstanding Nominal Amount as of the due date for redemption (if the Securities are Zero Recovery Principal Amount Reduction Securities) or the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the due date for redemption (if the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities), together with any Coupon Amount accrued as provided in the Product Conditions.

10. **Merger Event redemption**

If the Securities are not FTD Securities, the Securities may be redeemed early if the Issuer consolidates, amalgamates with, or merger into, or transfers all or substantially all of its assets to, a Reference Entity or vice versa, as applicable, or the Issuer and a Reference Entity become Affiliates. In such circumstances, the Securities will be redeemed at a Redemption Amount equal to:

- (a) if the Securities are linked to a single Reference Entity, the Nominal Amount less Merger Event Unwind Costs; and
- (b) if the Securities are linked to a basket of Reference Entities, (i) the sum of (A) the Outstanding Nominal Amount as of the due date for redemption and (B) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Partial Redemption Date has not occurred as of the due date for redemption multiplied by the Settlement Price (if the Securities are Fixed Recovery Securities) or the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the due date for redemption (if the Securities are not Fixed Recovery Securities) less (ii) Merger Event Unwind Costs, together with any Coupon Amount accrued as provided in the Product Conditions.

11. **Risk factors relating to Securities where amounts payable are calculated by reference to a formula**

A Coupon Amount or Redemption Amount may be determined by reference to a formula. Potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own adviser(s).

In addition, the effects of the formula may be complex with respect to expected Coupon Amounts or Redemption Amounts (in particular in relation to Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities) and in certain circumstances may result in increases or decreases in the Coupon Amounts and/or Redemption Amount, as the case may be.

In some cases Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities may offer a "short" exposure meaning that the economic value of such Securities will increase only where the relevant price, level or value of any relevant Reference Item(s) falls. Where the price, level or value of the Reference Item(s) rises, the value of such Securities may fall.

12. **Risks related to Floating Rate Securities**

The Coupon Amount payable in respect of Floating Rate Securities is calculated by reference to a Reference Rate described in the Product Conditions, which is a variable rate. The Coupon Amount payable in respect of the Securities may therefore be reduced as a result of a fall in the Reference Rate regardless of whether a Credit Event has occurred.

If the Coupon Rate is subject to a floor the Coupon Rate is also subject to the Minimum Coupon Rate if the Coupon Rate is subject to a cap, the Coupon Rate is also subject to the Maximum Coupon Rate.

Prospective investors should be aware that they may therefore receive no or a limited return on Floating Rate Securities.

13. **Risks related to Fixed Rate Securities**

The Coupon Amount payable in respect of Fixed Rate Securities is calculated by reference to a fixed Coupon Rate. Prospective investors should be aware that the Coupon Rate will remain fixed regardless of prevailing interest rates and the prevailing costs of borrowing.

14. **Risks related to Range Accrual Securities**

The Coupon Amount payable in respect of Range Accrual Securities is calculated by reference to a Reference Rate described in the Product Conditions which is a variable rate. The Coupon Amount payable in respect of Range Accrual Securities may therefore be reduced as a result of a fall in the Reference Rate regardless of whether a Credit Event has occurred.

In addition investors should note that the Coupon Rate in respect of Range Accrual Securities will also depend on the frequency with which the Daily Coupon Floating Rate falls within the specified range per cent. during the relevant Coupon Period. The fewer the number of calendar days the Daily Coupon Floating Rate falls within this range during the relevant Coupon Period, the lower the relevant Coupon Rate and thereby the level of the Coupon Amount payable in respect of such Coupon Period. As a result, the level of the Coupon Amount payable in respect of the Securities may be more volatile than for floating rate securities that do not include this feature.

Prospective investors should be aware that they may therefore receive no or a limited return on Range Accrual Securities.

If the Coupon Rate is subject to a floor, the Coupon Rate is also subject to the Minimum Coupon Rate if the Coupon Rate is subject to a cap, the Coupon Rate is also subject to the Maximum Coupon Rate.

15. **Risks related to Fixed/Floating Switch Option Securities**

In relation to any Fixed/Floating Switch Option Securities, the Issuer may elect on any Coupon Accrual Date that with effect from (and including) that Coupon Accrual Date, the rate by reference to which the

Coupon Amount payable in respect of the Securities is calculated changes from fixed rate to floating rate.

After such election, the Coupon Rate will be determined by reference to a Reference Rate described in the Product Conditions which is a variable rate. The Coupon Amount payable in respect of the Securities may therefore be reduced as a result of a fall in the Reference Rate regardless of whether a Credit Event has occurred.

The Issuer is likely to exercise this right if it is of the opinion that the relevant fixed rate is likely to be higher than the sum of the prevailing cost of purchasing credit protection in respect of the Reference Entity(ies) and prevailing interest rates and the prevailing cost of borrowing, in each case for a period of time equal to the time to maturity of the Securities. If the Issuer exercises this right, the return on an investor's investment may be lower than would otherwise have been the case. This may also affect the market value of the Securities.

Prospective investors should be aware that they may therefore receive no or a limited return on Fixed/Floating Switch Option Securities.

If the Coupon Rate is subject to a floor the Coupon Rate is also subject to the Minimum Coupon Rate if the Coupon Rate is subject to a cap, the Coupon Rate is also subject to the Maximum Coupon Rate.

16. **Risks related to Inflation Index Securities**

If the Securities are Inflation Index Securities, the Coupon Rate used to calculate the Coupon Amount payable in respect of the Securities is linked to the level of the Index and accordingly the return on the Securities is also dependent on the performance of the Index.

In addition, if Inflation Index Securities are not Loss at Maturity Securities, Maturity Capital Protected Securities, Zero Recovery Principal Amount Reduction Securities or Credit Contingent Call Option Securities, following a satisfaction of the Conditions to Settlement with respect to any relevant Reference Entity, the Redemption Amount (or each partial Redemption Amount, in the case of Basket Securities) will take into account any Unwind Costs, which includes any gains, costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging arrangements relating to the related Index.

The level of the Index may be subject to significant and unforeseeable fluctuations that may not correlate with general changes in interest rates, currencies or other indices. The level at which the Index stands at any time is impossible to predict and the timing of fluctuations in the level of the Index may affect the actual yield on the Securities even if the average level of the Index is consistent with investor expectations. The historical performance of the Index is not an indication of future performance.

Further, Inflation Index Securities may be redeemed early (if the Disruption Event Termination Option is applicable) or otherwise no further Coupon Amounts may be payable if the index has not been published or announced for two consecutive months or the index sponsor announces that it will no longer continue to publish or announce the index and the Calculation Agent determines that there is no appropriate alternative index. In such circumstances if the Disruption Event Termination Option is applicable, the Redemption Amount will be equal to the fair market value of the Securities taking into account the non-publication or announcement of the index less the direct or indirect cost to the Issuer and any of its Affiliates of unwinding any underlying relating hedging arrangements, all as determined by the Calculation Agent.

Prospective investors should be aware that they may therefore receive no or a limited return on Inflation Index Securities.

If the Coupon Rate is subject to a floor, the Coupon Rate is also subject to the Minimum Coupon Rate if the Coupon Rate is subject to a cap, the Coupon Rate is also subject to the Maximum Coupon Rate.

17. **Risk factors related to the Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities**

17.1 **General**

If the Securities are Underlying Linked Coupon Rate Securities, the Coupon Rate used to calculate the Coupon Amount payable in respect of the Securities is linked to the level of the Underlying and accordingly the return on the Securities is also dependent on the performance of the Underlying. The historical performance of the Underlying is not an indication of future performance.

If the Securities are Underlying Linked Redemption Securities, the Performance Amount used to calculate the Redemption Amount payable in respect of the Securities is linked to the level of the Performance Amount Underlying and accordingly the return on the Securities is also dependent on the performance of the Performance Amount Underlying. The historical performance of the Performance Amount Underlying is not an indication of future performance.

In addition, if Underlying Linked Coupon Rate Securities are not Loss at Maturity Securities, Maturity Capital Protected Securities, Zero Recovery Principal Amount Reduction Securities or Credit Contingent Call Option Securities, following a satisfaction of the Conditions to Settlement with respect to any relevant Reference Entity, the Redemption Amount (or each partial Redemption Amount, in the case of Basket Securities) will take into account any Unwind Costs, which includes any gains, costs and expenses incurred by the Issuer in connection with terminating, settling or re-establishing any hedging arrangements relating to the related Underlying.

Prospective investors should be aware that they may therefore receive no or a limited return on Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities.

If the Coupon Rate is subject to a floor, the Coupon Rate is also subject to the Minimum Coupon Rate if the Coupon Rate is subject to a cap, the Coupon Rate is also subject to the Maximum Coupon Rate.

17.2 **Different types of Underlying and Performance Amount Underlying**

The Reference Items comprised in the Underlying for the Underlying Linked Coupon Rate Securities and the Performance Amount Underlying for the Underlying Linked Redemption Securities may be one or more of shares, indices, a commodity, a rate of exchange, a futures contract one or more interest rates, fund units or fund shares or such other reference item or other basis of reference as is specified in the applicable Final Terms. The Securities may relate to one or more of these Reference Items or a combination of them.

Each Coupon Amount and Performance Amount under the Securities will be determined by reference to the price, level or value of these Reference Items as set out in the applicable Final Terms. Accordingly, investors should review carefully the applicable Final Terms in order to understand the effect on the Securities of such linkage to the Underlying, Performance Amount Underlying and the Reference Items.

The purchase of, or investment in, Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities involves substantial risks. Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities are not conventional securities and carry various unique investment risks which prospective investors should understand clearly before investing in Underlying Linked Coupon Rate Securities or Underlying Linked Redemption Securities. Each prospective investor in Underlying Linked Coupon Rate Securities or Underlying Linked Redemption Securities should be familiar with securities having characteristics similar to such Securities and should fully review all documentation for and understand the conditions of such Securities, the applicable Final Terms and the nature and extent of its exposure to risk of loss.

The Issuer may issue Underlying Linked Coupon Rate Securities and/or Underlying Linked Redemption Securities where the Coupon Amount or Performance Amount (as the applicable) is dependent upon:

- (a) the price or changes in the price of one or more equity securities;
- (b) the level or changes in the level of one or more indices;

- (c) the price or changes in the price of one or more commodities;
- (d) movements in currency exchange rates;
- (e) one or more futures contracts;
- (f) the price or changes in the price of units or shares in one or more funds;
- (g) the level or changes in the level of one or more interest rates; or
- (h) other underlying assets or bases of reference.

Prospective investors in any such Underlying Linked Coupon Rate Securities and/or Underlying Linked Redemption Securities should be aware that depending on the terms of such Underlying Linked Coupon Rate Securities or Underlying Linked Redemption Securities (i) they may receive no Coupon Amount or a limited Coupon Amount; (ii) payment of Coupon Amount may occur at different times than expected or in a different currency than expected; and (iii) they may lose all or a substantial portion of their investment upon redemption or settlement.

In addition, the movements in:

- (i) the price of the relevant equity securities;
- (j) the level of the relevant index or indices;
- (k) the price of the relevant commodity or commodities;
- (l) relevant currency exchange rates;
- (m) the price of the relevant futures contract(s);
- (n) the price of the relevant units or shares in one or more funds;
- (o) the level of the relevant interest rate or interest rates; or
- (p) the movement in the level of any other underlying asset or basis of reference comprising the Underlying or Performance Amount Underlying (as the case may be),

may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other economic factors or indices and the timing of changes in the relevant price or level of the Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or level of the Reference Item, the greater the effect on yield.

If the Coupon Amount or Performance Amount is determined by reference to a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the Underlying or Performance Amount Underlying or Reference Item will be magnified.

The market price of Underlying Linked Coupon Rate Securities or Performance Amount Underlying (as the case may be) may be volatile and may be affected by:

- (q) the time remaining to the redemption or settlement date;
- (r) the volatility of the Reference Item or other underlying asset or basis of reference;
- (s) the dividend rate (if any) and the financial results and prospects of the issuer(s) of the securities comprising or relating to a Reference Item (which may include equity securities, or index constituent securities);
- (t) movements in commodity markets where the Underlying or Performance Amount Underlying comprises a Commodity;

- (u) the volatility of the price of units or shares in the fund or funds where the Underlying or Performance Amount Underlying comprises a Fund Share; or
- (v) movements in exchange rates and the volatility of currency exchange rates where the Underlying or Performance Amount Underlying comprises a Rate of Exchange; or
- (w) the movements in interest rates where the Underlying or Performance Amount Underlying comprises an Interest Rate,

as well as economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities shares, fund units or fund shares may be traded.

17.3 **Types of Underlying and Performance Amount Underlying with respect to Portuguese Law Securities**

Investors in Underlying Linked Coupon Rate Securities and/or Underlying Linked Redemption Securities that are Portuguese Law Securities should note that, in accordance with Portuguese Decree-Law 172/99 of 22 May 1999 (as amended) and the Portuguese Law Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, or the "CMVM") Regulation 5/2004 (as amended), the amounts of any payments or deliveries made in respect of such Securities may only be linked to the following underlyings: (i) securities admitted to trading in regulated markets or markets with equivalent characteristics (including, without limitation, as to disclosure of information and the frequency of publication and availability of prices); (ii) units or shares in Portuguese undertakings for collective investment, provided that a liquid market for the units or shares and, in the case of foreign undertakings, equivalent rules as to supervision by the home country, investment policy and leverage is assured; (iii) interest rates; (iv) currencies; (v) securities indices, indices of indices and baskets of securities set up by the Issuer or an entity belonging to the Deutsche Bank Group, (provided that (A) the securities comprising such indices or baskets comply with the requirements (i) and (ii) above and (B) the indices are calculated by a management company of regulated markets or disclosed by a reputable entity acceptable to the CMVM or other foreign competent authority); (vi) commodities futures traded in regulated markets or markets with equivalent characteristics (including, without limitation, as to disclosure of information and the frequency of publication and availability of prices); (vii) commodities that are homogeneous and regularly traded on a market and in respect of which prices are publicly available; or (viii) commodities indices (provided that (A) the relevant commodities are homogeneous and regularly traded on a market and are commodities in respect of prices are publicly available and (B) the indices are calculated by a regulated markets management entity or disclosed by a reputable entity acceptable by CMVM or other foreign competent authority).

17.4 **Risks associated with shares or other equity securities as a Reference Item**

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the value of one or more equity securities (which may include American depositary receipts or global depositary receipts). Accordingly, an investment in such Securities may bear similar market risks to a direct equity investment and prospective investors should take advice accordingly.

Securities may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain corporate actions or events occurring in respect of the issuer(s) of the equity security(ies).

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

17.5 **Risks associated with indices as a Reference Item**

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the value of one or more indices. Accordingly, an investment in such Securities may bear similar market

risks to a direct investment in the components of the Index comprising such index or indices and prospective investors should take advice accordingly.

Index linked Securities may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain relevant events in relation to an index. These may include:

- (a) a failure to calculate and announce the relevant index by the index sponsor;
- (b) a material modification in the way that the relevant index is calculated from that originally intended; or
- (c) a permanent cancellation of the relevant index with no successor index.

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7 and 8 carefully to determine the effect these provisions may have on the Securities. See further Section C ("*General risk factors relating to the Securities*") below. In addition, where the Securities are linked to one or more Deutsche Bank proprietary indices, investors should review the relevant risk factors section set out in each relevant index description.

17.6 **Risks associated with Commodities as a Reference Item**

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the value of one or more commodities (or traded contracts relating to commodities). Accordingly, an investment in such Securities may bear similar market risks to a direct investment in the relevant commodities and prospective investors should take advice accordingly and be familiar with commodities as an asset class as well as the relevant traded contract type and any exchange(s) or quotation system(s) for such contract.

Securities linked to commodities may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain relevant events in relation to the commodities or the exchange or contract obligors in relation to the relevant commodities contracts.

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7 and 8 carefully to determine the effect these provisions may have on the Securities. See further Section C ("*General risk factors relating to the Securities*") below.

The yield on Securities linked to commodities may not perfectly correlate to the trend in the price of the commodities as the use of future commodity contracts generally involves a rolling mechanism. This means that the commodity futures contracts which expire prior to the relevant payment date under the relevant Securities are replaced with future commodity contracts that have a later expiry date. Any rise or fall in prices on such commodities may not be fully reflected in any payment under the relevant Securities.

Moreover, investors in Securities linked to commodities should note that prices of commodity futures contracts may have a trend which differs significantly from that of the commodity spot markets. The trend in the price of a commodity futures contract is closely linked to the present and future level of the production of the relevant Commodity or to the level of estimated natural reserves, particularly in the case of energy commodities. In addition, the prices of commodity futures contracts may not be

considered an accurate prediction of a market price, since they include the so-called "carrying costs" (for example, warehouse costs, insurance and transportation etc.) which are taken into account in the determination of the prices of commodity futures contracts. As such, investors in Securities linked to commodities should note that any return on their investment may not fully reflect the performance of the commodity spot markets as a result of the discrepancy between the prices of commodity futures contracts and the prices of commodity spot markets.

17.7 Risks associated with Rates of Exchange as a Reference Item

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the rate of exchange between one or more currencies. Accordingly, an investment in such Securities may bear similar market risks to a direct investment in the relevant underlying currency(ies) and prospective investors should take advice accordingly and be familiar with foreign exchange as an asset class. The above risk may be increased if the relevant underlying currency is the currency of an emerging market jurisdiction.

Securities linked to Rates of Exchange may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain relevant events in relation to the Rates of Exchange.

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7 and 8 carefully to determine the effect these provisions may have on the Securities. See further Section C ("*General risk factors relating to the Securities*") below.

17.8 Risks associated with Futures Contracts as a Reference Item

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the value of one or more Futures Contracts. Accordingly, an investment in such Securities may bear similar market risks to a direct investment in the relevant Futures Contracts and prospective investors should take advice accordingly and be familiar with the relevant futures contract type and exchange(s) or quotation system(s) for such futures contract as well as the asset class to which the Futures Contracts relate.

Securities linked to Futures Contracts may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain relevant events in relation to the Futures Contracts or the issuer(s) or obligor(s) or the exchange(s) or quotation system(s) for the relevant Futures Contracts.

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7 and 8 carefully to determine the effect these provisions may have on the Securities. See further Section C ("*General risk factors relating to the Securities*") below.

17.9 Risks associated with Interest Rates as a Reference Item

The Coupon Amount in respect of Underlying Linked Coupon Rate Securities and Performance Amount in respect of Underlying Linked Redemption Securities may be determined by reference to the level of the Interest Rate or payment of the nominal amount.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term or long term interest rates may affect the value of the Securities.

The Calculation Agent may make certain determinations in respect of the Interest Rate in accordance with Product Condition 11.2 in the event that it is not possible for the Calculation Agent to determine the relevant Interest Rate at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities.

17.10 Risks associated with Fund Shares as a Reference Item

Securities linked to Fund Shares may be redeemed or settled by the Issuer by payment of an amount determined by reference to the value (or net asset value) of one or more shares or units in one or more funds and/or by the physical delivery of a given number of specified assets (noting that such physical delivery may not be possible in respect of Fund Shares of the Issuer or any entity within the Deutsche Bank Group) and/or payment of the nominal amount and interest determined by reference to the value of one or more Fund Shares. Accordingly, an investment in Securities linked to Fund Shares may bear similar market risks to a direct investment in the relevant Fund Shares and prospective investors should take advice accordingly and be familiar with the relevant fund type and its underlying investment asset(s) type as an asset class.

Securities linked to Fund Shares may be subject to adjustment or early termination under Product Condition 8 in the event of certain relevant events in relation to the Fund Shares or the issuer(s) or obligor(s) or other connected parties in relation to the Fund Shares.

The Calculation Agent may also determine under Product Condition 7.2 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7.2 and 8 carefully to determine the effect these provisions may have on the Securities.

17.11 Risks associated with other Reference Items

Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities may be linked to other Reference Items or a combination of one of more of the above Reference Item types. An investment in Securities linked to any Reference Items may bear similar market risks to a direct investment in the relevant Reference Items and prospective investors should take advice accordingly.

Securities linked to Reference Items may be subject to adjustments, a loss of all future Coupon Amounts or Performance Amounts or (if the Disruption Event Termination Option is applicable) early redemption under Product Condition 8 in the event of certain relevant events in relation to the Reference Items or the issuer(s) of the Reference Items.

The Calculation Agent may also determine under Product Condition 7 that a Market Disruption has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and may delay payment or settlement in respect of the Securities.

Accordingly investors should review Product Conditions 7 and 8 carefully to determine the effect these provisions may have on the Securities. See further Section C ("*General risk factors relating to the Securities*") below.

17.12 No Claim against any Reference Item

A Security will not represent a claim against any Reference Item and, in the event that any Coupon Amount or Performance Amount paid by the Issuer is less than expected, a Securityholder will not have recourse under a Security to the Issuer or any Reference Item.

An investment in Securities linked to one or more Reference Items may entail significant risks not associated with investments in conventional securities including but not limited to the risks set out above.

17.13 **Adjustment Events and Adjustment/Termination Events**

The Issuer (or, in the case of Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities which are Spanish Law Securities, the Calculation Agent) is entitled to make adjustments to the conditions of any Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities following the occurrence of an Adjustment Event which may include any event which materially affects the theoretical economic value of a Reference Item or any event which materially disrupts the economic link between the value of the Reference Item and the relevant Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities subsisting immediately prior to the occurrence of such event.

On the occurrence of an Adjustment/Termination Event, the Issuer (or, in the case of Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities which are Spanish Law Securities, the Calculation Agent) is also entitled to adjust the conditions, terminate and cancel Underlying Linked Coupon Rate Securities and Underlying Linked Redemption Securities which are or, in certain cases, substitute the relevant Reference Item affected by such Adjustment/Termination Event. An Adjustment/Termination Event may include an event which materially affects the method by which the Calculation Agent determines the level or price of any Reference Item or the ability of the Calculation Agent to determine the level or price of any Reference Item. In addition, an Adjustment/Termination Event may occur where it is illegal or no longer practical for the Issuer to maintain its hedging arrangements for the Securities or where materially increased costs or expenses would be incurred by the Issuer in maintaining those arrangements. An Adjustment/Termination Event may also occur in a situation where certain market disruptions exist or a force majeure occurs (being an event or circumstance which prevents or materially affects the performance of the Issuer's obligation).

Such hedging arrangements refer to the arrangements the Issuer makes to ensure it will have available to it the relevant cash amounts or assets to be delivered under the Securities as these fall due. This will normally involve the Issuer investing directly or indirectly in the Underlying or Performance Amount Underlying. An indirect investment might be made by an Affiliate or agent of the Issuer or other third party making an investment in the Underlying or Performance Amount Underlying. Alternatively an indirect investment might involve the Issuer or an Affiliate, agent or other third party entering into a derivative contract referencing the Underlying or Performance Amount Underlying. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer may also adjust hedging arrangements from time to time but it will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements.

An Adjustment Event or Adjustment/Termination Event may materially affect the cost to the Issuer of maintaining the Securities or its hedging arrangements in a way which has not been factored into the issue price of the Securities. This may therefore require adjustments or a termination of the Securities in these circumstances. This is part of the economic risk Securityholders bear when investing in the Securities and the basis on which the Securities are priced.

Any adjustment made due to an Adjustment Event or any adjustment or termination of the Securities or replacement of a Reference Item following an Adjustment/Termination Event may have an adverse effect on the Securities and Securityholders. In particular, the value of the Securities may fall and amounts payable or assets deliverable under the Securities may be less and may be made at different times than anticipated. This is part of the economic risk Securityholders bear when investing in the Securities and the basis on which the Securities are priced.

If the Issuer terminates any Underlying Linked Coupon Rate Securities or Underlying Linked Redemption Securities early following an Adjustment/Termination Event, the Issuer will, if and to the extent permitted by the applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value taking into account the relevant event less the direct and indirect cost to the Issuer of unwinding any underlying related hedging arrangements. Such amount may be significantly less than an investor's initial investment in the Securities and in certain circumstances may be zero.

Prospective purchasers should review Product Condition 8 to ascertain how such provisions apply to Underlying Linked Coupon Rate Securities or Underlying Linked Redemption Securities which are and what may constitute an Adjustment Event or an Adjustment/Termination Event.

18. **Value of Securities**

The Securities are securities without a capital guarantee, the return on which cannot be determined as of the Issue Date.

If the Securities are Maturity Capital Protected Securities, the Securities may decline in value and investors should note that they may not receive any Coupon Amount throughout their life.

If the Securities are not 100% Maturity Capital Protected Securities, the Securities may decline in value and investors should note that they may not receive any Coupon Amount and that the amount/aggregate amount(s) payable on redemption of the Securities may be less than the Nominal Amount of a Security.

If the Securities are not Maturity Capital Protected Securities, in certain circumstances the amount(s) payable on redemption of the Securities may be zero and as a result investors should be prepared to sustain a total loss of their investment.

More than one risk factor may have a simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect on the Securities. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

Additional risk factors are set out in Section C ("*General risk factors relating to the Securities*") and Section D ("*Market Factors*") below. In addition, prospective investors should also review Section E ("*Conflicts of interest*") below.

19. **Risk factor disclosure for LIBOR/EURIBOR and other benchmarks**

Proposals to reform LIBOR and other benchmark indices

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other 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 have other consequences which cannot be predicted.

In September 2013, the European Commission published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as "benchmarks" in certain financial instruments, financial contracts and investment funds. If passed in its current form, the Proposed Benchmark Regulation would apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and would (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where referenced in listed financial instruments, financial contracts and investment funds.

It is presently unclear whether the Proposed Benchmark Regulation will be passed in its current form (including its broad scope) and, if so, when it would be effective. However, if so enacted, it could have a material impact on any listed Securities linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms of the Securities, the Securities could be de-listed, adjusted, terminated or otherwise impacted; and

- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Proposed 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 lead to adjustments to the terms of the Securities including Calculation Agent determination of the rate or level in its discretion.

Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other "benchmark" index, whether as a result of the implementation of the Proposed Benchmark Regulation or of other international, national or other proposals for reform, could have a material adverse effect on the value of, and the amount payable (or deliverable) under, any Securities linked to such "benchmark".

20. **Regulatory Bail-In**

Prior to the Issuer's insolvency or liquidation, any claims for payment of interest and repayment of principal, as well as any other claims under the Securities (the "**Payment Claims**") will be subject to the applicable regulatory rules implementing a bank regulatory recovery and resolution regime over the Issuer that provide for the reduction, including to zero, of any such Payment Claims or the conversion of all or part of such Payment Claims into one or more instruments that constitute core equity capital for the Issuer, such as ordinary shares (a "**Regulatory Bail-in**"). This would occur if the Issuer becomes, or is deemed by, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* –the "BaFin" and together with any other competent authority assuming the relevant supervisory functions currently performed by the BaFin the "**Relevant Regulator**") to have become, "non-viable" (as defined under the then-applicable law) and unable to continue its regulated banking activities. The extent to which the principal amount of the Securities may be subject to a Regulatory Bail-in may depend on a number of factors that may be outside of the Issuer's control, and it will be difficult to predict when, if at all, a Regulatory Bail-in will occur. Accordingly, trading behaviour in respect of the Securities may not follow the trading behaviour associated with other types of securities. No Securityholder will have any claim against the Issuer in connection with or arising out of the application of Regulatory Bail-in.

C. GENERAL RISK FACTORS RELATING TO THE SECURITIES

1. No payments until settlement

Prospective investors should note that no periodic interest payments or other distributions, other than the coupon amount(s) described in the relevant Final Terms will be made during the term of the Security. A realisation in the secondary market of the Securities may be the only return potentially available to the investor prior to settlement of the Securities. However, investors should note the risk factors described under the headings "*Market value*" and "*Potential illiquidity of the Securities*" in Section D ("*Market Factors*") below in this regard.

2. Termination for extraordinary reasons, illegality and force majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical, in whole or in part, for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Securities for any reason, the Issuer may, at its discretion and without obligation, terminate the Securities early. If the Issuer terminates the Securities early, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value notwithstanding the illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements.

3. Taxation

3.1 Taxation

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Securityholders are subject to the provisions of Product Condition 3.3 and payment and delivery of any amount due in respect of the Securities will be conditional upon the payment of certain taxes, duties and expenses as provided in the Product Conditions.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

3.2 Change in applicable tax law or practice

Changes in any applicable tax law or practice may have an adverse effect on a Securityholder. Any relevant tax law or practice applicable as at the date of this Base Prospectus and the date of purchase or subscription of any Securities may change at any time (including during any subscription period or the term of any Securities). Any such change may have an adverse effect on a Securityholder, including that Securities may be redeemed before their due date, their liquidity may decrease and the amounts payable or receivable by or to an affected Securityholder may be less than otherwise expected by such Securityholder.

3.3 The Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") (Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended), enacted on 18 March 2010, will impose a 30 per cent. United States withholding tax on certain United States source payments, including interest (and original issue discount), dividends (and dividend equivalents), or other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce United States source interest or dividends ("**Withholdable Payments**"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a Securityholder), unless such institution enters into an agreement with the United States Treasury to collect and provide to the United States Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. The legislation also generally imposes a withholding tax of 30 per cent. on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial United States owners or a

certification identifying the direct and indirect substantial United States owners of the entity. Under certain circumstances, a Securityholder may be eligible for refunds or credits of such taxes.

In addition, under FATCA, "passthru payments" made by a foreign financial institution to "recalcitrant holders" or non-compliant foreign financial institutions are subject to a 30 per cent. United States withholding tax. A "recalcitrant holder" generally is a holder of an account with a foreign financial institution that fails to comply with reasonable requests for information that will help enable the relevant foreign financial institution to comply with its reporting requirements (a Security may constitute an account for these purposes). Pursuant to proposed United States Treasury regulations, a passthru payment will be any Withholdable Payment and any "foreign passthru payment", which has yet to be defined. Under the proposed regulations, the 30 per cent. United States withholding tax on "recalcitrant holders" or non-compliant foreign financial institutions may be imposed on United States source payments (e.g. dividend equivalent payments) made by an Issuer with respect to the Securities after 31 December 2013 and on non-United States source payments made by an Issuer with respect to the Securities after 31 December 2016.

Withholding under FATCA will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. Although the issuer is a non-US person, there can be no guarantee that certain individual investment structures or transactions or the issuer's hedging transactions will not cause the income on any particular Security to be characterised as U.S.-source income.

The United States and a number of jurisdictions have negotiated intergovernmental agreements (each, an "IGA") to facilitate the implementation of FATCA. The UK has entered into such an IGA with the United States. Under the terms of the UK IGA, FFIs resident in the UK will not be required to enter into an individual agreement with the IRS in respect of FATCA. UK FFIs will be required to instead comply with UK regulations that implement the terms of the IGA. Currently, a compliant UK FFI would be required to report certain information in respect of its account holders and investors to the UK taxing authority, and would not be subject to withholding under FATCA on payments it receives. A UK FFI may be required to withhold on certain payments it makes to non-compliant FFIs.

If the Issuer is treated as an FFI under FATCA, the Issuer expects to comply with the requirements under FATCA, including any applicable IGAs. There can be no assurance, however, that the Issuer will be able to comply with the relevant requirements or that it or a financial intermediary would not be required to deduct FATCA withholding from payments on the Securities. Accordingly, the Issuer and financial institutions through which payments on the Securities are made may be required to deduct a FATCA withholding if (i) any FFI through or to which payment on the Securities is made is not a Participating FFI, an IGA compliant FFI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisors on how these rules may apply to the Issuer and to payments, including distributions, made in connection with the Securities.

4. **Settlement Systems**

An investor will need to be able to hold the Securities (directly or through an intermediary). Securities may only be held directly through the relevant Clearing Agent on behalf of their customers or, in the case of Portuguese Securities, an authorised financial intermediary entitled to hold securities control accounts with Interbolsa on behalf of their customers (an "**Affiliate Member of Interbolsa**", which includes any custodian banks appointed by Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert 11, B1210 Brussels) and Clearstream Banking, société anonyme (42 Avenue JF Kennedy, L-1855 Luxembourg) for the purpose of holding accounts on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme). Where Securities are held indirectly, a Securityholder will depend on the relevant intermediary(ies) through which it holds the Securities for receipt of payments, notices and for all other purposes in connection to the Securities. In case of physically settled Securities an investor will need to be able to hold (directly or through an intermediary) the relevant assets deliverable on settlement of the Securities. Investors should note the Securities are not intended to be

held in a manner which would allow Eurosystem eligibility and this may limit their marketability for some investors.

5. **Re-offer price**

The Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the Issuer (collectively the "**Selling Agents**"). The Selling Agents will agree, subject to the satisfaction of certain conditions, to subscribe for the Securities at a price equivalent to or below the Issue Price. The Selling Agents have agreed to bear certain costs in connection with the issue of the Securities. A periodic fee may be payable to the Selling Agents in respect of all outstanding Securities up to and including the expiry date at a rate as determined by the Issuer. Such rate may vary from time to time. The Selling Agents will agree to comply with the selling restrictions set out in the document as amended and supplemented by the additional selling restrictions set out in the relevant distribution agreements and final terms of the Prospectus. The Issuer has the right to close the offering of the Securities prior to the end of the subscription period in the case of adverse market conditions, as determined by the Issuer in its reasonable discretion, including but not limited to increased equity market volatility and increased currency exchange rate volatility.

6. **Transaction costs**

Minimum or fixed commission rates per transaction (buy and sell) may, in combination with a low order value, result in increased costs, which reduce the return on the Securities.

7. **Additional loss potential for borrowing**

If an investor's purchase of the Securities is financed by a loan, and its expectation of any investment return on the Securities are not met, the investor will suffer the loss of some or all of its initial investment in the Securities, and the investor must also repay such loan, including payment of any interest thereon. This results in a considerable increase in an investor's risk of loss. Investors should not rely on the possibility of using any amounts payable on the Securities to repay any loan (including interest thereon) taken to finance the purchase of such Securities. Investors should instead assess their financial situation before purchasing the Securities or before taking on any loan for such purchase to determine whether or not they have sufficient funds available to repay such loan (and interest thereon) on short notice if they lose their investment in the Securities.

8. **Substitution of the Issuer - Spanish Law Securities**

Subject to certain requirements, the conditions contain provisions allowing for substitution of the Issuer or a change of the branch through which the Issuer acts. Without prejudice to the requirements of any applicable stock exchange or any other requirements of any jurisdiction where any securities are admitted to trading, for so long as the Securities are listed on the relevant Spanish Stock Exchange or Spanish regulated market and the rules of the relevant Spanish Stock Exchange or Spanish regulated market, as interpreted by the relevant Spanish Stock Exchange or Spanish regulated market, so require, any substitution of the Issuer may be subject to certain conditions, which may include further requirements of the relevant Spanish Stock Exchange or Spanish regulated market.

D. MARKET FACTORS

1. Market factors

1.1 Factors affecting the credit risk of the Reference Entity(ies)

An investment in the Securities provides investors with exposure to the risk that a Credit Event may occur in respect of one or more Reference Entities. The likelihood of a Credit Event occurring in respect of one or more Reference Entities may change over time and is dependent on a variety of factors.

If the Securities are linked to one or more corporate Reference Entities, those factors will be influenced by company-specific and economic and legal conditions, such as national and international economic development or the industry sector in which the Reference Entity operates and its development.

If the Securities are linked to one or more sovereign Reference Entities, those factors will be particularly influenced by the stability or instability of the political and economic systems of the Reference Entity.

1.2 Changes in credit risk

The creditworthiness of the Reference Entities as at the Issue Date or the time of purchase of the Securities is not an indication of the likelihood of a Credit Event occurring in the future. Changes in the creditworthiness of the Reference Entities will affect the trading price of the Securities, and it is impossible to predict whether the creditworthiness of the Reference Entity(ies) will improve or deteriorate.

1.3 The Reference Entity(ies) may change over time

If the Securities are linked to a basket of Reference Entities in certain circumstances, any Reference Entities may be replaced by one or more Successors (as provided in Product Condition 3.3 and as described above) and this may affect the market value of the Securities and the credit risk of the relevant Reference Entities.

If the Securities are linked to a single Reference Entity, in certain circumstances the Reference Entity may be replaced by one or more Successor (as provided in Product Condition 3.3 and as described above) and this may affect the market value of the Securities and the credit risk of the Reference Entity.

1.4 Exchange rate risk

Prospective investors should be aware that any returns on the Securities may be payable to Securityholders in a currency (i.e. the settlement currency) other than the currency in which the Reference Item is denominated (i.e. the reference currency). In addition, the settlement currency may be different from the currency which an investor wishes to receive payments. Changes in the rate of exchange between the settlement currency of the Securities and the currency of an investor's home jurisdiction will affect any return that a Holder may receive on the Securities. Exchange rates between currencies are determined by various factors, including supply and demand for currencies in the international currency exchange markets which are influenced by macroeconomic factors, speculation, measures taken by central banks, government intervention or other international political factors (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities and any amounts payable in respect of the Securities.

1.5 Interest rate risk

An investment in the Securities may involve interest rate risk where there are fluctuations in the interest rate payable on deposits in the settlement currency of the Securities. This may influence the market value of the Securities. Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term and long term interest rates may affect the value of the Securities.

2. **Market value**

The market value of the Securities during their term will be influenced primarily by changes in the credit risk of the Issuer and the Reference Entity(ies) as well as by changes in the level of prevailing interest rates (for Fixed Rate Securities (including securities with a Fixed/Floating Switch Option and securities with a Floating/Fixed Switch Option)), as well as by changes in the volatility of the Index (for Inflation Index Securities) and the value, level or liabilities of any relevant Reference Item. These factors are subject to fluctuations which may be due to, amongst other things, general economic conditions, conditions in financial markets and political events at European and international level, developments or trends in certain sectors (including, without limitation, those in which the Issuer and the Reference Entity(ies) operate) and the financial position of the Issuer and the Reference Entity.

A deterioration in the credit rating of the Issuer and a Reference Entity will be very likely to have an adverse effect on the market value of the Securities. The market value of the Securities will fall significantly if a Credit Event occurs in respect of a Reference Entity, or if there is a market perception that a Credit Event is likely to occur.

For Securities with a Fixed/Floating Switch Option, the Issuer may elect on any Coupon Accrual Date falling on or after the specified switch option exercise date that with effect from (and including) that Coupon Accrual Date, the rate by reference to which the Coupon Amount payable in respect of the Securities is calculated changes from fixed rate to floating rate.

The Issuer is likely to exercise this right if it is of the opinion that the relevant fixed rate is likely to be higher than the sum of the prevailing cost of purchasing credit protection in respect of the Reference Entity(ies) and prevailing interest rates and the prevailing cost of borrowing, in each case for a period of time equal to the time to maturity of the Securities. If the Issuer exercises this right, the return on an investor's investment may be lower than would otherwise have been the case. This may also affect the market value of the Securities.

For Securities with a Floating/Fixed Switch Option, the Issuer may elect on any Coupon Accrual Date falling on or after the specified switch option exercise date that with effect from (and including) that Coupon Accrual Date, the rate by reference to which the Coupon Amount payable in respect of the Securities is calculated changes from floating rate to fixed rate.

The Issuer is likely to exercise this right if it is of the opinion that the relevant floating rate is likely to be higher than the sum of the prevailing cost of purchasing credit protection in respect of the Reference Entity(ies) and prevailing interest rates and the prevailing cost of borrowing, in each case for a period of time equal to the time to maturity of the Securities. If the Issuer exercises this right, the return on an investor's investment may be lower than would otherwise have been the case. This may also affect the market value of the Securities.

2.1 **Risks related to Fixed Rate Securities and Securities with a Fixed/Floating Switch Option and Securities with a Floating/Fixed Switch Option**

If the Securities have a (i) Fixed/Floating Switch Option, prior to any exercise by the Issuer of this right (ii) Floating/Fixed Switch Option, post exercise by the Issuer of this right, interest rate changes will generally have the same impact on the value of the Securities as for fixed rate bonds. Rising interest rates will under normal conditions result in a lower market value of the Securities, falling interest rates in a higher market value of the Securities. If the Issuer has an early redemption option, investors should note that even when interest rates are falling, increases in the price of the Securities may be limited, given the Issuer's option to redeem the Securities early.

If the Securities do not have a Fixed/Floating Switch Option or a Floating/Fixed Switch Option, interest rate changes will generally have the same impact on the value of the Securities as for fixed rate bonds. Rising interest rates will under normal conditions result in a lower market value of the Securities, falling interest rates in a higher market value of the Securities. If the Issuer has an early redemption option, investors should note that even when interest rates are falling, increases in the price of the Securities may be limited, given the Issuer's option to redeem the Securities early.

2.2 **Risks related to Range Accrual Securities**

Investors should note that the rate by reference to which the Coupon Amount payable in respect of the Securities is calculated will depend on the frequency with which the Daily Coupon Floating Rate falls within the specified range during the relevant Coupon Period. The fewer the number of calendar days the Daily Coupon Floating Rate falls within this range during the relevant Coupon Period, the lower the relevant rate and thereby the level of the Coupon Amount payable in respect of such Coupon Period. As a result, the level of the Coupon Amount payable in respect of the Securities, and therefore the market value of the Securities, may be more volatile than for floating rate securities that do not include this feature.

2.3 **Risks related to Inflation Index Securities**

The level of the Index may be subject to significant and unforeseeable fluctuations that may not correlate with general changes in interest rates, currencies or other indices. Potential investors should also note that the Securities are subject to adjustment provisions as provided in Product Condition 6 which allow, amongst other things, for the Calculation Agent to determine a substitute Index level, designate a replacement Index and make adjustments to the Index and the terms of the Securities. Such fluctuations and the ability of the Calculation Agent to take such action may affect the value of the Securities.

The historical performance of the Index is not an indication of future performance.

If, following the purchase of any Securities, their value falls below their purchase price, investors should not expect the market value of the Securities to return to or exceed that purchase price during the remainder of the term of the Securities. If the fall in the market value of the Securities has resulted from a Credit Event occurring and the Conditions to Settlement being satisfied, the market value of the Securities will remain significantly less than, if the Securities are Single Reference Entity Securities or are FTD Securities or is unlikely to return to, if the Securities are Basket Securities, the purchase price.

2.4 **Risks related to Securities with a Leverage Factor**

The Coupon Rate applicable to some Securities may be leveraged. As a result, any fluctuations in the Reference Rate will be magnified by the Leverage Factor. The market value of Securities to which leverage applies is more volatile than if leverage did not apply.

2.5 **Risks related to Securities with coupon payments or redemption amounts linked to a Reference Item**

2.5.1 *Valuation of Reference Items*

An investment in the Securities may involve risk regarding the value of a Reference Item and where the Reference Item is a Basket of Shares or an Index, the value of each Share in the Basket and each constituent of the Index (each a "basket constituent"). The value of a Reference Item or its constituents may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and speculation.

The relevant price, level or value of a Reference Item may be observed continuously during the life of the Securities or over certain periods or on one or more valuation dates. It should be noted, however, that the relevant time for valuation may be delayed in the case of a relevant Market Disruption under Product Condition 7.

Accordingly, any positive performance of a Reference Item may have no effect on the Securities if this is not a relevant valuation time. Where the Securities reference more than one Reference Item then the positive performance of one or more Reference Items may be outweighed by any under performance of other Reference Item(s).

Investors should review the relevant price, level or value which is to be observed for each Reference Item. These may refer to published prices or values on an exchange or quotation system or other market measures. It should be noted that market data may not always be transparent or accurate and to a large extent may reflect investor sentiment at the relevant time. No assurance or representation is

given that any such price, level or value will accurately reflect any intrinsic value of the relevant Reference Item.

2.5.2 *Historical performance of a Reference Item*

The historical performance of a Reference Item or its constituents should not be considered as indicative of the future performance of the Reference Item or its constituent. Changes in the value of the constituents of a Reference Item will affect the trading price of the Securities, but it is impossible to predict whether the value of the constituents of a Reference Item will rise or fall.

2.5.3 *Basis of calculating the price, level or value of a Reference Item*

The basis of calculating the price, level or value of a Reference Item or its constituent may change over time which may affect the market value of the Securities at any time and therefore the amounts payable or deliverable on settlement.

2.5.4 *Value of the constituents of a Reference Item*

If the case of Securities are linked to a Reference Item which is a Basket of Shares or an Index, the value of the Reference Item on any day will reflect the value of the Shares in the Basket or the constituents of the Index on such day. Changes in the composition of a Reference Item and a number of factors (including those described in these Risk Factors) which either affect or may affect the value of the constituents will also affect the value of the Securities. The historical value (if any) of the basket constituents is not indicative of their future performance. Where the value of the basket constituents of a Reference Item is denominated in a different currency from the currency in which any payment in respect of the Securities will be made (i.e. the settlement currency) investors may be exposed to exchange rate risk.

3. **Potential illiquidity of the Securities**

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list the Securities on the Official List of the Luxembourg Stock Exchange and admitted to trading on its regulated market or on its Euro MTF. If the Securities are so listed, no assurance is given that any such listing will be maintained. The fact that the Securities may be so listed does not necessarily lead to greater liquidity than if they were not so listed. If the Securities are not listed on the Luxembourg Stock Exchange or traded on any stock exchange, the Securities may have no liquidity or the market for such Securities may be limited. This may adversely impact the value of the Securities and the ability of investors to resell or trade in the Securities. The liquidity of the Securities may also be affected by restrictions on offers and sales of the Securities in some jurisdictions.

As of the Issue Date, it is the normal practice of the initial Clearing Agents that the transfer resulting from a sale of securities in the secondary market will not be reflected in the records of the Clearing Agent until a number of days after the sale date. Accordingly, any purchaser of the Securities in the secondary market would not become the holder of the relevant Securities until a period of time after such sale date. This will also be relevant in determining which investors are the relevant Securityholders who are entitled to receive payment of any cash amount (in the case of cash settlement) or delivery of any securities (in the case of physical settlement) following the occurrence of certain specified events (where the Reference Item is a Share or a Basket of Shares).

3.1 **Risks related to Portuguese Law Securities**

If the Securities are Portuguese Law Securities admitted to trading on Euronext Lisbon, unless otherwise accepted by Euronext Lisbon, at least one liquidity provider acceptable to Euronext Lisbon in accordance with its Rulebooks shall have been appointed (pursuant to a liquidity provision agreement entered into between such liquidity provider and Euronext Lisbon and reflecting the standard terms required by Euronext Lisbon) to act as market-maker in connection with the Securities by displaying bid and offer prices not differing more than the maximum spread (the so called "*bid/ask spread*") allowed under the applicable rules.

If the Securities are Portuguese Law Securities admitted to trading on a regulated market other than Euronext Lisbon, the Issuer will not be required to appoint a market-maker, if that is not essential for the market to function and for the protection of the interests of non-qualified investors.

3.2 **Risks related to Spanish Law Securities**

The Issuer or any agent on its behalf will ensure that any market-making activities in connection with the Securities are legally and validly carried out and any transactions or orders to trade in their capacity as market-makers are consistent and conform to accepted market practices on the relevant regulated market complying with the relevant requirements applicable to the Securities and the specific regulated market on which the Securities are listed in accordance with Article 83ter of the Spanish Law 24/1988, of 28 July, on the Securities Market. If the Securities are listed on a Spanish Stock Exchange, in particular, but without limitation, at least one liquidity provider acceptable to the relevant Stock Exchange shall be appointed as specialist (*Especialista*) of the Securities in accordance with the requirements of Circular 1/2009 of the Sociedad de Bolsas, S.A., on the rules of functioning of the market segment of warrants, certificates and other products listed on the Stock Exchange Interconnection System (SIBE) and related provisions. If the Securities are listed on AIAF, in particular, but without limitation, if so required by Circular 9/1997, of 26 November, approving the consolidated text of the Circular regarding the requirements related to the appointment of specialised members of AIAF with respect to fixed income securities, at least one specialised member (*miembro especializado*) shall be appointed.

4. **Creditworthiness of the Issuer**

The value of the Securities will be affected by, amongst other things, the market's general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the value of the Securities.

If insolvency proceedings are commenced with respect to the Issuer, a Securityholder's return will be limited, with any recovery likely to be substantially delayed, and in certain circumstances may be zero. The worst case would be that an investor loses their initial investment.

E. CONFLICTS OF INTEREST

1. Transactions with and through the Reference Entity(ies) and involving the Index

The Issuer and its affiliates may, for their own account as well as for the account of funds under their management, enter into transactions with or through one or more Reference Entities and involving the Index, if applicable. Such transactions may have a positive or negative effect on the credit risk of the Reference Entity(ies) or the value of the Index, as applicable, and thus on the value of the Securities.

2. Acting in other capacities

The Issuer and any of its affiliates may from time to time act in other capacities with respect to the Securities, for example as Calculation Agent and Agent.

The Calculation Agent, the Issuer (in its capacity as Calculation Agent) or Deutsche Bank AG, London Branch (in its capacity as Calculation Agent) may be responsible for deciding whether a Credit Event has occurred, determining a Successor or a Substitute Reference Obligation or a Settlement Price, as applicable.

Any failure by the Issuer or any of its affiliates to meet its obligations in any one of these capacities is likely to have a negative impact on the Securities and may result in delays in making determinations, calculations and payments with respect to the Securities.

3. Issuance of other securities linked to the Reference Entity(ies), an Index or a Reference Item

The Issuer and any of its affiliates may issue other securities linked to the Reference Entity or an identical or similar basket of Reference Entities and the Index or any Reference Item, if applicable. The issue of such securities may adversely affect the value of the Securities.

4. Hedging arrangements

In its normal course of business, the Issuer and any of its affiliates may trade in securities issued by the Reference Entity(ies). Furthermore, the Issuer and any of its affiliates may use some or all of the issue proceeds of the Securities to enter into hedging arrangements with respect to its obligations under the Securities. The Issuer believes that under normal market conditions such hedging activities will not have a material impact on the value of the Securities. However, no assurance can be given that the Issuer's hedging activities will not affect or have a material impact on the value of the Securities, in particular, the value of the Securities may be affected by the liquidation of all or a portion of the hedging positions at or about the time of the maturity or expiration of the Securities.

5. Issue Price

The Issue Price of the Securities may, in addition to loading charges or other fees, include a premium on what would otherwise represent the "fair" value of the Securities which may not be ascertainable by investors. Such premium will be determined by the Issuer in its reasonable discretion and may, for example due to factors specific to the Reference Entity(ies) and the relevant Reference Obligation(s), differ from equivalent premiums included in the issue price for comparable securities issued by other issuers. Moreover, the level of the premium may differ from premiums the Issuer has included in the issue price for comparable securities under different market conditions.

6. Market-making for the Securities

The Issuer, or an agent on its behalf, may but is not required to, act as market-maker for the Securities. In such market-making, the Issuer or its agent will, to a large extent, determine the price of the Securities itself. The prices quoted by such market-maker will not usually correspond to the prices which would otherwise have prevailed without such market-making and in a liquid market.

Circumstances the market-maker may take into account when setting the bid-offer prices it quotes in the secondary market will include the Securities' fair value, which, amongst other things, will depend on the credit risk of the Reference Entity(ies) as well as a certain bid-offer spread targeted by the market-maker. The market-maker will also take into account a loading charge originally raised for the Securities and any fees or costs which are to be subtracted from the amount payable on redemption of

the Securities at maturity (including transaction or other fees charged on the basis of the Product Conditions). Furthermore, prices quoted in the secondary market will be influenced by, amongst other things, any premium included in the Issue Price (see 5 (Issue Price) above), and by dividends or other distributions paid or expected to be paid in respect of debt securities of the Reference Entity(ies).

The bid-offer spread for the Securities will be set by the market-maker based on supply and demand for the Securities and certain revenue considerations.

Prices quoted by the market-maker can substantially differ from the fair value of the Securities, or the value that might be expected on the basis of the factors mentioned above, at the relevant time. In addition, the market-maker can at any time alter the methodology used to set its quoted prices, for example increasing or decreasing the bid-offer spread.

If the Securities are Spanish Law Securities, the Issuer, the Agents and any of their respective affiliates will ensure that any market-making activities in connection with the Securities are legally and validly carried out and any transactions or orders to trade carried out in their capacity as market-makers comply with any regulatory requirements applicable to the Securities, including without limitation, any requirements of any regulated market on which the Securities are listed, in accordance with article 83ter of the Spanish Law 24/1988, of 28 July, on the Securities Market. If the Securities are listed on a Spanish Stock Exchange, in particular, but without limitation, at least one liquidity provider acceptable to the relevant stock exchange shall be appointed as specialist (*Especialista*) of the Securities in accordance with the requirements of Circular 1/2009 of the Sociedad de Bolsas, S.A., on the rules of functioning of the market segment of warrants, certificates and other products listed on the Stock Exchange Interconnection System (SIBE) and related provisions. If the Securities are listed on AIAF, in particular, but without limitation, if so required by Circular 9/1997, of 26 November, approving the consolidated text of the Circular regarding the requirements related to the appointment of specialised members of AIAF with respect to fixed income securities, at least one specialised member (*miembro especializado*) shall be appointed.

7. **Other business relationships and conflicts of interest**

Each of the Issuer, the Agents and the Calculation Agent or any of their respective affiliates may have existing or future business relationships with each other or a Reference Entity (including, but not limited to, lending, depository, derivative counterparty, risk management advisory and banking relationships) and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Securityholder. Furthermore, the Issuer, the Agents, the Calculation Agent or any of their respective affiliates may buy, sell or hold positions in obligations of, or credit protection in relation to, a Reference Entity or may act as investment or commercial bankers, advisers or fiduciaries to, or hold officer positions at, a Reference Entity.

The Issuer, the Agents or the Calculation Agent and any of their respective affiliates may invest and deal, for their own respective accounts or for accounts for which they have investment discretion, in securities or in obligations of a Reference Entity or in credit derivatives (whether as protection buyer or seller) or other instruments enabling credit and other risks in respect of a Reference Entity to be traded. Such investments, credit derivatives or instruments may have the same or different terms from the Securities. The Issuer, the Agents or the Calculation Agent and any of their respective affiliates may act as adviser to, may be lenders to, and may have other ongoing relationships with, a Reference Entity. The Issuer, the Agents or the Calculation Agent may at certain times be simultaneously seeking to purchase or sell investments and protection under credit derivatives or other instruments enabling credit and other risks to be traded for any entity for which it serves as manager in the future.

Various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Agents, the Calculation Agent, their respective affiliates and the directors, officers, employees and agents of the Issuer, the Agents or the Calculation Agent and their respective affiliates may, among other things and as applicable (a) serve as directors (whether supervisory or managing), officers, employees, agents, nominees or signatories for a Reference Entity; (b) receive fees for services of any nature a Reference Entity; (c) be a secured or unsecured creditor of, or hold an equity interest in, the Reference Entity; (d) invest for its own account in a Reference Entity; (e) serve as a member of any "creditors' committee" with respect to a Reference Entity if it has defaulted; (f) act as the adviser,

manager or investment adviser to any other person, entity or fund; and (g) maintain other relationships with a Reference Entity.

Any such activities could present certain conflicts of interest and may affect the value of the Securities. As at the date of this document, the Issuer is a member of the regional Credit Derivatives Determinations Committee responsible for determining Credit Events and Succession Events, designating a Successor and determining a Substitute Reference Obligation. Membership of Credit Derivatives Determinations Committees will generally be reviewed annually, but Deutsche Bank Aktiengesellschaft may nonetheless continue to be a member of this Credit Derivatives Determinations Committee. Current or future conflicts of interest could arise for the Issuer because of this membership if the respective determination or designation to be made by the Credit Derivatives Determinations Committee directly or indirectly relates to the/one of the Reference Entity(ies) or the/one of the Reference Obligation(s).

8. **Obtaining non-public information**

The Issuer, the Agents or the Calculation Agent or any of their respective affiliates may be in possession of information in relation to a Reference Entity or an obligation thereof and in relation to the Index, if applicable, that is or may be material in the context of the Securities and may or may not be publicly available to Securityholders. There is no obligation on the Issuer, the Agents or the Calculation Agent or any of their respective affiliates to disclose to Securityholders any such information.

Furthermore, the Issuer or any of its affiliates could publish research with respect to the Reference Entity(ies) and the Index, if applicable. Such activities could present conflicts of interest and may affect the value of the Securities.

III GENERAL INFORMATION ON THE PROGRAMME

A. DOCUMENTS INCORPORATED BY REFERENCE

1. Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the Deutsche Bank Aktiengesellschaft EUR 80 billion Debt Issuance Programme Base Prospectus dated 26 June 2014, save that only pages 34 to 91 (inclusive) and page 904 shall be deemed to be incorporated in, and form part of, this Base Prospectus (the "**EMTN Base Prospectus**");
- (b) the Interim Report of Deutsche Bank Aktiengesellschaft as of 31 March 2014;
- (c) the Financial Report of Deutsche Bank Aktiengesellschaft as of 31 December 2013; and
- (d) the Financial Report of Deutsche Bank Aktiengesellschaft as of 31 December 2012.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive, as amended. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

2. Cross Reference List

Specific items contained in this Section C ("*Documents Incorporated by Reference*").

The following information is set forth in the EMTN Base Prospectus

Section of the EMTN Base Prospectus	Page Reference
Risk Factors	34-69
Persons Responsible	61
Statutory Auditors	70
Information about Deutsche Bank	70
Business Overview	70-75
Organisational Structure	75-76
Trend Information	76-77
Administrative, Management and Supervisory Bodies	77-78
Major Shareholders	79-80
Historical Financial Information / Financial Statements	80
Auditing of Historical Annual Financial Information	80

Interim Financial Information	80
Legal and Arbitration Proceedings	80-90
Significant Change in Deutsche Bank Group's Financial Position	91
Third Party Information and Statement by Experts and Declaration of any Interest	91
Documents on Display	904

The following information is set forth in the Interim Report of the Issuer as of 31 March 2014:

Audited Consolidated Financial Statements 2014	Page Reference
Consolidated Financial Statements	59-64
Consolidated Statement of Income	59
Consolidated Statement of Comprehensive Income	60
Consolidated Balance Sheet	61
Consolidated Statement of Changes in Equity	62-63
Consolidated Statement of Cash Flows	64
Notes to the Consolidated Financial Statements	65-99

The following information is set forth in the Financial Report of the Issuer as of 31 December 2013:

Audited Consolidated Financial Statements 2013	Page Reference
Management Report	5-277
Consolidated Statement of Income	283
Consolidated Statement of Comprehensive Income	284
Consolidated Balance Sheet	285
Consolidated Statement of Changes in Equity	286-287
Consolidated Statement of Cash Flows	287-288
Notes to the Consolidated Financial Statements including Table of Content	289-447
Independent Auditors' Report	448

The following information is set forth in the Financial Report of the Issuer as of 31 December 2012:

Audited Consolidated Financial Statements 2012	Page Reference
Management Report	3-7
Consolidated Statement of Income	243
Consolidated Statement of Comprehensive Income	244
Consolidated Balance Sheet	245
Consolidated Statement of Changes in Equity	246-247
Consolidated Statement of Cash Flows	248
Notes to the Consolidated Financial Statements including Table of Content	249-412
Independent Auditors' Report	413

Any other information contained in the documents incorporated by reference referred to in this Cross Reference List but not listed above, is incorporated by reference, is considered as additional information and is not required by the relevant schedules of Regulation 8091/2004/EC (the "**Prospectus Regulation**"). Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. Any documents incorporated by reference in the EMTN Base Prospectus shall not thereby be deemed incorporated by reference in this Base Prospectus.

The documents specified above and incorporated by reference shall be available at the registered office of the Issuer and in Luxembourg at the office of Deutsche Bank Luxembourg S.A. at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg or at the Issuer's listing agent in Luxembourg, Banque de Luxembourg S.A., at 14, Boulevard Royal L-2449, Luxembourg.

The documents incorporated by reference shall also be available for viewing on the website of the Luxembourg Stock Exchange: www.bourse.lu.

B. GENERAL INFORMATION

1. Authorisation

The establishment of the Programme and the issue of Securities thereunder have been duly authorised by the competent representatives of Deutsche Bank.

The establishment of the Programme is considered to be in the ordinary course of Deutsche Bank's business and therefore was not authorised by board resolutions.

Deutsche Bank has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Securities.

Deutsche Bank's articles of association are in conformity with the resolution of the chairman's committee of the supervisory board on 5 June 2014.

2. Material Adverse Change in Deutsche Bank's Financial Position and Significant Change in Deutsche Bank's Financial or Trading Position

There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2013. There has been no significant change in the financial or trading position of Deutsche Bank Group since 31 March 2014.

3. Legal and Arbitration Proceedings

Apart from the matters disclosed at pages 80 to 91 (inclusive) of the EMTN Base Prospectus, Deutsche Bank is not, or during the last twelve months has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition as presented in this Base Prospectus.

4. Post Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying any issues of Securities under this programme, except if required by any applicable law or regulation or if indicated in the applicable Final Terms.

5. Use of Proceeds

The net proceeds from the issue of any Securities under this Base Prospectus will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Securities may be used to hedge market risk with respect to such Securities. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

6. Indication of Yield

In respect of any relevant Securities, the yield is calculated at the Issue Date on the basis of the Issue Price for such Securities and will be specified in the applicable Final Terms. It is not an indication of future yield.

7. Price

The price at which the Securities are to be offered will be determined on the relevant Trade Date by reference to the Issue Price and market conditions prevailing at the time and an indication of such price will be specified in the applicable Final Terms.

8. Fungible Issuances

In the case of any issue of Securities under the Programme which is to be consolidated and form a single Series with an existing Series of Securities the first tranche of which was issued on or after 15 July 2013 and prior to the date of this Base Prospectus or for the purpose of any other Series of Securities in which the applicable Final Terms provide that the terms and conditions of the securities

from the Base Prospectus dated 15 July 2013 apply, such Securities will be documented using the Form of Final Terms save that the paragraph under "V – FORM OF FINAL TERMS" of the this Base Prospectus shall be deleted and replaced with the following:

"This document constitutes the Final Terms of the Securities described herein, and comprises the following parts:

Part A: Product Terms; and

Part B: Other Information.

Terms not otherwise defined herein shall have the meaning given in the Product Conditions set out in the Base Prospectus dated 15 July 2013 (the "**Original Base Prospectus**"). These Final terms have been prepared for the purpose of Article 5(4) of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 17 July 2014 (including the documents incorporated into the Base Prospectus by reference), (the "**Base Prospectus**") and any supplements to the Base Prospectus which together constitute a base prospectus for the purpose of the Prospectus Directive, save in respect of the Product Conditions which are extracted from the Original Base Prospectus and incorporated by reference into the Base Prospectus. In order to get full information on the Issuer and the Securities, these final Terms must be read in conjunction with the Base Prospectus (as supplemented), save in respect of the Product Conditions which are extracted from the Original Base Prospectus and incorporated by reference into the Base Prospectus.

[The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (b) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (a) in circumstances in which no obligation arises for 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, in each case, in relation to such offer; or
- (b) in those Public Offer Jurisdictions mentioned under the section entitled "Non-exempt Offer" in Part B below provided such person is one of the persons mentioned in such section and that such offer is made during the Subscription Period or Offer Period specified in these Final Terms.

The Issuer has not authorised, nor does it authorise, the making of any offer of Securities in any other circumstances.

A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.

[The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer of Securities in any other circumstances.]³

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

³ Consider including this legend where only an exempt offer of Securities is anticipated.

The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from [Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]"

9. Nominal Amount of Securities

The Securities will be issued in such nominal amount(s) as specified in the applicable Final Terms, save that the minimum nominal amount of each Security admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be Euro 1,000 (or, if the Securities are denominated in a currency other than Euro, the then equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency.

C. DEUTSCHE BANK AKTIENGESELLSCHAFT

1. History and Development of Deutsche Bank

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank AG which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May, 1957. Deutsche Bank AG is a banking institution and a stock corporation incorporated and operating under the laws of Germany under registration number HRB 30 000.

Deutsche Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main (telephone: +49-69-910-00) and branch offices in Germany and abroad including in London, Milan, New York, Sydney, Tokyo, Madrid and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

The objects of Deutsche Bank AG, as laid down in article 2(1) of its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. Deutsche Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, Deutsche Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of Deutsche Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

On 18 May 2014, Deutsche Bank announced a capital increase with proceeds expected to be approximately EUR 8 billion. The capital increase will include an ex-rights issue of EUR 1.75 billion which has already been placed with an anchor investor and a fully underwritten rights issue. The rights issue is expected to raise EUR 6.3 billion of new equity.

2. EMTN Base Prospectus

The EMTN Base Prospectus referred to in "*Documents Incorporated by Reference*" on page [76] of this Base Prospectus is deemed incorporated in, and to form part of, this Base Prospectus as more fully described on page [76].

IV. CONDITIONS

Product Conditions

*The following (other than the text in italics) is the text of the product conditions (the "**Product Conditions**") which, together with the provisions of the relevant Final Terms, constitute the conditions of Securities issued under the Programme.*

1. Definitions

"2003 Credit Derivatives Definitions" has the meaning set forth in the definition **"Credit Default Swap"** below;

"Adjustment Date" means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Product Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

"Adjustment Event" has the meaning set forth in Product Condition 8.1;

"Adjustment/Termination Event" has the meaning set forth in Product Condition 8.3;

"Affected Reference Entity" has the meaning set forth in Product Condition 3.3.3;

"Affiliate" has the meaning set forth in Product Condition 5.8, 6.1 or 19, as applicable;

"Affiliate Members of Interbolsa" has the meaning set forth in Product Condition 2.2;

"Agent" means, subject as provided in Product Condition 11,

- (a) if the Securities are English Law Securities, the English Agent;
- (b) if the Securities are Portuguese Law Securities or Spanish Law Securities, the Principal Agent and either the English Agent or the German Agent (as specified in the relevant Final Terms,

each an **"Agent"** and together the **"Agents"**;

"Aggregate Nominal Amount" means, in relation to Securities, the amount specified as such in the relevant Final Terms;

"Alternative Reference Entity" has the meaning set forth in Product Condition 3.3.3;

"Alternative Reference Obligation" has the meaning set forth in Product Condition 3.3.3;

"Applicable Credit Event" means, in respect of a Reference Entity, each of the following events which the Calculation Agent determines is applicable to such Reference Entity by reference to the applicable Transaction Type and the most recent version of the Credit Derivatives Physical Settlement Matrix published by ISDA as at the Trade Date in respect of the relevant Securities:

- (a) Bankruptcy;
- (b) Failure to Pay;
- (c) Obligation Acceleration;
- (d) Obligation Default;
- (e) Restructuring; or
- (f) Repudiation/Moratorium.

Each such event has the meaning given to it under (i) for the purposes of paragraph (a) of Product Condition 3.2.2, the DC Credit Default Swap or (ii) for the purposes of paragraphs (b) and (c) of Product Condition 3.2.2, the Credit Default Swap;

"Auction" means an auction held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity;

"Auction Cut-Off Date" means the thirty-fifth (35th) calendar day following the Scheduled Maturity Date;

"Auction Final Price" means the price determined to be the Auction Final Price pursuant to an Auction;

"Auction Final Price Cut-Off Date" means, subject as provided in Product Condition 5.6.2 or 5.6.6, as applicable, the date falling seventy (70) calendar days following the Scheduled Maturity Date;

"Barrier Level" means the level specified as such in the relevant Final Terms;

"Base Level" has the meaning set forth in Product Condition 6.2;

"Basket Securities" means Securities specified as such in the relevant Final Terms (being Securities linked to a basket of Reference Entities);

"Book-Entry Securities" has the meaning set forth in Product Condition 2.3;

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the locations specified under 'Business Day' in the relevant Final Terms and, for the purpose of making payments in euro, if applicable, a day on which the TARGET2 System is open;

"Business Day Convention" has the meaning given in Product Condition 10.4 (*Business Day Convention*);

"Calculation Agent" means, subject as provided in Product Condition 11.2, Deutsche Bank AG, London Branch or such other party as specified in the relevant Final Terms and, in the circumstances provided in Product Condition 11.2, the Third Party Calculation Agent;

"Callable Securities" means securities specified as such in the relevant Final Terms (being Securities subject to early redemption at the option of the Issuer in accordance with Product Condition 5.7);

"Capital Protected Performance Amount" means an amount calculated using the following formula:

$$\text{Max}\{a \times b - a, \text{Performance Amount}\}$$

Where:

"a" is the Nominal Amount

"b" is the Capital Protection Percentage

"Capital Protected Basket Performance Amount" means an amount calculated using the following formula:

$$\text{Max}\{\sum(P_1 + P_2 + \dots P_n), \text{Performance Amount}\}$$

Where:

$$P_n = a_n \times b_n - a_n$$

"a_n" is the Reference Entity Nominal Amount with respect to Reference Entity "n"

"b_n" is the Capital Protection Percentage with respect to Reference Entity "n"

"Capital Protection Percentage" means the percentage specified as such in the relevant Final Terms;

"CHF" means Swiss Franc the lawful currency of Switzerland;

"CHF LIBOR" means the rate for deposits in CHF for the Specified Period which appears on the Reuters Screen LIBOR02 Page (or any Successor Source) as of 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date. If such rate does not appear on the Reuters Screen LIBOR02 Page (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in CHF are offered by four major banks in the London interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date to prime banks in the London interbank market for the Specified Period commencing on that Coupon Determination Date and in an amount (a **"Representative Amount"**) that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in Zurich, selected by the Calculation Agent, at approximately 11.00 a.m., Zurich time, on the relevant Coupon Determination Date for loans in Swiss Francs to leading European banks for the Specified Period commencing on that Coupon Determination Date and in a Representative Amount. If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"CHF TOIS OIS Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Swiss interbank money market) calculated in accordance with the formula set forth below and rounded to the nearest one ten-thousandth of a percentage point:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{TOIS_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d₀", for such Extension Period, is the number of Zurich Business Days in such Extension Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant Zurich Business Days in chronological order from, and including, the first Zurich Business Day in such Extension Period;

"TOIS_i", for any day **"i"** in such Extension Period, is a reference rate equal to the rate for tomorrow next deposits in Swiss Francs which appears on the Reuters Screen CHFTOIS= (or any relevant Successor Source) as of 11 a.m. Zurich time, on the day that is one Zurich Business Day preceding that day;

"n_i" is the number of calendar days in such Extension Period on which the rate is TOIS_i; and

"d" is the number of calendar days in such Extension Period;

"Clearing Agent" means each person specified as such in the relevant Final Terms, and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Securityholders in accordance with Product Condition 12 (together the **"Clearing Agents"**, which term will, if the Securities are English Law Securities, include any depositary holding the Global Security on behalf of the Clearing Agent(s));

"Conditions to Settlement" has the meaning set forth in Product Condition 3.1;

"Convened DC Voting Member" has the meaning set forth in the Rules;

"Coupon Accrual Date" means each date specified as such in the relevant Final Terms;

"Correction Period" means the period specified as such in the relevant Final Terms;

"Coupon Amount" has the meaning set forth in Product Condition 4.1;

"Coupon Calculation Amount" means, in respect of a day and subject as provided in Product Conditions 4.1.5, 4.1.7, 4.2, 4.3 and 4.4, as appropriate, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) in the case of Basket Securities, the Nominal Amount minus (B) the sum of the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied on or prior to such day; and
- (b) in the case of any other Securities, the Nominal Amount.

The Coupon Calculation Amount will not be increased notwithstanding that the Credit Event relevant to the satisfaction of the Conditions to Settlement may be subsequently cured;

"Coupon Commencement Date" means the date specified as such in the relevant Final Terms;

"Coupon Determination Date" means, in respect of a Coupon Period, if the Reference Rate is:

- (a) EURIBOR, the day falling two TARGET2 Settlement Days prior to the first day of such Coupon Period;
- (b) USD LIBOR, the day falling two London Business Days prior to the first day of such Coupon Period;
- (c) GBP LIBOR, the day falling two London Business Days prior to the first day of such Coupon Period;
- (d) CHF LIBOR, the day falling two London Business Days prior to the first day of such Coupon Period;
- (e) SEK STIBOR, the day falling two London Business Days prior to the first day of such Coupon Period;
- (f) PLN WIBOR, the day falling two London Business Days prior to the first day of such Coupon Period;
- (g) EUR CMS, the day falling two TARGET2 Settlement Days prior to the first day of such Coupon Period; and
- (h) USD CMS, the day falling two London Business Days prior to the first day of such Coupon Period;

"Coupon Payment Date" means each date specified as such in the relevant Final Terms;

"Coupon Payout 1" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 2" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 3" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 4" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 5" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 6" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 7" has the meaning set forth in Product Condition 4.1.5;

"Coupon Payout 8" has the meaning set forth in Product Condition 4.1.5;

"Coupon Period" means the period from (and including) the Coupon Commencement Date to (but excluding) the first Coupon Accrual Date and each successive period from (and including) a Coupon Accrual Date to (but excluding) the next following Coupon Accrual Date;

"Coupon Rate" means, subject where applicable to Product Condition 4.1.7:

- (a) where the Securities are Fixed Rate Securities, the Coupon Rate specified as such in the relevant Final Terms;
- (b) where the Securities are Floating Rate Securities, but are not Fixed/Floating Switch Option Securities or Floating/Fixed Switch Option Securities:
 - (i) if Linear Interpolation does not apply to the first Coupon Period, in respect of a Coupon Period, the Reference Rate for such Coupon Period plus the Margin; and
 - (ii) if Linear Interpolation applies to the first Coupon Period: (A) in respect of the first Coupon Period, the rate determined in accordance with Linear Interpolation; and (B) in respect of each Coupon Period thereafter, the Reference Rate for such Coupon Period plus the Margin;
- (c) where the Securities are Inflation Index Securities, in respect of a Coupon Period, the Reference Rate for such Coupon Period plus the Margin;
- (d) where the Securities are Range Accrual Securities, in respect of a Coupon Period, the product of (i) the Reference Rate in respect of such Coupon Period plus the Margin; and (ii) the Range Day Accrual Rate in respect of such Coupon Period;
- (e) where the Securities are Fixed/Floating Switch Option Securities:
 - (i) in respect of each Coupon Period commencing prior to the Fixed/Floating Switch Option Date, the Fixed to Floating Fixed Rate; and
 - (ii) in respect of each Coupon Period commencing on or after the Fixed/Floating Switch Option Date, the Reference Rate for such Coupon Period;
- (f) where the Securities are Floating/Fixed Switch Option Securities:
 - (i) in respect of each Coupon Period commencing prior to the Floating/Fixed Switch Option Date, the Floating to Fixed Rate; and
 - (ii) in respect of each Coupon Period commencing on or after the Floating/Fixed Switch Option Date, the Coupon Rate for such Coupon Period;
- (g) where Coupon Payout 1 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(a);
- (h) where Coupon Payout 2 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(b);
- (i) where Coupon Payout 3 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(c);
- (j) where Coupon Payout 4 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(d);
- (k) where Coupon Payout 5 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(e);

- (l) where Coupon Payout 6 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(f); and
- (m) where Coupon Payout 7 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(g);
- (n) where Coupon Payout 8 is specified as applicable in the relevant Final Terms, the Coupon Rate determined as set forth in Product Condition 4.1.5(h);

"Credit Contingent Call Option Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which Credit Contingent Unwind Costs are included in any Unwind Costs);

"Credit Contingent Unwind Costs" means, in relation to any Credit Contingent Call Option Securities, an amount (which will be a negative) as determined by the Calculation Agent equal to all out-of-pocket costs, expenses, tax and duties incurred by the Issuer in connection with the redemption (whether in whole or in part) of the Securities, such amount to be apportioned pro rata amongst the Securities;

"Credit Default Swap" means a hypothetical credit default swap:

- (a) referencing the relevant Reference Entity and (if applicable) Reference Obligation;
- (b) subject as provided in sub-paragraph (c) below, on terms applicable to the "Transaction Type" for such Reference Entity under the Physical Settlement Matrix as determined by the Calculation Agent;
- (c) incorporating the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement (as so supplemented, the 2003 Credit Derivatives Definitions), as published by ISDA and as amended as set out below but, for the avoidance of doubt, not incorporating either the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement published on 12 March 2009 or the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement published on 14 July 2009;
- (d) with a "Trade Date", an "Effective Date" and a "Scheduled Termination Date" as specified in the relevant Final Terms;
- (e) in respect of which the relevant Dealer (for the purposes of paragraph (b) of Product Condition 3.2.2 below) or the Calculation Agent (for the purposes of paragraph (c) of Product Condition 3.2.2 below), acting in its sole and absolute discretion, will make any determinations and exercise any discretions by the calculation agent, buyer or seller thereunder and there shall be no obligation to consult with the parties thereto; and
- (f) governed by English law.

For the purposes of the Credit Default Swap:

- (g) Section 2.2(b) of the 2003 Credit Derivatives Definitions shall be replaced as follows:

"Succession Event" means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event."; and

- (h) Section 2.2(h) of the 2003 Credit Derivatives Definitions shall be replaced as follows:

"(h) With respect to a Sovereign Reference Entity, **"Successor"** means each entity which becomes a direct or indirect successor to such Reference Entity by way of Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign or entity, if any, that qualifies under Section 2.2(h).";

"Credit Derivatives Auction Settlement Terms" means the relevant set of Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules, as may be amended from time to time in accordance with the Rules;

"Credit Derivatives Determinations Committee" means a committee established by ISDA for purposes of reaching certain DC Resolutions in connection with certain credit derivatives transactions, as more fully described in 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 (the **"Rules"**);

"Credit Event Accrued Interest Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which interest accrues in accordance with Product Condition 4.2);

"Credit Event" has the meaning set forth in Product Condition 3.2.1;

"Credit Event Notice" has the meaning set forth in Product Condition 3.1.1;

"Credit Exposure Period" means, subject as provided in Product Conditions 5.5 and 5.6, the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date;

"CVM" means the Portuguese Law Securities centralised system Central de Valores Mobiliários, managed by Interbolsa;

"Daily Coupon Floating Rate" means the Reference Rate, provided that:

- (a) where the Reference Rate is EURIBOR, in respect of a day that is not a TARGET2 Settlement Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding TARGET2 Settlement Day;
- (b) where the Reference Rate is USD LIBOR, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;
- (c) where the Reference Rate is GBP LIBOR, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;
- (d) where the Reference Rate is CHF LIBOR, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;
- (e) where the Reference Rate is SEK STIBOR, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;
- (f) where the Reference Rate is PLN WIBOR, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;

- (g) where the Reference Rate is EUR CMS, in respect of a day that is not a TARGET2 Settlement Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding TARGET2 Settlement Day; and
- (h) where the Reference Rate is USD CMS, in respect of a day that is not a London Business Day, the Daily Coupon Floating Rate shall be the Reference Rate in respect of the immediately preceding London Business Day;

"Day Count Fraction" means a fraction being any one of the following, as specified in the Final Terms:

- (a) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Coupon Period divided by 360;
- (b) if **"30/360"** is specified in the relevant Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

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

where

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

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

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

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Coupon Period falls;

"D1" is the first calendar day, expressed as a number, of the Coupon 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 included in the Coupon Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (c) if **"Actual/Actual"** is specified in the relevant Final Terms, the actual number of days in the Coupon Period divided by 365 (or, if a portion of that Coupon Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Coupon Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Coupon Period falling in a non-leap year divided by 365);
- (d) if **"Actual/365"** is specified in the relevant Final Terms, the actual number of days in the Coupon Period divided by 365; and
- (e) if **"1/1"** is specified in the relevant Final Terms, one;

"DC Credit Default Swap" means an English law governed hypothetical credit derivatives transaction which references the Reference Entity and incorporates, and is in the form of the confirmation template for use with Credit Derivatives Transactions governed by the terms of the Physical Settlement Matrix, as published by ISDA on its website at www.isda.org (or any successor website thereto);

"DC Resolution" has the meaning set forth in the definition of **"Resolve"** and **"Resolved"** below;

"Dealer" has the meaning set forth in Product Condition 3.2.3;

"Deferred Redemption Amount" has the meaning set forth in Product Condition 5.5.6 or 5.6.9, as applicable;

"Determined Currency" means the currency in which the Securities are denominated;

"Earlier Month" has the meaning set forth in Product Condition 6.2;

"English Agent" means Deutsche Bank AG, London Branch (of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom);

"English Law Securities" means Securities specified in the relevant Final Terms to be English Law Securities (being Securities subject to English law);

"EONIA" means the Euro Overnight Index Average, calculated by the European Central Bank;

"EONIA (Euro Overnight Index Average) Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day interbank euro money market in London) calculated in accordance with the formula set forth below and rounded to the nearest one ten-thousandth of a percentage point:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{EURONIA_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d₀", for such Extension Period, is the number of London Business Days in such Extension Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant London Business Days in chronological order from, and including, the first London Business Day in such Extension Period;

"EURONIA_i", for any day "i" in such Extension Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Markets Brokers' Association and appearing on the Reuters Screen 3367 Page under the heading "Euro Overnight Index" (or any relevant Successor Source) in respect of that day;

"n_i" is the number of calendar days in such Extension Period on which the rate is EURONIA_i; and

"d" is the number of calendar days in such Extension Period;

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140, formerly 109 1 (4) of the Treaty;

"EUR" or **"Euros"** means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with the European Union treaty law (as amended from time to time);

"EUR CMS" means the annual swap rate for euro swap transactions, expressed as a percentage, which appears on the Reuters Screen ISDAFIX2 Page (or any Successor Source) under the heading "EURIBOR BASIS -EUR" and above the caption "11:00 AM FRANKFURT" as of 11.00 a.m. Brussels time, on the relevant Coupon Determination Date. If such rate does not appear on such page (or any Successor source as aforesaid) at such time on such day, subject as provided below, the Reference Rate shall be a percentage determined on the basis of the mid-market annual swap rate quotations provided by four major banks in the Euro-zone interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., Brussels time, on the relevant Coupon Determination Date to prime banks in the Euro-zone interbank market. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, assuming a 30/360 day count basis, of a fixed-for-floating interest rate swap transaction in EUR with a term equal to the Specified Period commencing on the Coupon Determination Date and in an

amount (a "**Representative Amount**") that is representative of a single transaction in that market at the relevant time with an acknowledged dealer of good credit in the swap market, where the floating leg assuming an Actual/360 day count basis is equivalent to the Specified Period. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for such Coupon Determination Date shall be the arithmetic mean of the 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). If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"**EURIBOR**" means the rate for deposits in EUR for the Specified Period which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source) as of 11.00 a.m., Brussels time, on the relevant Coupon Determination Date. If such rate does not appear on the Reuters Screen EURIBOR01 Page (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in EUR are offered by four major banks in the Euro-zone interbank market selected by the Calculation Agent (the "**Reference Banks**") at approximately 11.00 a.m., Brussels time, on the relevant Coupon Determination Date to prime banks in the Euro-zone interbank market for the Specified Period commencing on the first day of such Coupon Period and in an amount (a "**Representative Amount**") that is representative of a single transaction in that market at the relevant time assuming an Actual/360 day count basis. The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m., Brussels time, on the first day of such Coupon Period for loans in EUR to leading European banks for the Specified Period commencing on the first day of such Coupon Period and in a Representative Amount. If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"**Euro-zone**" means the region comprising the member states of the European Union that from time to time are participating in monetary union in accordance with European Union treaty law (as amended or supplemented from time to time);

"**Event Determination Date**" has the meaning used in the DC Credit Default Swap;

"**Exchange Business Day**" has the meaning set forth in Product Condition 7.3;

"**Extension Period**" means each Maturity Extension Period;

"**Final Coupon Period**" means the Coupon Period ending on (but excluding) the Scheduled Maturity Date;

"**Final Index Delay Date**" means the date specified as such in the relevant Final Terms;

"**Final Postponed Maturity Date**" has the meaning set forth in Product Condition 5.6.9;

"**First Entity**" has the meaning set forth in Product Condition 6.1;

"**First Postponed Maturity Date**" has the meaning set forth in Product Condition 5.6.9;

"**First Reference Month**" means the month specified as such in the relevant Final Terms;

"**First Relevant Level**" means, in respect of a Coupon Period and subject as provided in Product Condition 6.2, the level of the Index reported for the First Reference Month, as determined by the Calculation Agent without regard to any subsequently published correction;

"**First Currency**" has the meaning set forth in Product Condition 8.5.2;

"**Fixed Recovery Securities**" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Redemption Amount will be determined by reference to a fixed

recovery percentage following satisfaction of the Conditions to Settlement with respect to any Reference Entity);

"Fixed to Floating Fixed Rate" means the rate specified as such in the relevant Final Terms;

"Fixed/Floating Switch Option Business Days" means the number of Business Days specified as such in the relevant Final Terms;

"Fixed/Floating Switch Option Date" has the meaning set forth in Product Condition 4.1.6;

"Fixed/Floating Switch Option Period Start Date" means the date specified as such in the relevant Final Terms;

"Fixed/Floating Switch Option Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the provisions of Product Condition 4.1.6 apply);

"Floating to Fixed Rate" means the rate specified as such in the relevant Final Terms;

"Floating/Fixed Switch Option Business Days" means the number of Business Days specified as such in the relevant Final Terms;

"Floating/Fixed Switch Option Date" has the meaning set forth in Product Condition 4.1.7;

"Floating/Fixed Switch Option Period Start Date" means the date specified as such in the relevant Final Terms;

"Floating/Fixed Switch Option Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the provisions of Product Condition 4.1.7 apply);

"Fixed Rate Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which any Coupon Amount is determined by reference to a fixed rate);

"Floating Rate Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which any Coupon Amount is determined by reference to a floating rate);

"FTD Securities" means Securities specified as such in the relevant Final Terms (being first to default Securities);

"Fund" has the meaning set forth in Product Condition 8.5;

"Fund Share" has the meaning set forth in Product Condition 8.5;

"Futures Contract" has the meaning set forth in Product Condition 8.5.1;

"GBP" means Pounds Sterling the lawful currency of the United Kingdom;

"GBP LIBOR" means the rate for deposits in GBP for the Specified Period which appears on the Reuters Screen LIBOR01 Page (or any Successor Source) as of 11.00 a.m., London time, on the relevant Coupon Determination Date. If such rate does not appear on the Reuters Screen LIBOR01 Page (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in GBP are offered by four major banks in the London interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., London time, on the relevant Coupon Determination Date to prime banks in the London interbank market for the Specified Period commencing on that Coupon Determination Date and in an amount (a **"Representative Amount"**) that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11.00 a.m., London time, on the relevant Coupon Determination Date for loans in GBP to leading European banks for the Specified Period commencing on that Coupon Determination Date and in a Representative Amount. If no such rates are quoted, the Reference Rate

for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"GBP WMBA SONIA Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the daily overnight reference rate for the lawful currency of the United Kingdom) calculated in accordance with the formula set forth below and rounded to the nearest one ten-thousandth of a percentage point:

$$\left[\prod_{j=1}^{d_0} \left(1 + \frac{SONIA_j \times n_j}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"d₀", for such Extension Period, is the number of London Business Days in such Extension Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant London Business Days in chronological order from, and including, the first London Business Day in such Extension Period;

"SONIA_i", for any day **"i"** in such Extension Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Markets Brokers' Association and appearing on the Reuters Screen SONIA Page (or any relevant Successor Source) in respect of that day;

"n_i" is the number of calendar days in such Extension Period on which the rate is SONIA_i; and

"d" is the number of calendar days in such Extension Period;

"German Agent" means Deutsche Bank AG (of Taunusanlage 12, 60325, Frankfurt am Main, Germany);

"Global Security" has the meaning set forth in Product Condition 2.1;

"Hedging Arrangements" has the meaning set forth in Product Condition 7.3;

"Hedging Party" has the meaning set forth in Product Condition 7.3;

"Highest Reference Level" means the highest Reference Level of the Underlying observed over all Observation Dates;

"holder of Securities" has the meaning set forth in Product Condition 2;

"Iberclear Member" has the meaning set forth in Product Condition 2.3;

"Index" means the index specified as such in the relevant Final Terms;

"Index Manifest Error Cut Off Date" means the date specified as such in the relevant Final Terms;

"Index Material Modification Cut Off Date" means the date specified as such in the relevant Final Terms;

"Index Sponsor" means the index sponsor specified as such in the relevant Final Terms;

"Industry Requirement" has the meaning set forth in Product Condition 3.3.3;

"Inflation Index Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Coupon Amount or Redemption Amount payable is determined by reference to an inflation index);

"Initial Reference Level" means the Reference Level of the Underlying or Performance Amount Underlying (as the case may be), on the Initial Valuation Date;

"Initial Valuation Date" means the date specified as such in the relevant Final Terms;

"ISDA" means the International Swaps and Derivatives Association, Inc. and any successors;

"ISDA Credit Event" has the meaning set forth in Product Condition 3.2.2;

"Issue Date" means the date specified as such in the relevant Final Terms;

"Issue Price" means the issue price specified as such in the relevant Final Terms;

"Issuer" means:

- (a) where the Securities are English Law Securities, Deutsche Bank AG, London Branch;
- (b) where the Securities are Portuguese Law Securities, Deutsche Bank AG, Sucursal em Portugal; and
- (c) where the Securities are Portuguese Law Securities, Deutsche Bank AG, Sucursal en España;

"Issuer Early Redemption Date" means each date specified as such in the relevant Final Terms;

"Issuer Early Redemption Notice Requirement" means the number of Business Days' notice specified as such in the relevant Final Terms;

"Latest Level" has the meaning set forth in Product Condition 6.2;

"Leverage Factor" means, where applicable, the number specified in the relevant Final Terms;

"Linear Interpolation" means the straight-line interpolation by reference to two rates based on the Reference Rate, one of which will be determined as if the Specified Period were the period of time for which rates are available next shorter than the length of the affected Coupon Period and the other of which will be determined as if the Specified Period were the period of time for which rates are available next longer than the length of such Coupon Period;

"London Business Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

"Loss at Maturity Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the provisions of Product Condition 5.4 apply);

"Margin" means the percentage specified as such in the relevant Final Terms;

"Market Disruption" has the meaning set forth in Product Condition 7.2;

"Market Participant Credit Event Opinion" has the meaning set forth in Product Condition 3.2.3;

"Market Participant Successor Opinion" has the meaning set forth in Product Condition 3.3.4;

"Maturity Capital Protected Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the provisions of Product Condition 5.3 apply);

"Maturity Date" means the date specified as such in the relevant Final Terms (the **"Scheduled Maturity Date"**), subject as provided in Product Conditions 5.5 and 5.6;

"Maturity Extension Period" has the meaning set forth in Product Conditions 5.5 and 5.6;

"Max" means, whenever followed by a series of amounts inside brackets, whichever is the greater of the amounts separated by a comma inside those brackets;

"Maximum Coupon Rate" means the rate specified as such in the relevant Final Terms;

"Merger Event" has the meaning set forth in Product Condition 5.8;

"Merger Event Redemption Date" has the meaning set forth in Product Condition 5.8;

"Merger Event Unwind Costs" has the meaning set forth in Product Condition 5.8;

"Min" means, whenever followed by a series of amounts inside brackets, whichever is the lesser of the amounts separated by a comma inside those brackets;

"Minimum Coupon Rate" means the rate specified as such in the relevant Final Terms;

"New York Business Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"No Auction No Reference Obligation Final Price" means either 15 per cent. or 30 per cent., as specified in the relevant Final Terms;

"Nominal Amount" means the amount specified as such in the relevant Final Terms, which is subject to adjustment in accordance with Product Condition 5.2;

"Notification Period" means, subject as provided in Product Conditions 5.5 and 5.6, the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date;

"National Currency Unit" means the unit of the currency of a country, as those units are defined on the day before the start of the third stage of European Economic and Monetary Union or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage;

"Non Credit Linked Coupon Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Coupon Amount is not credit linked);

"Observation Date" means the date or dates specified as such in the relevant Final Terms and subject to adjustment in accordance with Product Condition 7 or 8, as applicable;

"Opinion Period" has the meaning set forth in Product Condition 3.2.3;

"Outstanding Nominal Amount" means, in respect of a day and subject as provided in Product Condition 4, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) in respect of Basket Securities:
 - (i) the Nominal Amount; minus
 - (ii) the sum of the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied on or prior to such day;
- (b) subject to (c), in respect of Single Reference Entity Securities and FTD Securities, the Nominal Amount or, if the Conditions to Settlement are satisfied with respect to the Reference Entity on or prior to such date, zero; and
- (c) in respect of Single Reference Entity Securities and FTD Securities which are Maturity Capital Protected Securities, the Nominal Amount.

The Outstanding Nominal Amount will not be increased notwithstanding that the Credit Event relevant to the satisfaction of the Conditions to Settlement may be subsequently cured;

"Partial Redemption Date" has the meaning set forth in Product Condition 5.2.3;

"Participation Factor" means the factor specified as such in the relevant Final Terms, as determined by the Calculation Agent on or around the Trade Date;

"Payment Day" means any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in the relevant place of presentation and the locations specified under 'Payment Day' in the relevant Final Terms, a day on which each Clearing Agent is open for business and, in relation to any sum payable in euros, a day on which the TARGET2 System is open;

"Performance Amount" means an amount calculated using the following formula:

$$\text{Outstanding Nominal Amount} \times \text{Min}\{\text{Max}\{K\%, \text{Perf}(T) - 100\%\}, M\%\}$$

Where:

"K" (either as a positive or negative number) is as defined in the Product Terms

"M" is as defined in the Product Terms

"Perf(T)" means, in relation to the Performance Amount Underlying, the quotient of the Reference Level in relation to such Performance Amount Underlying on the Observation Date divided by the Initial Reference Level;

"Performance Amount Underlying" means the underlying specified as such in the relevant Final Terms;

"Physical Settlement Matrix" means the **"Credit Derivatives Physical Settlement Matrix"**, as most recently amended and supplemented as at the Trade Date and as published by ISDA on its website at www.isda.org (or any successor website thereto);

"PLN" means Polish Zloty the lawful currency of Poland;

"PLN WIBOR" means the rate for deposits in PLN for the Specified Period which appears on the Reuters Screen WIBO Page (or any Successor Source) as of 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date. If such rate does not appear on the Reuters Screen WIBO Page (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in PLN are offered by four major banks in the London interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date to prime banks in the London interbank market for the Specified Period commencing on that Coupon Determination Date and in an amount (a **"Representative Amount"**) that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in Warsaw, selected by the Calculation Agent, at approximately 11.00 a.m., Warsaw time, on the relevant Coupon Determination Date for loans in Polish Zlotys to leading European banks for the Specified Period commencing on that Coupon Determination Date and in a Representative Amount. If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"PLN POLONIA OIS Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day PLN interbank money market) calculated in accordance with the formula set forth below and rounded to the nearest one ten-thousandth of a percentage point:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{|PLNOIS_i| \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d₀", for such Extension Period, is the number of Warsaw Business Days in such Extension Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant Warsaw Business Days in chronological order from, and including, the first Warsaw Business Day in such Extension Period;

"PLNOIS_i", for any day **"i"** in such Extension Period, is a reference rate equal to the rate for tomorrow next deposits in Polish Zlotys which appears on the Reuters Screen NBPS (or any relevant Successor Source) as of 11 a.m. Warsaw time, on the day that is one Warsaw Business Day preceding that day;

"n_i" is the number of calendar days in such Extension Period on which the rate is PLNOIS_i; and

"d" is the number of calendar days in such Extension Period;

"Portuguese Agent" means Deutsche Bank AG, Sucursal em Portugal (of Rua Castilho, 20, 1250-069 Lisbon, Portugal);

"Portuguese Law Securities" means Securities specified as such in the relevant Final Terms (being Securities subject to Portuguese law);

"Postponed Maturity Date" has the meaning set forth in Product Conditions 5.5.6 or 5.6.9, as applicable;

"Potential Credit Event" has the meaning set forth in Product Condition 5.5.6 or 5.6.9, as applicable;

"Potential Repudiation/Moratorium" has the meaning set forth in Product Condition 5.6.9;

"Principal Agent" means:

- (a) if the Securities are Portuguese Law Securities, the Portuguese Agent; and
- (b) if the Securities are Spanish Law Securities, the Spanish Agent;

"Range Accrual Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Coupon Rate is determined in accordance with paragraph (d) of the definition of Coupon Rate);

"Range Day Accrual Rate" means, in respect of a Coupon Period, a rate (expressed as a percentage) calculated by the Calculation Agent equal to the quotient of (i) the Range Day Numerator (as numerator) and (ii) the Range Day Denominator (as denominator), in each case in respect of such Coupon Period;

"Range Day Denominator" means, in respect of a Coupon Period, the total number of calendar days in such Coupon Period;

"Range Day Numerator" means, in respect of a Coupon Period, the total number of calendar days in such Coupon Period on which the Daily Coupon Floating Rate is equal to or greater than the Range Day Numerator Lower Barrier but less than or equal to the Range Day Numerator Upper Barrier;

"Range Day Numerator Lower Barrier" means the percentage specified as such in the relevant Final Terms;

"Range Day Numerator Upper Barrier" means the percentage specified as such in the relevant Final Terms;

"Rate of Exchange" has the meaning set forth in Product Condition 8.5.2;

"Rebased Index" has the meaning set forth in Product Condition 6.4;

"Redemption Amount" means the amount payable on the redemption (whether in whole or in part) of a Security in accordance with these Product Conditions, as determined in accordance with Product Condition 5 or 6, as applicable;

"Reference Currency" has the meaning set forth in Product Condition 7.3;

"Reference Entity" means any entity specified as such in the relevant Final Terms and any Successor thereto determined pursuant to Product Condition 3.3;

"Reference Entity Nominal Amount" means, in respect of a Reference Entity and a Security:

- (a) if an amount is specified as such in relation to such Reference Entity in the relevant Final Terms, the product of (A) such amount and (B) a fraction equal to the Nominal Amount of such Security divided by the Aggregate Nominal Amount; or
- (b) (i) if a Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Final Terms, the product of (A) the Nominal Amount and (B) such Reference Entity Weighting or (ii) if no amount is specified as such in relation to such Reference Entity in the relevant Final Terms and no Reference Entity weighting is specified in relation to such Reference Entity in the relevant Final Terms, the Nominal Amount divided by the number of Reference Entities as of the Issue Date;

"Reference Entity Weighting" means the percentage specified as such in the relevant Final Terms;

"Reference Level" means:

- (a) if Averaging is not specified to apply in the relevant Final Terms, the level of the Underlying or Performance Amount Underlying (as the case may be) specified as such in the relevant Final Terms; and
- (b) if Averaging is specified to apply in the relevant Final Terms, the arithmetic average of the Reference Levels of the Underlying or Performance Amount Underlying (as the case may be) observed on each Observation Date in the Coupon Period;

"Reference Month" means each First Reference Month and Second Reference Month;

"Reference Item" has the meaning set forth in Product Condition 7.3;

"Reference Obligation" means, in respect of a Reference Entity, the Reference Obligation (if any) specified as such in the relevant Final Terms, and any Substitute Reference Obligation therefor determined pursuant to Product Condition 3.4;

"Reference Obligation Price" means, in respect of a Reference Obligation, the unweighted arithmetic mean of the firm bid quotations obtained from the Dealers as provided above;

"Reference Rate" means, in respect of a Coupon Period:

- (a) where the Securities are Floating Rate Securities, CHF LIBOR, SEK STIBOR, PLN WIBOR, EURIBOR, GBP LIBOR, USD LIBOR, EUR CMS, USD CMS, Structured Floating Rate (Aggregate Reference Rate), Structured Floating Rate (EUR CMS (SP1-SP2)) or Structured Floating Rate (USD CMS (SP1-SP2)) as specified in the relevant Final Terms; and
- (b) where the Securities are Fixed/Floating Switch Option Securities or Floating/Fixed Switch Option Securities, CHF LIBOR, SEK STIBOR, PLN WIBOR, EURIBOR, GBP LIBOR or USD LIBOR as specified in the relevant Final Terms; and
- (c) where the Securities are Inflation Index Securities:
 - (i) subject to sub-paragraphs (ii) and (iii) below, the Second Relevant Level divided by the First Relevant Level minus one, subject to a minimum of zero;
 - (ii) for each Coupon Period ending prior to the Coupon Period (if any) (the **"Early Redemption Coupon Period"**) in which the Securities are subject to redemption pursuant to Product Condition 5.7, 5.8 or 5.9, as applicable; and
 - (iii) for the Early Redemption Coupon Period, 0 per cent.;

"Reference Source" has the meaning set forth in Product Condition 7.3;

"Related Bond" has the meaning set forth in Product Condition 6.2;

"Related Exchange" has the meaning set forth in Product Condition 7.3;

"Relevant Calendar Month" means, in respect of a Coupon Period, the month specified as such in the relevant Final Terms;

"Relevant Country" has the meaning set forth in Product Condition 7.3;

"Relevant Determinations" has the meaning set forth in Product Condition 11.3;

"Relevant Reference Item" has the meaning set forth in Product Condition 7.3;

"Relevant Time" has the meaning set forth in Product Condition 7.3;

"Replacement/Successor Index Cut Off Date" means the date specified as such in the relevant Final Terms;

"Resolve" and **"Resolved"** means a convened Credit Derivatives Determinations Committee making a determination in accordance with the Rules (and each such determination, a **"DC Resolution"**);

"Rules" has the meaning set forth in the definition of **"Credit Derivatives Determinations Committee"** above;

"Scheduled Closing Time" has the meaning set forth in Product Condition 7.3;

"Scheduled Maturity Date" has the meaning set forth in the definition of **"Maturity Date"** above;

"Scheduled Valuation Date" has the meaning set forth in Product Condition 7.1;

"Second Currency" has the meaning set forth in Product Condition 8.5;

"Second Reference Month" means the month in relation to which the Second Relevant Level is reported;

"Second Relevant Level" means, in respect of a Coupon Period and subject as provided in Product Condition 6.2, the level of the Index reported for the month specified in the relevant Final Terms, as determined by the Calculation Agent, without regard to any subsequently published correction;

"Securities" means the credit linked notes issued by the Issuer under this Programme;

"Securityholders" has the meaning set forth in Product Condition 2;

"Securityholder Expenses" means, in respect of a Security, all taxes, duties or expenses, including any custody fees, transaction fees, stamp duty (including stamp duty reserve tax), taxes or duties related to issue, registration or transfer of securities and other taxes or duties due in connection with exercise, settlement, redemption or otherwise in respect of such Security;

"SEK" means Swedish Krona the lawful currency of Sweden;

"SEK STIBOR" means the rate for deposits in SEK for the Specified Period which appears on the Bloomberg Screen BTMM SW Page under the heading "STIBOR" (or any Successor Source) as of 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date. If such rate does not appear on the Bloomberg Screen BTMM SW Page under the heading "STIBOR" (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in SEK are offered by four major banks in the London interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., London time, on the day that is two London Business Days preceding the relevant Coupon Determination Date to prime banks in the London interbank market for the Specified Period commencing on that Coupon Determination Date and in an amount (a **"Representative Amount"**) that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in Stockholm, selected by the Calculation Agent, at approximately 11.00 a.m., Stockholm time, on the relevant Coupon Determination Date for loans in

Swedish Kronas to leading European banks for the Specified Period commencing on that Coupon Determination Date and in a Representative Amount. If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"SEK SIOR OIS Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day SEK interbank money market) calculated in accordance with the formula set forth below and rounded to the nearest one ten-thousandth of a percentage point:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SIOR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d₀", for such Extension Period, is the number of Stockholm Business Days in such Extension Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant Stockholm Business Days in chronological order from, and including, the first Stockholm Business Day in such Extension Period;

"SIOR_i", for any day **"i"** in such Extension Period, is a reference rate equal to the rate for tomorrow next deposits in Swedish Kronas which appears on the Reuters Screen SIDE Page under the heading "Fixing" (or any relevant Successor Source) as of 11 a.m. Stockholm time, on the day that is one Stockholm Business Day preceding that day;

"n_i" is the number of calendar days in such Extension Period on which the rate is SIOR_i; and

"d" is the number of calendar days in such Extension Period;

"Settlement Currency" has the meaning set forth in Product Condition 7.3;

"Settlement Price" means, where the Securities are Fixed Recovery Securities, the percentage specified as such in the relevant Final Terms, or where the Securities are not Fixed Recovery Securities:

- (a) if on or prior to the Auction Cut-Off Date the relevant Credit Derivatives Determinations Committee determines that one or more Auctions will be held:
 - (i) if one such Auction is held, the relevant Auction Final Price determined in accordance with such Auction; or
 - (ii) if more than one such Auction is held:
 - (A) the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection buyer thereunder (**"Buyer Credit Derivatives Transactions"**) with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls;
 - (B) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates in the range falling next earliest to the Scheduled Maturity Date for which an Auction is held;
 - (C) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to

credit derivatives transactions triggered by the credit protection seller thereunder;
or

(b) if:

- (i) (A) on or prior to the Auction Cut-Off Date the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held; or
- (B) the Auction Final Price is not determined in accordance with the relevant Auction on or prior to the Auction Final Price Cut-Off Date,

the price of the Reference Obligation(s), expressed as a percentage, determined by the Calculation Agent as the unweighted arithmetic mean of the Reference Obligation Price for each Reference Obligation, provided that if no firm bid quotation is obtained from the Dealers as provided below the Settlement Price shall be calculated by the Calculation Agent based on prices for bonds issued by the Reference Entity available on the bond markets and other pricing information that the Calculation Agent determines relevant and may be zero.

The Calculation Agent shall attempt to obtain firm bid quotations for an amount of each Reference Obligation with an outstanding principal balance (excluding accrued but unpaid interest) equal to USD 1,000,000 (or its equivalent in the currency or currencies in which such Reference Obligation is denominated) from each of the Dealers on the Valuation Date; or

- (ii) sub-paragraph (b)(i) above otherwise applies and in the determination of the Calculation Agent the "Substitute Reference Obligation" provisions under the Credit Default Swap apply and on or prior to the date on which the Conditions to Settlement are satisfied a Substitute Reference Obligation has not been determined pursuant to Product Condition 3.4 above, the No Auction No Reference Obligation Final Price.

Where the Securities are FTD Securities, the Settlement Price shall be calculated in respect of the Reference Entity in respect of which Conditions to Settlement have been satisfied;

"Single Reference Entity Securities" means Securities specified as such in the relevant Final Terms (being Securities which are credit linked to a single Reference Entity);

"SP1" means the Specified Period specified as such in the relevant Final Terms;

"SP2" means the Specified Period specified as such in the relevant Final Terms;

"Spanish Agent" means Deutsche Bank AG, Sucursal en España (of Paseo De La Castellana, 18, 28046 Madrid, Spain);

"Spanish Law Securities" means Securities specified as such in the relevant Final Terms (being Securities subject to Spanish Law);

"Specified Period" means the period specified as such in the relevant Final Terms;

"Spread" has the meaning set forth in Product Condition 3.3.3;

"Spread Requirement" has the meaning set forth in Product Condition 3.3.3;

"Spread Requirement Percentage" means 110 per cent.;

"Structured Floating Rate (Aggregate Reference Rate)" means that the Reference Rate will be the sum of any of the following: EURIBOR, CHF LIBOR, GBP LIBOR, SEK STIBOR, PLN WIBOR, EUR CMS or USD CMS, as specified in the relevant Final Terms;

"Structured Floating Rate (EUR CMS (SP1-SP2))" means the Reference Rate will be (i) EUR CMS for a Specified Period equal to SP1, minus (ii) EUR CMS for a Specified Period equal to SP2;

"Structured Floating Rate (USD CMS (SP1-SP2))" means the Reference Rate will be (i) USD CMS for a Specified Period equal to SP1, minus (ii) USD CMS for a Specified Period equal to SP2;

"Substitute" has the meaning set forth in Product Condition 15.1;

"Substitute Index Level" has the meaning set forth in Product Condition 6.2;

"Substitute Reference Obligation" has the meaning given to it under (a) for the purposes of paragraph (a) of Product Condition 3.4, the DC Credit Default Swap or (b) for the purposes of paragraph (b) of Product Condition 3.4, the Credit Default Swap and is as determined pursuant to Product Condition 3.4;

"Successor" has the meaning set forth in Product Condition 3.3.1;

"Successor Source" means in respect of any display page:

- (a) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of such display page; or
- (b) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor);

"TARGET2 Settlement Day" means any day on which the TARGET2 System is open;

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System;

"Third Party Calculation Agent" means, if applicable, the Third Party Calculation Agent specified as such in the Final Terms;

"Trade Date" means the date specified as such in the relevant Final Terms;

"Trading Day" means:

- (a) if the Underlying or Performance Amount Underlying (as the case may be) is, in the relevant Final Terms, not specified to be a Basket or if it is specified to be a Basket and Separate Reference Item Determination is specified to be applicable in the relevant Final Terms, (i) in respect of a Reference Item for which the Reference Source is an exchange, trading system or quotation system and which is not specified to be a Multi-Exchange Index, a day on which the relevant Reference Source and the relevant Related Exchange, if any, in respect of such Reference Item are scheduled to be open for trading during their respective regular trading session(s); (ii) in respect of a Reference Item specified to be a Multi-Exchange Index, a day on which (A) the relevant Index Sponsor is scheduled to publish the level of such Reference Item and (B) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Reference Item; (iii) in respect of a Reference Item which is not specified to be a Multi-Exchange Index and for which the Reference Source is not an exchange, trading system or quotation system, a Business Day on which commercial banks and foreign exchange markets are open in the country(ies) where each Reference Source in respect of such Reference Item is located; and (iv) in respect of a Reference Item which is a Fund Share and Fund Business Days are specified to be applicable in the Product Terms, a Business Day on which the net asset value of such Fund Share is published and subscriptions for and redemptions of such Fund Share may take place; or
- (b) if the Underlying or Performance Amount Underlying (as the case may be) is specified in the relevant Final Terms to be a Basket and Separate Reference Item Determination is not specified to be applicable in the relevant Final Terms, a day which is (i) in respect of each Reference Item for which the Reference Source is an exchange, trading system or quotation system and which is not specified to be a Multi-Exchange Index, a day on which the Reference Source and Related Exchange, if any, in respect of each such Reference Item are scheduled to be open for trading during their respective regular trading session(s); (ii) in respect of each Reference Item specified

to be a Multi-Exchange Index, a day on which (A) the Index Sponsor is scheduled to publish the level of each such Reference Item and (B) each Related Exchange, if any, for each such Reference Item is scheduled to be open for trading during its regular trading session in respect of each such Reference Item; (iii) in respect of each Reference Item which is not specified to be a Multi-Exchange Index and for which the Reference Source is not an exchange, trading system or quotation system, a Business Day on which commercial banks and foreign exchange markets are open in the country(ies) where each Reference Source in respect of each such Reference Item is located; and (iv) in respect of each Reference Item which is a Fund Share and Fund Business Days are specified to be applicable in the Product Terms, a Business Day on which the net asset value of each such Fund Share is published and subscriptions for and redemptions of each such Fund Share may take place;

"Transaction Type" means in respect of a Reference Entity, the "Transaction Type" specified in the relevant Final Terms, being one of the Transaction Types specified in the most recent version of the Credit Derivatives Physical Settlement Matrix published by ISDA as at the Trade Date in respect of the relevant Securities;

"Treaty" means the treaty on the Functioning of the European Union;

"Ultimate Trading Day" has the meaning set forth in Product Condition 7.3;

"Undeferred Redemption Amount" has the meaning set forth in Product Conditions 5.5.6 or 5.6.9 as applicable;

"Underlying" means the underlying specified as such in the relevant Final Terms;

"Underlying 1 Initial Valuation Date" means the date specified as such in the relevant Final Terms;

"Underlying 2 Initial Valuation Date" means the date specified as such in the relevant Final Terms;

"Underlying 1 Initial Reference Level" means the Reference Level of the first Underlying on the Underlying 1 Initial Valuation Date";

"Underlying 1 Reference Level" means the level specified as such in the relevant Final Terms;

"Underlying 2 Initial Reference Level" means the Reference Level of the second Underlying on the Underlying 2 Initial Valuation Date;

"Underlying Linked Coupon Rate Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Coupon Amount is linked to an Underlying);

"Underlying Linked Redemption Securities" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the Redemption Amount is linked to an Underlying);

"Unwind Costs" means:

- (a) where the Securities are Single Reference Entity Securities or FTD Securities, subject to (c) below, an amount determined by the Calculation Agent equal to:
 - (i) the sum of (without duplication) all costs, expenses (including the cost to the Issuer of raising new funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index), such amount to be apportioned pro rata amongst the Securities; less
 - (ii) any gain realised by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case

of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index), such amount to be apportioned pro rata amongst the Securities; and

- (b) where the Securities are Basket Securities, subject to (c) below, an amount determined by the Calculation Agent equal to:
- (i) the sum of (without duplication) all costs, expenses (including the cost to the Issuer of raising new funding), tax and duties incurred by the Issuer in connection with the partial redemption or full redemption or cancellation as the case may be, of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index) and an amount determined by the Calculation Agent to be appropriate to reflect that no further premiums will be payable to the Issuer in connection with any credit default related hedge or related trading position referencing such Reference Entity but there will be no reduction in the Coupon Rate under the Securities, such amount to be apportioned pro rata amongst the Securities; less
 - (ii) any gain realised by the Issuer in connection with the partial redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index), such amount to be apportioned pro rata amongst the Securities;
- (c) where the Securities are Credit Contingent Call Option Securities, the Credit Contingent Unwind Costs;

"USD" means United States Dollars the lawful currency of the United States of America;

"USD CMS" means the annual swap rate for USD swap transactions, expressed as a percentage, which appears on the Reuters Screen ISDAFIX1 Page (or any Successor Source) under the heading "USD 11:00 AM" and above the caption "<USDSFIX=>", on the relevant Coupon Determination Date. If such rate does not appear on such page (or any Successor source as aforesaid) at such time on such day, subject as provided below, the Reference Rate shall be a percentage determined on the basis of the mid-market annual swap rate quotations provided by four major banks in the London interbank market selected by the Calculation Agent selected by the Calculation Agent (the "**Reference Banks**") at approximately 11.00 a.m., London time, on the relevant Coupon Determination Date to prime banks in the London interbank market. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, assuming a 30/360 day count basis, of a fixed-for-floating interest rate swap transaction in USD with a term equal to the Specified Period commencing on the Coupon Determination Date and in an amount (a "**Representative Amount**") that is representative of a single transaction in that market at the relevant time with an acknowledged dealer of good credit in the swap market, where the floating leg assuming an Actual/360 day count basis is equivalent to the Specified Period. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for such Coupon Determination Date shall be the arithmetic mean of the 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). If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"USD Federal Funds Compound Rate" means, in respect of an Extension Period, the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades) calculated in accordance with the formula set forth below and rounded to the nearest one hundred-thousandth of a percentage point:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{FEDFUND_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d₀**" for such Extension Period is the number of New York Business Days in such Extension Period;

"**i**" is a series of whole numbers from one to d₀, each representing the relevant New York Business Days in chronological order from, and including, the first New York Business Day in such Extension Period;

"**FEDFUND_i**", for any day "**i**" in such Extension Period, is a reference rate equal to the rate set forth in H.15(519) in respect of that day under the caption "**EFFEFFECT**", as such rate is displayed on the Reuters Screen FEDFUNDS1 Page (or any relevant Successor Source). If such rate does not appear on the Reuters Screen FEDFUNDS1 Page (or any such Successor Source) in respect of any day "**i**", the rate for that day will be determined by the Calculation Agent by reference to such source(s) as it deems appropriate;

"**ni**" is the number of calendar days in such Extension Period on which the rate is FEDFUND_i; and

"**d**" is the number of calendar days in such Extension Period;

"**USD LIBOR**" means the rate for deposits in USD for the Specified Period which appears on the Reuters Screen LIBOR01 Page (or any Successor Source) as of 11.00 a.m., London time, on the relevant Coupon Determination Date. If such rate does not appear on the Reuters Screen LIBOR01 Page (or such Successor Source as aforesaid) on such day, the Reference Rate for such Coupon Period shall be determined on the basis of the rates at which deposits in USD are offered by four major banks in the London interbank market selected by the Calculation Agent (the "**Reference Banks**") at approximately 11.00 a.m., London time, on the relevant Coupon Determination Date to prime banks in the London interbank market for the Specified Period commencing on the first day of such Coupon Period in an amount (a "**Representative Amount**") that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Reference Rate for such Coupon Period will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11.00 a.m., New York City time, on the first day of such Coupon Period for loans in USD to leading European banks for the Specified Period commencing on the first day of such Coupon Period and in a Representative Amount. If no such rates are quoted, the Reference Rate for such Coupon Period will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate;

"**Valuation Date**" means:

- (a) if sub-paragraph (b)(i)(A) of the definition of Settlement Price applies, the date falling five Business Days following the Auction Cut-Off Date; or
- (b) if sub-paragraph (b)(i)(B) of the definition of Settlement Price applies, the Auction Final Price Cut-Off Date;

"**Zero Recovery Principal Amount Reduction Securities**" means Securities specified as such in the relevant Final Terms (being Securities in respect of which the recovery will be zero following satisfaction of the Conditions to Settlement with respect to any Reference Entity); and

"**Zurich Business Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Zurich.

2. **Form and Status of the Securities**

2.1 **Form of English Law Securities**

If the Securities are English Law Securities, this Product Condition 2.1 shall apply.

The Securities will be represented by a global security (the "**Global Security**") in bearer form. The Global Security will be deposited with the Clearing Agent or Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany (as specified in the relevant Final Terms). No definitive securities will be issued.

Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of a particular amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such amount of the Securities (and the terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly) for all purposes.

2.2 **Form of Portuguese Law Securities**

If the Securities are Portuguese Law Securities, this Product Condition 2.2 shall apply.

The Securities will be dematerialised (*forma escritural*) and represented by book entries (registos em conta) only and centralised through the CVM managed by Interbolsa in accordance with Portuguese law. The Securities will be freely transferable by way of book entries in the accounts of authorised financial intermediaries entitled to hold securities control accounts with Interbolsa on behalf of their customers ("**Affiliate Members of Interbolsa**", which includes any custodian banks appointed by Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme for the purpose of holding accounts on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme), each Security having the same ISIN shall have the same denomination and, if admitted to trading on Euronext Lisbon, shall be transferrable in lots at least equal to such denomination. No global security and no definitive securities will be issued in respect of the Securities.

Each person who is for the time being shown in the records of an Affiliate Member of Interbolsa as the holder of a particular amount of Securities (in which regard any certificate or other document issued by the relevant Affiliate Member of Interbolsa as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be deemed to be the holder of title of such Securities and (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein) and the terms "**Securityholders**" and "**holders of Securities**" and related terms shall be construed accordingly.

No Securityholder will be able to transfer Securities, or any interest therein, except in accordance with Portuguese law and regulations and through the relevant Affiliate Members of Interbolsa.

2.3 **Form of Spanish Law Securities**

If the Securities are Spanish Law Securities, this Product Condition 2.3 shall apply.

The Securities will be issued in uncertificated, dematerialised book-entry form and registered with and cleared through Iberclear as managing entity of the central registry. Such book-entry securities will be constituted as such by virtue of their entry in the corresponding accounting book of Iberclear.

The Securities are transferable in accordance with applicable laws and any rules and procedures for the time being of any Clearing Agent through whose books the Securities are transferred.

The person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent, in accordance with the relevant regulations applicable to the relevant Clearing Agent, as the holder of a particular amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall

be treated by the Issuer and the Agents as the holder of such amount of the Securities (and the terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly).

Notwithstanding the above, if the Securities are listed Spanish Law Securities, the Securities will be issued in uncertificated, dematerialised book-entry form ("**Book-Entry Securities**"). The Book-Entry Securities will be constituted as such by virtue of their entry in the corresponding accounting book of Iberclear pursuant to Article 6 of the Spanish Law 24/1988, of 28 July, on the Securities Market and related provisions. The holders of Book-Entry Securities which will be identified as such (on their own account or for the account of third parties) as appears from the accounting book maintained by Iberclear or the relevant member (*entidad adherida*) of Iberclear (each an "**Iberclear Member**"), as the case may be. Therefore, the title to the Book-Entry Securities will be evidenced by book entries and each person shown in the registries maintained by any relevant Iberclear Members as having an interest in the Book-Entry Securities shall be considered, by the Issuer and the Agents, as the holder of the principal amount of Book-Entry Securities recorded therein, and the terms "**Securityholders**" and "**holders of Securities**" and related terms shall be construed accordingly.

2.4 **Status of the Securities**

The Securities constitute unsubordinated, unsecured contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

2.5 **Credit linked securities**

The Securities are credit linked securities. Securities may be Single Reference Entity Securities, FTD Securities or Basket Securities. Securityholders will be exposed to the credit risk of the Reference Entity(ies). Securityholders are also exposed to the credit risk of the Issuer in performing its obligations when due under the Securities.

2.5.1 *Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 2.5.1 shall apply.

If the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, the amounts (if any) payable in respect of the Securities will be reduced and (unless the Securities are Maturity Capital Protected Securities) in certain circumstances no amounts may be payable in respect of the Securities. Single Reference Entity Securities may be:

- (a) Fixed Recovery Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be the percentage specified as such in the relevant Final Terms; or
- (b) Maturity Capital Protected Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, the Redemption Amount shall be determined in accordance with Product Condition 5.3 taking into account the Capital Protection Percentage (being 100 per cent. or such other percentage as may be specified in the Final Terms); or
- (c) Zero Recovery Principal Amount Reduction Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, the Securities will be cancelled with respect to the entire Nominal Amount in accordance with Product Condition 5.2.3; or
- (d) neither Fixed Recovery Securities, Zero Recovery Principal Amount Reduction Securities nor Maturity Capital Protected Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be the percentage determined as set out in Product Condition 1 above.

Single Reference Entity Securities may pay a Coupon Amount and may be Fixed Rate Securities, Floating Rate Securities, Inflation Index Securities, Range Accrual Securities Fixed/Floating Switch Option Securities, Floating/Fixed Switch Option Securities or Underlying Linked Coupon Rate

Securities, in each case as specified in the relevant Final Terms. In addition, Single Reference Entity Securities may be:

- (e) Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall not be contingent on the non-occurrence of a Credit Event; or
- (f) Securities that are not Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall be contingent on the non-occurrence of a Credit Event and the Conditions to Settlement not being satisfied with respect thereto in relation to the Reference Entity; and
- (g) Underlying Linked Redemption Securities, in which case the Redemption Amount will include a Performance Amount calculated by reference to the Performance Amount Underlying.

2.5.2 *FTD Securities*

If the Securities are FTD Securities, this Product Condition 2.5.2 shall apply.

If the Conditions to Settlement are satisfied with respect to any one Reference Entity in accordance with Product Condition 3.1, the amounts (if any) payable in respect of the Securities will be reduced, and (unless the Securities are Maturity Capital Protected Securities) in certain circumstances no amounts may be payable in respect of the Securities. FTD Securities may be:

- (a) Fixed Recovery Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be the percentage specified as such in the relevant Final Terms; or
- (b) Maturity Capital Protected Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, the Redemption Amount shall be determined in accordance with Product Condition 5.3 taking into account the Capital Protection Percentage (being 100 per cent. or such other percentage as may be specified in the Final Terms); or
- (c) Zero Recovery Principal Amount Reduction Securities, in which case, if the Conditions to Settlement are satisfied with respect to a Reference Entity in accordance with Product Condition 3.1, the Securities will be cancelled with respect to the entire Nominal Amount in accordance with Product Condition 5.2.3; or
- (d) neither Fixed Recovery Securities, Zero Recovery Principal Amount Reduction Securities nor Maturity Capital Protected Securities, in which case, if the Conditions to Settlement are satisfied with respect to the Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be the percentage determined as set out in Product Condition 1 above.

FTD Securities may pay a Coupon Amount and may be Fixed Rate Securities, Floating Rate Securities, Inflation Index Securities, Range Accrual Securities, Fixed/Floating Switch Option Securities, Floating/Fixed Switch Option Securities or Underlying Linked Coupon Rate Securities, in each case as specified in the relevant Final Terms. In addition, FTD Securities may be:

- (e) Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall not be contingent on the non-occurrence of a Credit Event; or
- (f) Securities that are not Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall be contingent on the non-occurrence of a Credit Event and the Conditions to Settlement not being satisfied with respect thereto in relation to any one Reference Entity; and
- (g) Underlying Linked Redemption Securities, in which case the Redemption Amount will include a Performance Amount calculated by reference to the Performance Amount Underlying.

2.5.3 *Basket Securities*

If the Securities are Basket Securities, this Product Condition 2.5.3 shall apply.

If the Conditions to Settlement are satisfied with respect to any one or more Reference Entity in accordance with Product Condition 3.1, the amounts (if any) payable in respect of the Securities will be reduced, and (unless the Securities are Maturity Capital Protected Securities) in certain circumstances no amounts may be payable in respect of the Securities. Where the Securities are Basket Securities, each Security is exposed to the performance of each Reference Entity with respect to principal and Coupon Amount in respect of a portion of the Nominal Amount equal to the Reference Entity Nominal Amount for such Reference Entity. Basket Securities may be:

- (a) Fixed Recovery Securities, in which case, if the Conditions to Settlement are satisfied with respect to a Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect of the related Partial Redemption Date, the Settlement Price shall be the percentage specified as such in the relevant Final Terms; or
- (b) Maturity Capital Protected Securities, in which case, if the Conditions to Settlement are satisfied with respect to a Reference Entity in accordance with Product Condition 3.1, the Redemption Amount in respect of the related Partial Redemption Date, shall be determined in accordance with Product Condition 5.3 taking into account the Capital Protection Percentage (being 100 per cent. or such other percentage as may be specified in the Final Terms); or
- (c) Zero Recovery Principal Amount Reduction Securities, in which case, if the Conditions to Settlement are satisfied with respect to a Reference Entity in accordance with Product Condition 3.1, the Securities will be partially cancelled with respect to a portion of the Nominal Amount equal to the related Reference Entity Nominal Amount in accordance with Product Condition 5.2.3; or
- (d) neither Fixed Recovery Securities, Maturity Capital Protected Securities nor Zero Recovery Principal Amount Reduction Securities, in which case, if the Conditions to Settlement are satisfied with respect to a Reference Entity in accordance with Product Condition 3.1, for the purpose of determining the Redemption Amount in respect of the related Partial Redemption Date, the Settlement Price shall be the percentage determined as set out in Product Condition 1 above.

Basket Securities may pay a Coupon Amount and may be Fixed Rate Securities, Floating Rate Securities, Inflation Index Securities, Range Accrual Securities, Fixed/Floating Switch Option Securities, Floating/Fixed Switch Option Securities or Underlying Linked Coupon Rate Securities, in each case as specified in the relevant Final Terms. In addition, Basket Securities may be:

- (e) Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall not be contingent on the non-occurrence of a Credit Event; or
- (f) Securities that are not Non Credit Linked Coupon Securities, in which case the payment of any Coupon Amount shall be contingent on the non-occurrence of a Credit Event and the Conditions to Settlement not being satisfied with respect thereto in relation to all Reference Entities; and
- (g) Underlying Linked Redemption Securities, in which case the Redemption Amount will include a Performance Amount calculated by reference to the Performance Amount Underlying.

3. **Credit Terms**

3.1 **General**

3.1.1 *Satisfaction of the Conditions to Settlement*

The "**Conditions to Settlement**" are satisfied by the Issuer delivering a notice (a "**Credit Event Notice**") to Securityholders in accordance with Product Condition 12 that is effective during the Notification Period and describes a Credit Event that occurred during the Credit Exposure Period. Unless the Securities are Zero Recovery Principal Amount Reduction Securities, Fixed Recovery Securities or Maturity Capital Protected Securities, if such Credit Event is an ISDA Credit Event, the Conditions to Settlement shall only be satisfied if the Credit Event Notice is delivered on or prior to the calendar day immediately preceding the date of any Auction held with respect to the Reference Entity in respect of which the Credit Event occurred.

The Issuer has the right but not the obligation to satisfy the Conditions to Settlement.

3.1.2 *FTD Securities*

Where the Securities are FTD Securities, Product Condition 3.1.1 above shall be subject to this Product Condition 3.1.2.

If the Securities are FTD Securities, the Conditions to Settlement may only be satisfied on one occasion, and consequently a Credit Event Notice may only be delivered on one occasion for this purpose. If a Credit Event is determined in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which the Conditions to Settlement are satisfied. For the avoidance of doubt, this may be the Reference Entity with the highest Reference Entity Nominal Amount.

3.2 **Credit Events**

3.2.1 *Applicable Credit Events*

A "**Credit Event**" means the occurrence of one or more of the Applicable Credit Events, as determined pursuant to Product Condition 3.2.2.

3.2.2 *Determination of Credit Events*

A Credit Event is determined to have occurred for the purposes of the Securities if:

- (a) ISDA has publicly announced that a Credit Derivatives Determinations Committee has Resolved that an event has occurred which constitutes a Credit Event with respect to any relevant Reference Entity or related Obligation (as defined under the related DC Credit Default Swap) thereof (an "**ISDA Credit Event**");
- (b) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3 and the majority of the Market Participant Credit Event Opinions provided as requested (or, if only one Market Participant Credit Event Opinion is provided as requested, such Market Participant Credit Event Opinion) confirm(s) that a Credit Event has occurred with respect to any relevant Reference Entity; or
- (c) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3, but no such Market Participant Credit Event Opinions have been provided as requested and, in the determination of the Calculation Agent, a Credit Event has occurred with respect to any relevant Reference Entity.

3.2.3 *Market Participant Credit Event Opinions*

If paragraph (a) of Product Condition 3.2.2 above does not apply and a notice has not been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined under the DC Credit Default Swap) thereof (or, if such notice has been delivered, (a) ISDA has subsequently publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined under the DC Credit Default Swap) thereof; (b) the requisite number of Convened DC Voting Members have not agreed to deliberate the issue within the requisite time period; or (c) the request the subject of the notice is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request), the Calculation Agent may request three leading dealers, banks or banking corporations in the credit derivatives market other than Deutsche Bank AG, London Branch as selected by the Calculation Agent (each a "**Dealer**") to confirm within a specified period of time (the "**Opinion Period**") determined by the Calculation Agent (subject to a maximum period of time of 35 calendar days) whether in their opinion (a "**Market Participant Credit Event Opinion**") a Credit Event has occurred with respect to that Reference Entity or Reference Obligation (as defined in the Credit Default Swap) thereof.

If the occurrence of a Credit Event is determined on the basis of Market Participant Credit Event Opinion(s) as provided in paragraph (b) of Product Condition 3.2.2 above, the Calculation Agent will provide the Issuer with details of the Market Participant Credit Event Opinion(s) received (excluding the names of the relevant Dealer(s)) signed by an employee of the rank of managing director (or substantially similar).

3.3 **Successors**

3.3.1 *Successors*

"**Successor**" has the meaning given to it under (a) for the purposes of paragraph (a) of Product Condition 3.3.2 below, the DC Credit Default Swap or (b) for the purposes of paragraphs (b) and (c) of Product Condition 3.3.2 below, the Credit Default Swap and is as determined pursuant to Product Condition 3.3.2 below.

3.3.2 *Determination of Successors*

A Successor is determined for the purposes of the Securities if:

- (a) on or following the Issue Date ISDA publicly announces that a Credit Derivatives Determinations Committee has Resolved a Successor to a Reference Entity in accordance with the Rules and, since the Issue Date, there has been no material change to the Rules in relation to the determination of Successors which in the opinion of the Calculation Agent would materially adversely affect the interests of Securityholders or the Issuer under the Securities;
- (b) the Calculation Agent has requested Market Participant Successor Opinions pursuant to Product Condition 3.3.4 and the majority of the Market Participant Successor Opinions provided as requested (or, if only one Market Participant Successor Opinion is provided as requested, such Market Participant Successor Opinion) confirm(s) a Successor to a Reference Entity; or
- (c) the Calculation Agent has requested Market Participant Successor Opinions pursuant to Product Condition 3.3.4, but no such Market Participant Successor Opinions have been provided as requested, and the Calculation Agent determines a Successor to a Reference Entity,

provided that in each case the relevant Succession Event (as defined under the DC Credit Default Swap or the Credit Default Swap, as applicable) resulting in the relevant Successor occurred on or prior to the Scheduled Maturity Date.

The Issuer shall give notice to Securityholders in accordance with Product Condition 12 of any determination of a Successor and, if applicable, Reference Obligation as soon as reasonably practicable thereafter.

3.3.3 *Determination of Successors – FTD Securities*

Where the Securities are FTD Securities, Product Condition 3.3.2 above shall be subject to this Product Condition 3.3.3.

Where one or more Reference Entities (each an "**Affected Reference Entity**") or the Issuer would, but for this provision, be identified as a Successor pursuant thereto and at least one other entity which is not a Reference Entity or the Issuer is also identified as a "Successor" in respect of the relevant Succession Event, each Affected Reference Entity or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Securities. Where pursuant to the provisions above, one or more Affected Reference Entities or the Issuer would, but for this provision, be identified as a Successor thereto but no other entities which are not Reference Entities or the Issuer are identified as a Successor in respect of the relevant Succession Event, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Securities and, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant Succession Event and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant Succession Event. If the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation, then: (i) no Successor shall be appointed; (ii) the Affected Reference Entity shall be deemed to have ceased

to be a Reference Entity; and (iii) that portion of any Coupon Amount payable which is referable to the purchase of credit protection purchased by the Issuer under the Securities in respect of the Affected Reference Entity shall be reduced accordingly as determined by the Calculation Agent in its sole and absolute discretion, in each case with effect from the date determined by the Calculation Agent to be the date on which the relevant Succession Event was effective.

Where:

"Alternative Reference Entity" means an entity which satisfies both the Industry Requirement and the Spread Requirement as determined by the Calculation Agent in its sole and absolute discretion;

"Alternative Reference Obligation" means any obligation of the Alternative Reference Entity selected by the Calculation Agent in its sole and absolute discretion which, as far as practicable, in the determination of the Calculation Agent is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity to which the Succession Event relates;

"Industry Requirement" means an entity that is in the same industry group specified by Moody's Investor Service, Inc. or any successor to the rating business thereof or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof as the Reference Entity to which the relevant Succession Event relates, as determined by the Calculation Agent in its sole and absolute discretion;

"Spread" means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent in its sole and absolute discretion for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Event and ending on the Scheduled Maturity Date and with the Reference Obligation(s) applicable to such entity; and

"Spread Requirement" means an entity that, as at the date of selection, has a Spread not greater than the product of (a) the Spread Requirement Percentage and (b) the Spread of the Reference Entity to which the relevant Succession Event relates, immediately prior to the relevant Succession Event, as determined by the Calculation Agent in its sole and absolute discretion.

3.3.4 *Dealer Determination of Successors*

If paragraph (a) of Product Condition 3.3.2 does not apply and a notice has not been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Succession Event has occurred with respect to a Reference Entity (or, if such notice has been delivered, (a) ISDA has subsequently publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether an event that constitutes a Succession Event has occurred with respect to a Reference Entity or (b) the requisite number of Convened DC Voting Members have not agreed to deliberate the issue within the requisite time period or (c) the request the subject of the notice is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request), the Calculation Agent may request three Dealers to confirm within a specified period of time determined by the Calculation Agent (subject to a maximum period of time of 35 calendar days) whether in their opinion (a **"Market Participant Successor Opinion"**) there is a Successor to that Reference Entity.

If a Successor is determined on the basis of Market Participant Successor Opinion(s) as provided in Product Condition 3.3.2, the Calculation Agent will provide the Issuer with details of the Market Participant Successor Opinion(s) received (excluding the names of the relevant Dealer(s)) signed by an employee of the rank of managing director (or substantially similar).

3.3.5 *Adjustment to the conditions following Multiple Successors*

Where more than one Successor has been determined in accordance with this Product Condition 3.3 in respect of a Reference Entity that is not a Sovereign (as defined under the 2003 Credit Derivatives Definitions), the Calculation Agent shall adjust such of the Product Conditions as it shall determine to be appropriate, including without limitation:

- (a) to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner for the purposes of Product Condition 11.2 if it adjusts such these Product Conditions in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2003 Credit Derivatives Definitions;
- (b) the relevant Reference Entity Nominal Amount(s); and
- (c) the Reference Obligation(s) (if applicable).

Upon the Calculation Agent making any such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with Product Condition 12, stating the adjustment to the Product Conditions and giving brief details of the relevant event.

3.4 **Substitute Reference Obligations**

A Substitute Reference Obligation is determined for the purposes of the Securities:

- (a) if ISDA publicly announces that a Credit Derivatives Determinations Committee has Resolved a Substitute Reference Obligation for a Reference Entity; or
- (b) if in the determination of the Calculation Agent the "**Substitute Reference Obligation**" provisions under the Credit Default Swap apply and no notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to determine whether there is a Substitute Reference Obligation for a Reference Entity (or, if such notice has been delivered, (i) ISDA has subsequently publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Substitute Reference Obligation or (ii) the requisite number of Convened DC Voting Members have not agreed to deliberate the issue within the requisite time period or (iii) the request the subject of the notice is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request), if the Calculation Agent determines a Substitute Reference Obligation for a Reference Entity.

Where paragraph (b) above applies, the Calculation Agent will attempt to identify as a Substitute Reference Obligation a bond with a maturity date falling no more than two years following that of the original Reference Obligation, the interest basis in respect of which (if any) is the same as that of the original Reference Obligation and details of the economic terms of which are available on one or more published or electronically displayed sources (including, but not limited to, Bloomberg or Reuters).

The Issuer shall give notice to Securityholders in accordance with Product Condition 12 of any determination of a Substitute Reference Obligation as soon as reasonably practicable thereafter.

4. **Coupon Amount**

4.1 **Coupon Amount**

4.1.1 *Coupon Amount – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities which are not Non Credit Linked Coupon Securities, this Product Condition 4.1.1 shall apply.

Unless the Conditions to Settlement are satisfied with respect to the Reference Entity and subject as provided in this Product Condition 4, each Security pays the Coupon Amount (if any) in respect of each Coupon Period on the relevant Coupon Payment Date.

Each Coupon Amount payable under the Securities represents an amount payable by the Issuer (i) as consideration for the use of the Nominal Amount in respect of a Security, (ii) as compensation for and recognition of the assumption of the risk that in certain circumstances no Coupon Amount may be payable and (iii) as compensation for and in recognition of the assumption of the risk that in certain circumstances the aggregate amounts payable on redemption of a Security may be less than the Nominal Amount.

Subject as provided in Product Conditions 4.1.5, 4.1.7, 4.2, 4.3 and 4.4, as applicable, the Coupon Amount payable in respect of the Securities for any Coupon Period (each a "**Coupon Amount**") shall be calculated by the Calculation Agent as the product of:

- (a) the Coupon Calculation Amount;
- (b) the Coupon Rate for such Coupon Period;
- (c) the Leverage Factor (if any); and
- (d) the Day Count Fraction for such Coupon Period,

the result of which shall be rounded down to the nearest subunit of the relevant currency, with 0.005 being rounded upwards.

4.1.2 *Coupon Amount – FTD Securities*

If the Securities are FTD Securities which are not Non Credit Linked Coupon Securities, this Product Condition 4.1.2 shall apply.

Unless the Conditions to Settlement are satisfied with respect to any one Reference Entity and subject as provided in this Product Condition 4, each Security pays the Coupon Amount (if any) in respect of each Coupon Period on the relevant Coupon Payment Date.

Each Coupon Amount payable under the Securities represents an amount payable by the Issuer (i) as consideration for the use of the Nominal Amount in respect of a Security; (ii) as compensation for and recognition of the assumption of the risk that in certain circumstances no Coupon Amount may be payable; and (iii) as compensation for and in recognition of the assumption of the risk that in certain circumstances the aggregate amounts payable on redemption of a Security may be less than the Nominal Amount.

Subject as provided in Product Conditions 4.1.5, 4.1.7, 4.2, 4.3 and 4.4, the Coupon Amount payable in respect of the Securities for any Coupon Period (each a "**Coupon Amount**") shall be calculated by the Calculation Agent as the product of:

- (a) the Coupon Calculation Amount;
- (b) the Coupon Rate for such Coupon Period;
- (c) the Leverage Factor (if any); and
- (d) the Day Count Fraction for such Coupon Period,

the result of which shall be rounded down to the nearest subunit of the relevant currency, with 0.005 being rounded upwards.

4.1.3 *Coupon Amount – Basket Securities*

If the Securities are Basket Securities which are not Non Credit Linked Coupon Securities, this Product Condition 4.1.3 shall apply.

Unless the Conditions to Settlement are satisfied with respect to the number of Reference Entities which results in the Coupon Calculation Amount being reduced to zero and subject as provided in this Product Condition 4, each Security pays the Coupon Amount (if any) in respect of each Coupon Period on the relevant Coupon Payment Date.

Each Coupon Amount payable under the Securities represents an amount payable by the Issuer (i) as consideration for the use of the Outstanding Nominal Amount from time to time in respect of a Security, (ii) as compensation for and recognition of the assumption of the risk that in certain circumstances no Coupon Amount may be payable and (iii) as compensation for and in recognition of the assumption of the risk that in certain circumstances the aggregate amounts payable on redemption of a Security may be less than the Nominal Amount as of the Issue Date.

Subject as provided in Product Condition 4.1.5, 4.1.7, 4.2, 4.3 and 4.4, as applicable, the Coupon Amount payable in respect of the Securities for any Coupon Period (each a "**Coupon Amount**") shall be calculated by the Calculation Agent by multiplying the product of:

- (a) the Coupon Calculation Amount as of the last day of such Coupon Period;
- (b) the Coupon Rate for such Coupon Period;
- (c) the Leverage Factor (if any); and
- (d) the Day Count Fraction for such Coupon Period,

the result of which shall be rounded down to the nearest subunit of the relevant currency, with 0.005 being rounded upwards.

4.1.4 *Non Credit Linked Coupon Securities*

If the Securities are Non Credit Linked Coupon Securities, this Product Condition 4.1.4 shall apply.

Each Security pays the Coupon Amount (if any) in respect of each Coupon Period on the relevant Coupon Payment Date.

Each Coupon Amount payable under the Securities represents an amount payable by the Issuer as consideration for the use of the Nominal Amount in respect of a Security.

Subject as provided in Product Conditions 4.1.5, 4.1.7, 4.2, 4.3 and 4.4, as applicable, the Coupon Amount payable in respect of the Securities for any Coupon Period (each a "**Coupon Amount**") shall be calculated by the Calculation Agent as the product of:

- (a) the Coupon Calculation Amount;
- (b) the Coupon Rate for such Coupon Period; and
- (c) the Day Count Fraction for such Coupon Period,

the result of which shall be rounded down to the nearest subunit of the relevant currency, with 0.005 being rounded upwards.

4.1.5 *Underlying Linked Coupon Rate Securities*

If the Securities are Underlying Linked Coupon Rate Securities, this Product Condition 4.1.5 shall apply.

Where:

- (a) Coupon Payout 1 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, if on an Observation Date the Calculation Agent determines that the quotient of the Reference Level (as numerator) and the Initial Reference Level (as denominator) are both greater than the Barrier Level, the Coupon Rate shall be as specified in the relevant Final Terms. In all other circumstances the Coupon Rate shall be the Minimum Coupon Rate;
- (b) Coupon Payout 2 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Coupon Rate shall be calculated by the Calculation Agent in accordance with following formula:

$$Participation\ Factor \times \left[\left(\frac{Reference\ Level}{Initial\ Reference\ Level} - K \right) \times \left(\frac{1}{(t)} \right) \right]$$

Where:

"t" is the number of Coupon Payment Dates that have elapsed, inclusive of such Coupon Payment Date; and

"K" is the number defined as such in the relevant Final Terms, as determined by the Calculation Agent on or around the Trade Date;

- (c) Coupon Payout 3 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Day Count Fraction shall be one unless otherwise specified in the Final Terms and Coupon Rate shall be calculated by the Calculation Agent in accordance with following formula:

$$Participation\ Factor \times \left(\frac{Reference\ Level}{Initial\ Reference\ Level} - K \right)$$

Where "K" is the number defined as such in the relevant Final Terms, as determined by the Calculation Agent on or around the Trade Date;

- (d) Coupon Payout 4 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, if on an Observation Date the Calculation Agent determines that the quotient of Underlying 1 Reference Level (as numerator) and Underlying 1 Initial Reference Level (as denominator), and the quotient of Underlying 2 Reference Level (as numerator) and Underlying 2 Initial Reference Level (as denominator), are both greater than the Barrier Level, the Coupon Rate shall be as specified in the relevant Final Terms. In all other circumstances the Coupon Rate shall be the Minimum Coupon Rate;
- (e) Coupon Payout 5 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Day Count Fraction shall be one unless otherwise specified in the Final Terms and Coupon Rate shall be calculated by the Calculation Agent in accordance with the following formula:

$$Participation\ Factor \times \left(\frac{Highest\ Reference\ Level}{Initial\ Reference\ Level} \right) - K$$

Where "K" is the number defined as such in the relevant Final Terms, as determined by the Calculation Agent on or around the Trade Date; and

- (f) Coupon Payout 6 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Day Count Fraction shall be as specified in the Final Terms and Coupon Rate shall be calculated by the Calculation Agent in accordance with following formula:

$$Participation\ Factor \times \left(\frac{Reference\ Level\ on\ the\ Observation\ Date}{Reference\ Level\ on\ the\ previous\ Observation\ Date} - K \right)$$

Where "K" is the number defined as such in the relevant Final Terms.

- (g) Coupon Payout 7 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Day Count Fraction shall be as specified in the Final Terms and Coupon Rate shall be calculated by the Calculation Agent in accordance with following formula:

$$\text{Max } \{0, R_1, R_2 \dots R_n\}$$

Where:

$$"R_n" = \left(\frac{Underlying_n\ Initial\ Reference\ Level}{Underlying_n\ Reference\ Level\ on\ the\ Observation\ Date} - 1 \right)$$

- (h) Coupon Payout 8 is specified as applicable in the relevant Final Terms, then in respect of a Coupon Period, the Day Count Fraction shall be as specified in the relevant Final Terms and Coupon Rate shall be calculated by the Calculation Agent as a fixed rate or a floating rate, as specified in the Final Terms, plus an amount calculated in accordance with any of 4.1.5 (a) to 4.1.5(g) above, as specified in the relevant Final Terms.

4.1.6 *Fixed/Floating Switch Option*

If the Securities are Fixed/Floating Switch Option Securities, this Product Condition 4.1.6 shall apply.

The Issuer may, on giving notice of the number of Business Days equal to the Fixed/Floating Switch Option Business Days to Securityholders in accordance with Product Condition 12, on any Coupon Accrual Date (the "**Fixed/Floating Switch Option Date**") falling on or after the Fixed/Floating Switch Option Period Start Date, elect that the Coupon Rate in respect of each Coupon Period commencing on or after the Fixed/Floating Switch Option Date shall be the Reference Rate for such Coupon Period plus any Margin.

4.1.7 *Floating/Fixed Switch Option*

If the Securities are Floating/Fixed Switch Option Securities, this Product Condition 4.1.7 shall apply.

The Issuer may, on giving notice of the number of Business Days equal to the Floating/Fixed Switch Option Business Days to Securityholders in accordance with Product Condition 12, on any Coupon Accrual Date (the "**Floating/Fixed Switch Option Date**") falling on or after the Floating/Fixed Switch Option Period Start Date, elect that the Reference Rate plus and Margin in respect of each Coupon Period commencing on or after the Floating/Fixed Switch Option Date shall be the Coupon Rate for such Coupon Period.

4.1.8 *Minimum Coupon Rate and Maximum Coupon Rate*

Where the relevant Final Terms specify a Minimum Coupon Rate, in the event that the Coupon Rate in respect of a Coupon Period determined in accordance with the provisions of Product Condition 1 above is less than the Minimum Coupon Rate, the Coupon Rate for such Coupon Period shall be such Minimum Coupon Rate.

Where the relevant Final Terms specify a Maximum Coupon Rate, in the event that the Coupon Rate in respect of a Coupon Period determined in accordance with the provisions of Product Condition 1 above is greater than the Maximum Coupon Rate, the Coupon Rate for such Coupon Period shall be such Maximum Coupon Rate.

4.2 **Payment of Coupon Amount following the satisfaction of the Conditions to Settlement**

4.2.1 *Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.2.1 shall apply.

In the event that the Securities are redeemed pursuant to Product Condition 5.2, 5.3, 5.4 or 5.6, as applicable:

- (a) where the Securities are not Credit Event Accrued Interest Securities, no Coupon Amount will be payable in respect of the Securities in respect of which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are satisfied, and for the avoidance of doubt, if the Conditions to Settlement are satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities; and
- (b) where the Securities are Credit Event Accrued Interest Securities, an amount equal to the Coupon Amount that would have accrued between the Coupon Payment Date immediately prior to the date on which the Conditions to Settlement are satisfied, and (where an ISDA Credit Event has occurred) the Event Determination Date or (where an ISDA Credit Event has not occurred) the date on which the Conditions to Settlement are satisfied, shall be payable on the Maturity Date. Aside from the foregoing, no further Coupon Amount shall be payable in respect of the Securities.

4.2.2 *FTD Securities*

If the Securities are FTD Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.2.2 shall apply.

In the event that the Securities are redeemed pursuant to Product Condition 5.2, 5.3, 5.4 or 5.6, as applicable:

- (a) where the Securities are not Credit Event Accrued Interest Securities, no Coupon Amount will be payable in respect of the Securities in respect of which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are satisfied, and for the avoidance of doubt, if the Conditions to Settlement are satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities; and
- (b) where the Securities are Credit Event Accrued Interest Securities, an amount equal to the Coupon Amount that would have accrued between the Coupon Payment Date immediately prior to the date on which the Conditions to Settlement are satisfied, and (where an ISDA Credit Event has occurred) the Event Determination Date or (where an ISDA Credit Event has not occurred) the date on which the Conditions to Settlement are satisfied, shall be payable on the Maturity Date. Aside from the foregoing, no further Coupon Amount shall be payable in respect of the Securities.

4.2.3 *Basket Securities*

If the Securities are Basket Securities and are neither Zero Recovery Principal Amount Reduction Securities nor Non Credit Linked Coupon Securities, this Product Condition 4.2.3 shall apply.

In the event that the Securities are redeemed or cancelled in full pursuant to Product Condition 5.2, 5.3, 5.4 or 5.6, as applicable, following the satisfaction of the Conditions to Settlement with respect to a number of the Reference Entities such that the Coupon Calculation Amount is reduced to zero:

- (a) where the Securities are not Credit Event Accrued Interest Securities, no Coupon Amount will be payable in respect of the Securities in respect of which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are last satisfied, and for the avoidance of doubt, if the Conditions to Settlement are so satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities; and
- (b) where the Securities are Credit Event Accrued Interest Securities, an amount equal to the Coupon Amount that would have accrued between the Coupon Payment Date immediately prior to the date on which the Conditions to Settlement are last satisfied, and (where an ISDA Credit Event has occurred) the Event Determination Date or (where an ISDA Credit Event has not occurred) the date on which the Conditions to Settlement are satisfied, shall be payable on the Maturity Date. Aside from the foregoing, no further Coupon Amount shall be payable in respect of the Securities.

4.2.4 *Zero Recovery Principal Amount Reduction Securities*

If the Securities are Basket Securities and are Zero Recovery Principal Amount Reduction Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.2.4 shall apply.

In the event that the Conditions to Settlement are satisfied with respect to all of the Reference Entities where:

- (a) the Securities are not Credit Event Accrued Interest Securities, no Coupon Amount will be payable in respect of the Securities in respect of which the relevant Coupon Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are last satisfied, and for the avoidance of doubt, if the Conditions to Settlement are so satisfied prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities; and
- (b) the Securities are Credit Event Accrued Interest Securities, an amount equal to the Coupon Amount that would have accrued between the Coupon Payment Date immediately prior to the date on which the Conditions to Settlement were last satisfied, and (where an ISDA Credit Event has occurred) the Event Determination Date (as such term is defined under the DC Credit Default Swap) or (where an ISDA Credit Event has not occurred) the date on which the Credit Event Notice is delivered to the Securityholders, shall be payable on the Maturity Date. Aside from the foregoing, no further Coupon Amount shall be payable in respect of the Securities, no Coupon Amount will be payable in respect of the Securities in respect of which the Coupon

Payment Date has not occurred on or prior to the date on which the Conditions to Settlement are last satisfied or cancelled, and for the avoidance of doubt if the Conditions to Settlement are so satisfied or cancelled prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of the Securities.

4.2.5 *Non Credit Linked Coupon Securities*

If the Securities are Non Credit Linked Coupon Securities, this Product Condition 4.2.5 shall apply.

In the event that the Securities are redeemed in full pursuant to Product Condition 5.2, 5.3, 5.4 or 5.6, as applicable, following the satisfaction of the Conditions to Settlement with respect to the or all of the Reference Entities, as the case may be, the final Coupon Amount will be payable in respect of the Securities in on the date on which the Securities are redeemed in full pursuant to Product Condition 5.2, 5.3, 5.4 or 5.6, as applicable.

4.3 **Suspension of Coupon Amount payments**

4.3.1 *Suspension of Coupon Amount payments – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.3.1 shall apply.

If:

- (a) (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue and the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request; or
- (ii) the Calculation Agent has requested Market Participant Credit Event Opinions in accordance with Product Condition 3.2.3 for the purpose of determining whether a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof; and
- (b) in the determination of the Calculation Agent, two calendar days prior to the last day of a Coupon Period (other than the Final Coupon Period) the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity and ISDA has not publicly announced the relevant DC Resolution or, as applicable, such Market Participant Credit Event Opinions have not yet been provided,

no Coupon Amount will be payable in respect of the Securities in respect of such Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied.

If the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity on or prior to the Coupon Payment Date for the next Coupon Period, the Coupon Amount that would otherwise have been payable for such earlier Coupon Period shall be payable:

- (i) on the Coupon Payment Date for that next Coupon Period; or
- (ii) where ISDA has not publicly announced the relevant DC Resolution, the next succeeding Coupon Payment Date in respect of which, two days before such Coupon Payment Date, the relevant DC Resolution is no longer pending.

No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

4.3.2 *Suspension of Coupon Amount payments – FTD Securities*

If the Securities are FTD Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.3.2 shall apply.

If:

- (a) (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue and the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request; or
- (ii) the Calculation Agent has requested Market Participant Credit Event Opinions in accordance with Product Condition 3.2.3 for the purpose of determining whether a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof; and
- (b) in the determination of the Calculation Agent, two calendar days prior to the last day of a Coupon Period (other than the Final Coupon Period) the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity and ISDA has not publicly announced the relevant DC Resolution or, as applicable, such Market Participant Credit Event Opinions have not yet been provided,

no Coupon Amount will be payable in respect of the Securities in respect of such Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied.

If the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity on or prior to the Coupon Payment Date for the next Coupon Period, the Coupon Amount that would otherwise have been payable for such earlier Coupon Period shall be payable on the Coupon Payment Date for that next Coupon Period. No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

4.3.3 *Suspension of Coupon Amount payments – Basket Securities*

If the Securities are Basket Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.3.3 shall apply.

If:

- (a) (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue and the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request; or
- (ii) the Calculation Agent has requested Market Participant Credit Event Opinions in accordance with Product Condition 3.2.3 for the purpose of determining whether a Credit Event has occurred with respect to a Reference Entity or Obligation (as defined in the DC Credit Default Swap) thereof; and
- (b) in the determination of the Calculation Agent, two calendar days prior to the last day of a Coupon Period (other than the Final Coupon Period) the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity and ISDA has not publicly announced the relevant DC Resolution or, as applicable, such Market Participant Credit Event Opinions have not yet been provided,

the Coupon Calculation Amount on which the Coupon Amount in respect of such Coupon Period is calculated shall be reduced by the Reference Entity Nominal Amount in respect of the relevant Reference Entity, notwithstanding that the Conditions to Settlement are not satisfied with respect thereto.

If the Conditions to Settlement are not satisfied with respect to the relevant Reference Entity on or prior to the Coupon Payment Date for the next Coupon Period, the Coupon Amount that would otherwise have been payable in respect of the relevant Reference Entity Nominal Amount for such earlier Coupon Period shall be payable on the Coupon Payment Date for that next Coupon Period. No further or other amount in respect of Coupon Amount shall be payable and no additional amount shall be payable in respect of such delay.

4.4 Postponement of Coupon Amount payments

4.4.1 *Postponement of final Coupon Amount - Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.4.1 shall apply.

If the Maturity Date is postponed in accordance with Product Conditions 5.5 or 5.6, no Coupon Amount will be payable in respect of the Securities in respect of the Final Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied.

If the Conditions to Settlement are not subsequently satisfied on or prior to the last day of the Notification Period as provided in Product Condition 5.2, the Coupon Amount that would otherwise have been payable for the Final Coupon Period shall be payable on the Postponed Maturity Date determined in accordance with Product Condition 5.5.6 or 5.6.9, as applicable.

4.4.2 *Postponement of final Coupon Amount - FTD Securities*

If the Securities are FTD Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.4.2 shall apply.

If the Maturity Date is postponed in accordance with Product Conditions 5.5 or 5.6, no Coupon Amount will be payable in respect of the Securities in respect of the Final Coupon Period on the relevant Coupon Payment Date, notwithstanding that the Conditions to Settlement are not satisfied.

If the Conditions to Settlement are not subsequently satisfied on or prior to the last day of the Notification Period as provided in Product Condition 5.2, the Coupon Amount that would otherwise have been payable for the Final Coupon Period shall be payable on the Postponed Maturity Date determined in accordance with Product Condition 5.5.6 or 5.6.9, as applicable.

4.4.3 *Postponement of final Coupon Amount - Basket Securities*

If the Securities are Basket Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.4.3 shall apply.

If the Maturity Date is postponed in accordance with Product Conditions 5.5 or 5.6, the Coupon Calculation Amount on which the Coupon Amount in respect of the Final Coupon Period is calculated shall be reduced by the Reference Entity Nominal Amount in respect of each Reference Entity with respect to which a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred thereunder, notwithstanding that the Conditions to Settlement are not satisfied with respect thereto.

If the Conditions to Settlement are not subsequently satisfied with respect to any such Reference Entity on or prior to the last day of the Notification Period as provided in Product Condition 5.4, the Coupon Amount that would otherwise have been payable in respect of the relevant Reference Entity Nominal Amount for the Final Coupon Period shall be payable on the Postponed Maturity Date determined in accordance with Product Condition 5.5.6 or 5.6.9, as applicable.

4.5 Coupon Amount calculations and determinations

Unless otherwise provided in this Product Condition 4, all calculations and determinations to be made in accordance with this Product Condition 4 shall be made by the Calculation Agent. For Securities other than Fixed Rate Securities or Fixed/Floating Switch Option Securities where the Issuer has not given notice in accordance with Product Condition 4.1.6 in respect of the Securities), the Calculation Agent shall determine the Coupon Rate for each Coupon Period on the relevant Coupon Determination Date.

4.6 Notification of the Coupon Rate and Coupon Amounts and postponement of Coupon Amount payments

The Calculation Agent shall cause each Coupon Amount, the relevant Coupon Payment Date and (where determined in accordance with Product Condition 4.5) each Coupon Rate for each Coupon Period to be notified to the Issuer, the Principal Agent, the Agents and the Securityholders as soon as possible after their determination. Each Coupon Amount and Coupon Payment Date so notified may subsequently be amended in the event of an extension or shortening of a Coupon Period and in such circumstances, the adjusted Coupon Amount and Coupon Payment Date will be published on www.xmarkets.de. The Issuer shall also notify Securityholders in accordance with Product Condition 12.

4.7 Coupon Amount payable following exercise of Issuer early redemption option

In the event that the Securities are redeemed pursuant to Product Condition 5.7, the final Coupon Amount payable in respect of each Security will be calculated as provided in the definition of "Coupon Amount" on the basis that:

- (a) the final Coupon Period ended on (but excluded) the due date for early redemption; and
- (b) only where the Securities are Basket Securities and not Fixed Recovery Securities, the Coupon Calculation Amount was not reduced by the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the due date for early redemption.

4.8 Coupon Amount payable following redemption due to a Merger Event

In the event that the Securities are redeemed pursuant to Product Condition 5.8, the final Coupon Amount payable in respect of each Security will be calculated as provided in the definition of "Coupon Amount" on the basis that:

- (a) the final Coupon Period ended on (but excluded) the Merger Event Redemption Date; and
- (b) only where the Securities are Basket Securities and are not Fixed Recovery Securities, the Coupon Calculation Amount was not reduced by the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the Merger Event Redemption Date.

4.9 **Coupon Amount payable following redemption for extraordinary reasons, illegality or force majeure**

In the event that the Securities are redeemed pursuant to Product Condition 5.9, the final Coupon Amount payable in respect of each Security will be calculated as provided in the definition of "Coupon Amount" on the basis that:

- (a) the final Coupon Period ended on (but excluded) the due date for early redemption; and
- (b) only where the Securities are Basked Securities and not Fixed Recovery Securities, the Coupon Calculation Amount was not reduced by the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the due date for early redemption.

4.10 **Coupon Amount to accrue following improper withholding or refusal of payment of sums due on redemption**

In the event that on the due date for redemption of any Security upon due presentation or surrender thereof, payment in full of the sums due on redemption are improperly withheld or refused, such Security will accrue additional Coupon Amount (as well after as before judgment) calculated as provided in the definition of "Coupon Amount" on the basis of an additional Coupon Period in respect of such Security commencing on the due date for redemption of such Security and ending on whichever is the earlier of (a) the day on which all amounts due in respect of such Security have been paid and (b) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by the Principal Agent and notice to that effect has been given to the Securityholders in accordance with Product Condition 12. Where the Securities are Floating Rate Securities, Fixed/Floating Switch Option Securities in respect of which the Issuer has given notice in accordance with Product Condition 4.1.6 or Floating/Fixed Switch Option Securities in respect of which the Issuer has not given notice in accordance with Product Condition 4.1.7 or Inflation Index Linked Securities, the Coupon Rate used to calculate such Coupon Amount shall be calculated on the basis used to calculate the Coupon Rate in respect of the immediately preceding Coupon Period.

5. **Redemption**

5.1 **Redemption at maturity**

5.1.1 *Redemption at maturity – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 5.1.1 shall apply.

Unless previously redeemed or purchased and cancelled in accordance with these Product Conditions and subject as provided in Product Conditions 5.2.1, 5.3 and 5.4, each Security will be redeemed at the Redemption Amount on the Maturity Date.

For the purposes of this Product Condition 5.1.1, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to the Nominal Amount plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (a) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
- (b) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount.

5.1.2 *Redemption at maturity – FTD Securities*

If the Securities are FTD Securities, this Product Condition 5.1.2 shall apply.

Unless previously redeemed or purchased and cancelled in accordance with these Product Conditions and subject as provided in Product Conditions 5.2.2, 5.3 and 5.4, each Security will be redeemed at the Redemption Amount on the Maturity Date.

For the purposes of this Product Condition 5.1.2, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to the Nominal Amount plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (a) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
- (b) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount.

5.1.3 *Redemption at maturity – Basket Securities*

If the Securities are Basket Securities, this Product Condition 5.1.3 shall apply.

Unless previously redeemed or purchased and cancelled in accordance with these Product Conditions and subject as set out in Product Conditions 5.2.35.2.2, 5.3 and 5.4, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to the Outstanding Nominal Amount as of the Maturity Date plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (a) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
- (b) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount.

5.2 **Redemption on satisfaction of the Conditions to Settlement**

5.2.1 *Redemption on satisfaction of the Conditions to Settlement – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities and neither Maturity Capital Protected Securities nor Loss at Maturity Securities, this Product Condition 5.2.1 shall apply.

Where the Securities are:

- (a) not Fixed Recovery Securities or Zero Principal Amount Reduction Securities, the second Business Day following the determination of the Settlement Price;
- (b) Fixed Recovery Securities, the tenth Business Day following the satisfaction of the Conditions to Settlement; or
- (c) Zero Recovery Principal Amount Reduction Securities, the Conditions to Settlement are satisfied with respect to the Reference Entity on or prior to the Scheduled Maturity Date,

then:

- (d) where the Securities are not Zero Recovery Principal Amount Reduction Securities, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed at the Redemption Amount on the second Business Day following the determination of the relevant Settlement Price, or (where the Securities are Fixed Recovery Securities) the tenth Business Day following the satisfaction of the Conditions to Settlement; or
- (e) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Issuer shall cancel forthwith the Security at an amount equal to the Nominal Amount and the Issuer's obligations in respect of the cancelled Security will be immediately discharged and the Issuer will have no further liability in respect thereof.

For the purposes of this Product Condition 5.2.1, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the product of the Nominal Amount and the Settlement Price minus (ii) the Unwind Costs plus (iii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this Product Condition 5.2.1, upon payment of the Redemption Amount pursuant to (d) above or (where the Securities are Zero Recovery Principal Amount Reduction Securities) on cancellation

pursuant to (e) above, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation in respect thereof. In such circumstances, the Redemption Amount may be less than the Nominal Amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.

5.2.2 *Redemption on satisfaction of the Conditions to Settlement – FTD Securities*

If the Securities are FTD Securities and neither Maturity Capital Protected Securities nor Loss at Maturity Securities, this Product Condition 5.2.2 shall apply.

Where the Securities are:

- (a) not Fixed Recovery Securities or Zero Principal Amount Reduction Securities, the second Business Day following the determination of the Settlement Price;
- (b) Fixed Recovery Securities, the tenth Business Day following the satisfaction of the Conditions to Settlement; or
- (c) Zero Recovery Principal Amount Reduction Securities, the Conditions to Settlement are satisfied with respect to the Reference Entity on or prior to the Scheduled Maturity Date,

then:

- (d) where the Securities are not Zero Recovery Principal Amount Reduction Securities, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed at the Redemption Amount on the second Business Day following the determination of the relevant Settlement Price, or (where the Securities are Fixed Recovery Securities) the tenth Business Day following the satisfaction of the Conditions to Settlement; or
- (e) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Issuer shall cancel forthwith the Security at an amount equal to the Nominal Amount and the Issuer's obligations in respect of the cancelled Security will be immediately discharged and the Issuer will have no further liability in respect thereof.

For the purposes of this Product Condition 5.2.2, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to: (i) the product of the Nominal Amount and the Settlement Price; and (ii) the Unwind Costs plus (iii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this Product Condition 5.2.2, upon payment of the Redemption Amount pursuant to (d) above or (where the Securities are Zero Recovery Principal Amount Reduction Securities) on cancellation pursuant to (e) above, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation in respect thereof. In such circumstances, the Redemption Amount may be less than the Nominal Amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.

5.2.3 *Redemption on satisfaction of the Conditions to Settlement – Basket Securities*

If the Securities are Basket Securities, and neither Maturity Capital Protected Securities nor Loss at Maturity Securities, this Product Condition 5.2.3 shall apply.

Where the Securities are:

- (a) neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, the Conditions to Settlement are satisfied with respect to a Reference Entity and a Settlement Price is determined with respect thereto in each case on or prior to the second Business Day preceding the Scheduled Maturity Date;
- (b) Fixed Recovery Securities, the Conditions to Settlement are satisfied with respect to a Reference Entity on or prior to the tenth Business Day preceding the Scheduled Maturity Date; or

- (c) Zero Recovery Principal Amount Reduction Securities, the Conditions to Settlement are satisfied with respect to a Reference Entity on or prior to the Scheduled Maturity Date,

then:

- (d) where the Securities are not Zero Recovery Principal Amount Reduction Securities, be partially redeemed in respect of a portion of the Nominal Amount of such Security equal to the Reference Entity Nominal Amount for such Reference Entity by payment of the relevant Redemption Amount on the relevant Partial Redemption Date; or
- (e) where the Securities are Zero Recovery Principal Amount Reduction Securities, be partially cancelled forthwith in respect of a portion of the Nominal Amount of such Security equal to the Reference Entity Nominal Amount for such Reference Entity and the Issuer's obligations in respect of the cancelled part of such Security will be immediately discharged and the Issuer will have no further liability in respect thereof.

On payment of the relevant Redemption Amount pursuant to (d) above, or (where the Securities are Zero Recovery Principal Amount Reduction Securities) on partial cancellation pursuant to (e) above, the Nominal Amount of each Security shall be automatically reduced by an amount equal to the relevant Reference Entity Nominal Amount.

For the purposes of this Product Condition 5.2.3:

"Partial Redemption Date" means the second Business Day following the determination of the relevant Settlement Price, or (where the Securities are Fixed Recovery Securities) the tenth Business Day following the satisfaction of the Conditions to Settlement; and

"Redemption Amount" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the product of the Reference Entity Nominal Amount and the Settlement Price minus (ii) the Unwind Costs, in each case in respect of the relevant Reference Entity.

In the event that the Conditions to Settlement are satisfied with respect to all of the Reference Entities, on payment of the last relevant Redemption Amount in respect thereof, the Issuer's obligations in respect of the Securities shall be immediately discharged and the Issuer shall have no further liability in respect thereof.

5.3 Redemption of Maturity Capital Protected Securities

Notwithstanding Product Condition 5.2 above, where the Securities are Maturity Capital Protected Securities, this Product Condition 5.3 shall apply.

If the Conditions to Settlement are satisfied, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed at the Redemption Amount on the Maturity Date or the Postponed Maturity Date, as applicable.

For the purposes of this Product Condition 5.3, **"Redemption Amount"** means an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) for Single Reference Entity Securities and FTD Securities, (i) the product of (A) the Nominal Amount and (B) the Capital Protection plus, (ii) if the Securities are Underlying Linked Redemption Securities and the Performance Amount is positive, an additional amount equal to the Performance Amount; and
- (b) in the case of Basket Securities, the sum for all Reference Entities of:
 - (i) if the Conditions to Settlement are satisfied with respect to a Reference Entity, the product of (A) the Reference Entity Nominal Amount and (B) the Capital Protection Percentage, in each case in respect of such Reference Entity; and
 - (ii) if the Conditions to Settlement are not satisfied with respect to a Reference Entity, the Reference Entity Nominal Amount in respect of such Reference Entity,

plus, if the Securities are Underlying Linked Redemption Securities and the Performance Amount is positive, an additional amount equal to the Performance Amount.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this Product Condition 5.3, upon payment of the Redemption Amount in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation in respect thereof. In such circumstances, unless the Capital Protection Percentage is 100 per cent., the Redemption Amount will be less than the Nominal Amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.

5.4 **Redemption of Loss at Maturity Securities**

Notwithstanding Product Condition 5.2 above, where the Securities are Loss at Maturity Securities, this Product Condition 5.4 shall apply. If the Securities are both Maturity Capital Protected Securities and Loss at Maturity Securities, Product Condition 5.3 shall apply.

If the Conditions to Settlement are satisfied with respect to any Reference Entity, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed at the Redemption Amount on the Maturity Date or the Postponed Maturity Date, as applicable.

For the purposes of this Product Condition 5.4, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) in the case of Single Reference Entity Securities or FTD Securities which are not Zero Recovery Principal Amount Reduction Securities, (i) the product of (A) the Nominal Amount and (B) the Settlement Price plus (ii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount; and
- (b) in the case of Single Reference Entity Securities or FTD Securities which are Zero Recovery Principal Amount Reduction Securities, (i) zero plus (ii) if the Securities are Underlying Linked Redemption Securities, an amount equal to the Performance Amount; and
- (c) in the case of Basket Securities, the sum for all Reference Entities of:
 - (i) where the Securities are not Zero Recovery Principal Amount Reduction Securities, if the Conditions to Settlement are satisfied with respect to a Reference Entity, the product of (A) the Reference Entity Nominal Amount and (B) the Settlement Price, in each case in respect of such Reference Entity;
 - (ii) where the Securities are Zero Recovery Principal Amount Reduction Securities, if the Conditions to Settlement are satisfied with respect to a Reference Entity, zero; and
 - (iii) if the Conditions to Settlement are not satisfied with respect to a Reference Entity, the Reference Entity Nominal Amount in respect of such Reference Entity,

plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount.

5.5 **Postponement of redemption of the Securities –Reference Entities in respect of which Repudiation / Moratorium is not an Applicable Credit Event**

If Repudiation / Moratorium is not an Applicable Credit Event with respect to a Reference Entity related to the Securities, this Product Condition 5.5 shall apply.

If the Securities are FTD Securities or Basket Securities referencing one or more Reference Entities in respect of which Repudiation / Moratorium does not apply and one or more Reference Entities in respect of which Repudiation / Moratorium applies, both this Product Condition 5.5 and Product Condition 5.6 shall apply. If the Issuer postpones the Maturity Date in accordance with this Product Condition 5.5 and in accordance with Product Condition 5.6, the Issuer shall redeem the Securities in full on the later postponed Maturity Date to occur.

5.5.1 *Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 5.5.1 shall apply.

If, as of the Scheduled Maturity Date, a Potential Credit Event has occurred and is continuing, the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been postponed to the Postponed Maturity Date and that, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances:

- (a) if the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, the Issuer shall redeem the Securities by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the Postponed Maturity Date; or
- (b) if the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period, the provisions of Product Condition 5.2 (or in the case of Maturity Capital Protected Securities, Product Condition 5.3) shall apply.

5.5.2 *FTD Securities*

If the Securities are FTD Securities, this Product Condition 5.5.2 shall apply.

If, as of the Scheduled Maturity Date, a Potential Credit Event has occurred and is continuing, the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been postponed to the Postponed Maturity Date and that, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances:

- (a) if the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, the Issuer shall redeem the Securities by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the Postponed Maturity Date; or
- (b) if the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period, the provisions of Product Condition 5.2 (or in the case of Maturity Capital Protected Securities, Product Condition 5.3) shall apply.

5.5.3 *Basket Securities*

If the Securities are Basket Securities, this Product Condition 5.5.3 shall apply.

- (a) If the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, then:
 - (i) if the Conditions to Settlement are satisfied with respect to one or more Reference Entities on or prior to the Scheduled Maturity Date and a Settlement Price is not determined in respect of any such Reference Entity as of the second Business Day preceding the Scheduled Maturity Date; or
 - (ii) a Potential Credit Event has occurred and is continuing with respect to one or more Reference Entities,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been postponed to the Postponed Maturity Date and, if a Potential Credit Event has occurred, that for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption

Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date;

- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, then if a Potential Credit Event has occurred and is continuing with respect to one or more Reference Entities as of the Scheduled Maturity Date, the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been postponed to the Postponed Maturity Date and that for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount in respect thereof being payable on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date; and

- (c) if the Securities are Fixed Recovery Securities, then:
 - (i) if the Conditions to Settlement are satisfied with respect to one or more Reference Entities after the tenth Business Day preceding the Scheduled Maturity Date; or
 - (ii) a Potential Credit Event has occurred and is continuing with respect to one or more Reference Entities as of the Scheduled Maturity Date,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been postponed to the Postponed Maturity Date and, if a Potential Credit Event has occurred, that for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount in respect thereof being payable on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date.

5.5.4 *Accrual of interest after scheduled maturity: Single Reference Entity Securities or FTD Securities*

If the Securities are Single Reference Entity Securities or FTD Securities, then in the event that the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, each Security will accrue additional Coupon Amount, if the Securities are denominated in GBP or USD or EUR or CHF or SEK or PLN, for each day in the period (the "**Maturity Extension Period**") from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, such Coupon Amount to be calculated on the basis of a Coupon Period equal to the Maturity Extension Period and by applying a Coupon Rate equal to (if the Securities are denominated in USD) the USD Federal Funds Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in GBP) GBP WMBA SONIA Compound Rate for such Maturity Extension Period or (if the Securities are denominated in EUR) the EONIA (Euro Overnight Index Average) Compound Rate for such Maturity Extension Period or (if the Securities are denominated in CHF) the CHF TOIS OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in SEK) the SEK SIOR OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in PLN) the PLN POLONIA OIS Compound Rate for such Maturity Extension Period, (not subject to a margin) to the Nominal Amount (the result of which shall be rounded down to the nearest subunit, with 0.005 being rounded upwards). Such Coupon Amount shall be payable on the Postponed Maturity Date.

5.5.5 *Accrual of interest after scheduled maturity: Basket Securities*

If the Securities are Basket Securities, then in the event that a Potential Credit Event has occurred with respect to one or more Reference Entities and the Conditions to Settlement are not satisfied with respect to any such Reference Entity, on or prior to the last day of the Notification Period, each Security will accrue additional Coupon Amount for each day in the period, if the Securities are denominated in GBP or USD or EUR or CHF or SEK or PLN, for each day in the period (the

"Maturity Extension Period") from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, such Coupon Amount to be calculated on the basis of a Coupon Period equal to the Maturity Extension Period and by applying a Coupon Rate equal to (if the Securities are denominated in USD) the USD Federal Funds Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in GBP) GBP WMBA SONIA Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in EUR) the EONIA (Euro Overnight Index Average) Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in CHF) the CHF TOIS OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in SEK) the SEK SIOR OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in PLN) the PLN POLONIA OIS Compound Rate for such Maturity Extension Period, (not subject to a margin) to the Reference Entity Nominal Amount in respect of each such Reference Entity (the result of which shall be rounded down to the nearest subunit, with 0.005 being rounded upwards). Such Coupon Amount shall be payable on the Postponed Maturity Date.

5.5.6 *Additional definitions*

For the purposes of this Product Condition 5.5.6:

"Deferred Redemption Amount" means:

- (a) if the Securities are neither Zero Recovery Principal Amount Reduction Securities nor Fixed Recovery Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Credit Event has occurred and is continuing as of the Scheduled Maturity Date and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus (ii) the sum, for each Reference Entity with respect to which the Conditions to Settlement are satisfied on or prior to the Scheduled Maturity Date and the relevant Settlement Price is not determined on or prior to the second Business Day preceding the Scheduled Maturity Date, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iii) the sum, for each Reference Entity with respect to which a Potential Credit Event has occurred and is continuing as of the Scheduled Maturity Date and the Conditions to Settlement are satisfied with respect thereto on or prior to the last day of the Notification Period, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iv) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount, and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount;
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Credit Event has occurred and is continuing as of the Scheduled Maturity Date and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount, and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount; or
- (c) the Securities are Fixed Recovery Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Credit Event has occurred and is continuing as of the Scheduled Maturity Date and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus (ii) the sum, for each Reference Entity with respect to which the Conditions to Settlement are satisfied after the tenth Business Day preceding the Scheduled Maturity Date, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iii) the sum, for each Reference Entity with respect to which a Potential Credit Event has occurred and is continuing as of the Scheduled Maturity Date and the Conditions to Settlement are satisfied with respect thereto on

or prior to the last day of the Notification Period, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iv) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount, and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount.

"Postponed Maturity Date" means:

- (a) if the Securities are neither Zero Recovery Principal Amount Reduction Securities, nor Fixed Recovery Securities which are also Basket Securities, the second Business Day after the seventieth (70th) calendar day following the Scheduled Maturity Date;
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, the seventieth (70th) calendar day following the Scheduled Maturity Date or, if such day is not a Business Day, the next following Business Day;
- (c) if the Securities are Fixed Recovery Securities which are also Basket Securities:
 - (i) if a Potential Credit Event has occurred, the tenth Business Day after the seventieth (70th) calendar day following the Scheduled Maturity Date; or
 - (ii) if a Potential Credit Event has not occurred, the tenth Business Day after the last date on which the Conditions to Settlement are satisfied;

"Potential Credit Event" means:

- (a) if the Securities are Single Reference Entity Securities or FTD Securities:
 - (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue, the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request and ISDA has not publicly announced the relevant DC Resolution; or
 - (ii) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3 and, prior to the expiry of the relevant Opinion Period, no such Market Participant Credit Event Opinions have been provided as requested; or
 - (iii) if Grace Period Extension is applicable to the Reference Entity, a Potential Failure to Pay occurs;
 - (iv) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
 - (v) any combination of (i), (ii), (iii) or (iv) above are applicable;

"Grace Period Extension" shall be applicable in respect of a Reference Entity if the Calculation Agent determines that "Grace Period Extension" is applicable in respect of the related Transaction Type.

- (b) if the Securities are Basket Securities:
 - (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue, the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting

at which deliberations are held with respect to such request and ISDA has not publicly announced the relevant DC Resolution; or

- (ii) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3 and, prior to the expiry of the relevant Opinion Period, no such Market Participant Credit Event Opinions have been provided as requested; or
- (iii) if Grace Period Extension is applicable to the applicable Reference Entity, a Potential Failure to Pay occurs;
- (iv) the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity; or
- (v) any combination of (i), (ii), (iii) or (iv) above are applicable;

"Grace Period Extension" shall be applicable in respect of a Reference Entity if the Calculation Agent determines that "Grace Period Extension" is applicable in respect of the related Transaction Type.

"Potential Failure to Pay" means an event which would in the opinion of the Calculation Agent constitute a "Failure to Pay" Credit Event with respect to a Reference Entity if there were no applicable grace period; and

"Undeferred Redemption Amount" means the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which the Conditions to Settlement are not satisfied on or prior to, and a Potential Credit Event has not occurred and is continuing as of, the Scheduled Maturity Date.

5.6 **Postponement of redemption of the Securities – in respect of which Repudiation / Moratorium is an Applicable Credit Event**

If Repudiation / Moratorium is an Applicable Credit Event with respect to a Reference Entity related to the Securities, this Product Condition 5.6 shall apply.

If the Securities are FTD Securities or Basket Securities referencing one or more Reference Entities in respect of which Repudiation / Moratorium does apply and one or more Reference Entities in respect of which Repudiation / Moratorium does not apply, both this Product Condition 5.6 and Product Condition 5.5 shall apply. If the Issuer postpones the Maturity Date in accordance with this Product Condition 5.6 and in accordance with Product Condition 5.5, the Issuer shall redeem the Securities in full on the later postponed Maturity Date to occur.

5.6.1 *Single Reference Entity Securities: Postponement at Scheduled Maturity Date*

If the Securities are Single Reference Entity Securities, this Product Condition 5.6.1 shall apply.

If a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing as of the Scheduled Maturity Date, the Issuer may notify the Securityholders in accordance with Product Condition 12 that (a) the Maturity Date has been postponed to the First Postponed Maturity Date, (b) if a Potential Repudiation/Moratorium has occurred, for the purposes of any related Repudiation/Moratorium Credit Event, the Credit Exposure Period and the Notification Period have been extended to (and including), and (only where the Securities are not Fixed Recovery Securities or Maturity Capital Protected Securities) the Auction Final Price Cut-Off Date has been postponed to, the day falling six months after the Scheduled Maturity Date and (c) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

5.6.2 *Single Reference Entity Securities: Postponement of First Postponed Maturity Date*

If the Securities are Single Reference Entity Securities, this Product Condition 5.6.2 shall apply.

If:

- (a) as of the First Postponed Maturity Date a Potential Credit Event relating to a Repudiation/Moratorium Credit Event has occurred and is continuing; or
- (b) provided that the Securities are neither Fixed Recovery Securities nor Maturity Capital Protected Securities, the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period and as of the First Postponed Maturity Date the Settlement Price is not determined,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been further postponed to the Final Postponed Maturity Date and, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been further extended to (and including) the seventieth (70th) calendar day following the First Postponed Maturity Date, and additionally, provided that the Securities are neither Fixed Recovery Securities nor Maturity Capital Protected Securities, that the Auction Final Price Cut-Off Date has been further postponed to the seventieth (70th) calendar day following the First Postponed Maturity Date and, if such postponement is the result of a Potential Credit Event, in either case:

- (c) if the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, the Issuer shall redeem the Securities by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the Postponed Maturity Date; or
- (d) if the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period, the provisions of Product Condition 5.2 (or in the case of Maturity Capital Protected Securities, Product Condition 5.3) shall apply.

5.6.3 *FTD Securities: Postponement at Scheduled Maturity Date*

If the Securities are FTD Securities, this Product Condition 5.6.3 shall apply.

If a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing as of the Scheduled Maturity Date, the Issuer may notify the Securityholders in accordance with Product Condition 12 that (a) the Maturity Date has been postponed to the First Postponed Maturity Date, (b) if a Potential Repudiation/Moratorium has occurred, for the purposes of any related Repudiation/Moratorium Credit Event, the Credit Exposure Period and the Notification Period have been extended to (and including), and (only where the Securities are not Fixed Recovery Securities or Maturity Capital Protected Securities) the Auction Final Price Cut-Off Date has been postponed to, the day falling six months after the Scheduled Maturity Date and (c) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

5.6.4 *FTD Securities: Postponement at First Postponed Maturity Date*

If the Securities are FTD Securities, this Product Condition 5.6.4 shall apply.

If:

- (a) as of the First Postponed Maturity Date a Potential Credit Event relating to a Repudiation/Moratorium Credit Event has occurred and is continuing; or
- (b) provided that the Securities are neither Fixed Recovery Securities nor Maturity Capital Protected Securities, the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period and as of the First Postponed Maturity Date the Settlement Price is not determined,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been further postponed to the Final Postponed Maturity Date and, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been further extended to (and including) the seventieth (70th) calendar day following the First Postponed Maturity Date, and additionally, provided that the Securities are neither Fixed Recovery

Securities nor Maturity Capital Protected Securities, that the Auction Final Price Cut-Off Date has been further postponed to the seventieth (70th) calendar day following the First Postponed Maturity Date and, if such postponement is the result of a Potential Credit Event, in either case:

- (c) if the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, the Issuer shall redeem the Securities by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the Postponed Maturity Date; or
- (d) if the Conditions to Settlement are satisfied on or prior to the last day of the Notification Period, the provisions of Product Condition 5.2 (or in the case of Maturity Capital Protected Securities, Product Condition 5.3) shall apply.

5.6.5 *Basket Securities: Postponement at Scheduled Maturity Date*

If the Securities are Basket Securities, this Product Condition 5.6.5 shall apply.

If:

- (a) the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, then:
 - (i) if the Conditions to Settlement are satisfied with respect to one or more Reference Entities on or prior to the Scheduled Maturity Date and a Settlement Price is not determined in respect of any such Reference Entity on or prior to the second Business Day preceding the Scheduled Maturity Date; or
 - (ii) a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing with respect to one or more Reference Entities as of the Scheduled Maturity Date,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that (A) the Maturity Date has been postponed to the First Postponed Maturity Date, (B) if a Potential Repudiation/Moratorium has occurred, for the purposes of any related Repudiation/Moratorium Credit Event, the Auction Final Price Cut-Off Date has been postponed to, and the Credit Exposure Period and the Notification Period have been extended to (and including), the day falling six months after the Scheduled Maturity Date and (C) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date;

- (b) the Securities are Zero Recovery Principal Amount Reduction Securities, then if a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing with respect to one or more Reference Entities as of the Scheduled Maturity Date, the Issuer may notify the Securityholders in accordance with Product Condition 12 that (i) the Maturity Date has been postponed to the First Postponed Maturity Date, (ii) if a Potential Repudiation/Moratorium has occurred, for the purposes of any related Repudiation/Moratorium Credit Event, the Credit Exposure Period and the Notification Period have been extended to (and including), the day falling six months after the Scheduled Maturity Date and (iii) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date; and

- (c) the Securities are Fixed Recovery Securities, then:
 - (i) if the Conditions to Settlement are satisfied with respect to one or more Reference Entities after the tenth Business Day preceding the Scheduled Maturity Date; or
 - (ii) a Potential Repudiation/Moratorium or Potential Credit Event has, or a Potential Repudiation/Moratorium or Potential Credit Event have both, occurred and any is continuing with respect to one or more Reference Entities as of the Scheduled Maturity Date,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that (A) the Maturity Date has been postponed to the First Postponed Maturity Date, (B) if a Potential Repudiation/Moratorium has occurred, for the purposes of any related Repudiation/Moratorium Credit Event, the Credit Exposure Period and the Notification Period have been extended to (and including), the day falling six months after the Scheduled Maturity Date and (C) if a Potential Credit Event has occurred, for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been extended to (and including) the seventieth (70th) calendar day following the Scheduled Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date.

5.6.6 *Basket Securities: Postponement at First Postponed Maturity Date*

If the Securities are Basket Securities, this Product Condition 5.6.6 shall apply.

If:

- (a) the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, then if a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and:
 - (i) the Conditions to Settlement are satisfied with respect to one or more Reference Entities on or prior to the last day of the Notification Period and a Settlement Price is not determined in respect of any such Reference Entity on or prior to the second Business Day preceding the Scheduled Maturity Date; or
 - (ii) as of the First Postponed Maturity Date a Potential Credit Event relating to a Repudiation/Moratorium Credit Event has occurred and is continuing with respect to one or more Reference Entities,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Auction Final Price Cut-Off Date has been further postponed to the seventieth (70th) calendar day following the First Postponed Maturity Date, the Maturity Date has been further postponed to the Final Postponed Maturity Date and, if a Potential Credit Event has occurred, that for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been further extended to (and including) the seventieth (70th) calendar day following the First Postponed Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date;

- (b) the Securities are Zero Recovery Principal Amount Reduction Securities, then if, as of the First Postponed Maturity Date, a Potential Credit Event relating to a Repudiation/Moratorium Credit Event has occurred and is continuing with respect to one or more Reference Entities, the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been further postponed to the Final Postponed Maturity Date and, if a Potential Credit Event has occurred, that for the purposes of any Credit Event arising out of the event the subject of

such Potential Credit Event, the Notification Period has been further extended to (and including) the seventieth (70th) calendar day following the First Postponed Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date; and

- (c) the Securities are Fixed Recovery Securities, then:
- (i) if the Conditions to Settlement are satisfied with respect to one or more Reference Entities after the tenth Business Day prior to the last day of the Notification Period; or
 - (ii) as of the First Postponed Maturity Date a Potential Credit Event relating to a Repudiation/Moratorium Credit Event has occurred and is continuing with respect to one or more Reference Entities,

the Issuer may notify the Securityholders in accordance with Product Condition 12 that the Maturity Date has been further postponed to the Final Postponed Maturity Date and, if a Potential Credit Event has occurred, that for the purposes of any Credit Event arising out of the event the subject of such Potential Credit Event, the Notification Period has been further extended to (and including) the seventieth (70th) calendar day following the First Postponed Maturity Date.

In such circumstances, in lieu of paying the Redemption Amount determined in accordance with Product Condition 5.1 on the Maturity Date, the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date and the Deferred Redemption Amount on the Postponed Maturity Date.

5.6.7 *Accrual of interest after scheduled maturity: Single Reference Entity Security and FTD Securities*

If the Securities are Single Reference Entity Securities or FTD Securities, then in the event that the Conditions to Settlement are not satisfied on or prior to the last day of the Notification Period, each Security will accrue additional Coupon Amount, if the Securities are denominated in GBP or USD or EUR or CHF or SEK or PLN, for each day in the period (the "**Maturity Extension Period**") from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, such Coupon Amount to be calculated on the basis of a Coupon Period equal to the Maturity Extension Period and by applying a Coupon Rate equal to (if the Securities are denominated in USD) the USD Federal Funds Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in GBP) GBP WMBA SONIA Compound Rate for such Maturity Extension Period (if the Securities are denominated in EUR) the EONIA (Euro Overnight Index Average) Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in CHF) the CHF TOIS OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in SEK) the SEK SIOR OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in PLN) the PLN POLONIA OIS Compound Rate, (not subject to a margin) to the Nominal Amount (the result of which shall be rounded down to the nearest subunit, with 0.005 being rounded upwards). Such Coupon Amount shall be payable on the Postponed Maturity Date; and

5.6.8 *Accrual of interest after scheduled maturity: Basket Securities*

If the Securities are Basket Securities, then in the event that a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred with respect to one or more Reference Entities and the Conditions to Settlement are not satisfied with respect to any such Reference Entity, on or prior to the last day of the Notification Period, each Security will accrue additional Coupon Amount for each day in the period, if the Securities are denominated in GBP or USD or EUR or CHF or SEK or PLN, for each day in the period (the "**Maturity Extension Period**") from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, such Coupon Amount to be calculated on the basis of a Coupon Period equal to the Maturity Extension Period and by applying a Coupon Rate equal to (if the Securities are denominated in USD) the USD Federal Funds Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in GBP) GBP WMBA SONIA Compound Rate for such Maturity Extension Period (if the Securities are denominated in EUR) the EONIA (Euro Overnight Index Average) Compound Rate for such Maturity Extension Period, or (if the

Securities are denominated in CHF) the CHF TOIS OIS Compound Rate for such Maturity Extension Period, or (if the Securities are denominated in SEK) the SEK SOIR OIS Compound Rate, or (if the Securities are denominated in PLN) the PLN POLONIA OIS Compound rate for such Maturity Extension Period, (not subject to a margin) to the Reference Entity Nominal Amount in respect of each such Reference Entity (the result of which shall be rounded down to the nearest subunit, with 0.005 being rounded upwards). Such Coupon Amount shall be payable on the Postponed Maturity Date.

5.6.9 *Additional definitions*

For the purposes of this Product Condition 5.6:

"Deferred Redemption Amount" means:

- (a) if the Securities are neither Zero Recovery Principal Amount Reduction Securities nor Fixed Recovery Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Repudiation/Moratorium or a Potential Credit Event has, or a Potential Repudiation/Moratorium and a Potential Credit Event have both, occurred and any is continuing as of the Scheduled Maturity Date or the First Postponed Maturity Date, as applicable, and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus (ii) the sum, for each Reference Entity with respect to which the Conditions to Settlement are satisfied on or prior to the Scheduled Maturity Date and the relevant Settlement Price is not determined on or prior to the second Business Day preceding the Scheduled Maturity Date, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iii) the sum, for each Reference Entity with respect to which a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing as of the Scheduled Maturity Date or the First Postponed Maturity Date, as applicable, the Conditions to Settlement are satisfied with respect thereto on or prior to the last day of the Notification Period, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iv) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protection Basket Performance Amount;
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Repudiation/Moratorium or Potential Credit Event has, or Potential Repudiation/Moratorium and Potential Credit Event have both, occurred and any is continuing as of the Scheduled Maturity Date or the First Postponed Maturity Date, as applicable, and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus (ii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protection Basket Performance Amount; or
- (c) if the Securities are Fixed Recovery Securities, an amount (which may never be less than zero) calculated by the Calculation Agent equal to (i) the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing as of the Scheduled Maturity Date or the First Postponed Maturity Date, as applicable, and the Conditions to Settlement are not satisfied with respect thereto on or prior to the last day of the Notification Period plus (ii) the sum, for each Reference Entity with respect to which the Conditions to Settlement are satisfied after the tenth Business Day preceding the Scheduled Maturity Date, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iii) the sum, for each Reference Entity with respect to which a Potential Repudiation/Moratorium or a Potential Credit Event has, or both have, occurred and any is continuing as of the Scheduled Maturity Date or the First Postponed Maturity Date, as

applicable, and the Conditions to Settlement are satisfied with respect thereto on or prior to the last day of the Notification Period, of (A) the product of the Reference Entity Nominal Amount and the Settlement Price minus (B) the Unwind Costs, in each case in respect of such Reference Entity plus (iv) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount and (B) if the Securities are Maturity Capital Protected Securities, the Capital Protection Basket Performance Amount.

"Final Postponed Maturity Date" means:

- (a) if the Securities are neither Securities which are both Fixed Recovery Securities and Basket Securities, nor Zero Recovery Principal Amount Reduction Securities, the second Business Day after the seventieth (70th) calendar day following the First Postponed Maturity Date;
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, the seventieth (70th) calendar day following the First Postponed Maturity Date, or if such day is not a Business Day, the next following Business Day; or
- (c) if the Securities are both Fixed Recovery Securities and Basket Securities:
 - (i) if a Potential Credit Event has occurred, the tenth Business Day after the seventieth (70th) calendar day following the First Postponed Maturity Date; or
 - (ii) if a Potential Credit Event has not occurred, the tenth Business Day after the last date on which the Conditions to Settlement are satisfied;

"First Postponed Maturity Date" means:

- (a) where the Securities are Fixed Recovery Securities and Basket Securities:
 - (i) if a Potential Repudiation/Moratorium has occurred, the tenth Business Day after the day falling six months after the Scheduled Maturity Date;
 - (ii) if a Potential Credit Event has occurred and a Potential Repudiation/Moratorium has not occurred, the tenth Business Day after the seventieth (70th) calendar day following the Scheduled Maturity Date; or
 - (iii) if neither a Potential Repudiation/Moratorium nor a Potential Credit Event has occurred, the tenth Business Day after the last date on which the Conditions to Settlement are satisfied; or
- (b) where the Securities are Zero Recovery Principal Amount Reduction Securities:
 - (i) if a Potential Repudiation/Moratorium has occurred, the day falling six months after the Scheduled Maturity Date or, if such day is not a Business Day, the next following Business Day; or
 - (ii) if a Potential Credit Event has occurred and a Potential Repudiation/Moratorium has not occurred, the seventieth (70th) calendar day following the Scheduled Maturity Date or, if such day is not a Business Day, the next following Business Day; or
- (c) where the Securities are neither Fixed Recovery Securities and Basket Securities, nor Zero Recovery Principal Amount Reduction Securities:
 - (i) if a Potential Repudiation/Moratorium has occurred, the second Business Day after the day falling six months after the Scheduled Maturity Date; or
 - (ii) if a Potential Repudiation/Moratorium has not occurred, the second Business Day after the seventieth (70th) calendar day following the Scheduled Maturity Date;

"Postponed Maturity Date" means:

- (a) the First Postponed Maturity Date; or

- (b) if the Maturity Date is postponed to the Final Postponed Maturity Date, the Final Postponed Maturity Date;

"Potential Credit Event" means:

- (a) if the Securities are Single Reference Entity Securities or FTD Securities:
- (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue, the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request and ISDA has not publicly announced the relevant DC Resolution;
 - (ii) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3 and, prior to the expiry of the relevant Opinion Period, no such Market Participant Credit Event Opinions have been provided as requested;
 - (iii) if Grace Period Extension is applicable to the Reference Entity, a Potential Failure to Pay occurs;
 - (iv) the Conditions to Settlement are not satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
 - (v) any combination of (i), (ii), (iii) or (iv) above are applicable;
- "Grace Period Extension" shall be applicable in respect of a Reference Entity if the Calculation Agent determines that "Grace Period Extension" is applicable in respect of the related Transaction Type.

- (b) if the Securities are Basket Securities:
- (i) a notice has been delivered to ISDA in accordance with the Rules requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity, the requisite time period with respect thereto has not expired without the requisite number of Convened DC Voting Members agreeing to deliberate the issue, the request the subject of the notice has not been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request and ISDA has not publicly announced the relevant DC Resolution;
 - (ii) the Calculation Agent has requested Market Participant Credit Event Opinions pursuant to Product Condition 3.2.3 and, prior to the expiry of the relevant Opinion Period, no such Market Participant Credit Event Opinions have been provided as requested;
 - (iii) if Grace Period Extension is applicable to the Reference Entity, a Potential Failure to Pay occurs;
 - (iv) the Conditions to Settlement are not satisfied with respect to a Reference Entity but, in the opinion of the Calculation Agent, a Credit Event may have occurred with respect to that Reference Entity; or
 - (v) any combination of (i), (ii), (iii) or (iv) above are applicable;
- "Grace Period Extension" shall be applicable in respect of a Reference Entity if the Calculation Agent determines that "Grace Period Extension" is applicable in respect of the related Transaction Type.

"Potential Failure to Pay" means an event which would in the opinion of the Calculation Agent constitute a "Failure to Pay" Credit Event with respect to a Reference Entity if there were no applicable grace period;

"Potential Repudiation/Moratorium" means a Reference Entity or a governmental authority has disaffirmed, disclaimed, repudiated or rejected, in whole or in part, or has challenged the validity of obligations, or has declared or imposed a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to obligations, and in the reasonable opinion of the Calculation Agent if certain further events occur a Repudiation/Moratorium Credit Event could be determined in accordance with the terms hereof; and

"Undeferred Redemption Amount" means the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which the Conditions to Settlement are not satisfied on or prior to, and a Potential Repudiation/Moratorium or a Potential Credit Event has not occurred and is continuing as of the Scheduled Maturity Date.

5.7 **Early redemption at the option of the Issuer**

This Product Condition 5.7 applies if the Securities are Callable Securities.

5.7.1 *Issuer right to redeem Securities – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 5.7.1 shall apply.

The Issuer has the right, on giving not less than the Issuer Early Redemption Notice Requirement to Securityholders in accordance with Product Condition 12, to redeem all outstanding Securities at a **"Redemption Amount"** (which may never be less than zero) calculated by the Calculation Agent equal to the Nominal Amount together with any Coupon Amount accrued as provided in Product Condition 4 plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (a) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
- (b) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount.

5.7.2 *Issuer right to redeem Securities – FTD Securities*

If the Securities are FTD Securities, this Product Condition 5.7.2 shall apply.

The Issuer has the right, on giving not less than the Issuer Early Redemption Notice Requirement to Securityholders in accordance with Product Condition 12, to redeem all outstanding Securities at a **"Redemption Amount"** (which may never be less than zero) calculated by the Calculation Agent equal to the Nominal Amount together with any Coupon Amount accrued as provided in Product Condition 4 plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (a) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
- (b) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount.

5.7.3 *Issuer right to redeem Securities – Basket Securities*

If the Securities are Basket Securities, this Product Condition 5.7.3 shall apply.

The Issuer has the right, on giving not less than the Issuer Early Redemption Notice Requirement to Securityholders in accordance with Product Condition 12, to redeem all outstanding Securities at a **"Redemption Amount"** (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) if the Securities are neither Zero Recovery Principal Amount Reduction Securities nor Fixed Recovery Securities, the sum of (i) the Outstanding Nominal Amount as of the due date for

redemption and (ii) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the due date for redemption plus (iii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:

- (i) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (ii) if the Securities are Maturity Capital Protected Securities, the Capital Protected Based Performance Amount,
- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities, the Outstanding Nominal Amount as of the due date for redemption plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
- (i) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (ii) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount; or
- (c) if the Securities are Fixed Recovery Securities, (i) the sum of (i) the Outstanding Nominal Amount as of the due date for redemption and (ii) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Partial Redemption Date has not occurred as of the due date for redemption multiplied by the Settlement Price plus (ii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
- (i) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (ii) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount,

together with any Coupon Amount accrued as provided in Product Condition 4.

5.7.4 *Notice of early redemption*

The notice of early redemption shall include the following information:

- (a) the statement that the Securities are to be redeemed;
- (b) the relevant due date for early redemption, which must fall on an Issuer Early Redemption Date; and
- (c) the Redemption Amount and accrued Coupon Amount payable.

5.8 **Redemption following a Merger Event**

In the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with Product Condition 12 and redeem all but not some only of the Securities, each Security being redeemed by the Issuer at the Redemption Amount (if any) together with any Coupon Amount accrued as provided in Product Condition 4.8 on the Merger Event Redemption Date.

For the purposes of this Product Condition 5.8:

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity;

"Merger Event" means, where the Securities are not FTD Securities, that at any time during the period from (and including) the Issue Date to (but excluding) the Scheduled Maturity Date the Issuer consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or vice versa, as applicable, or the Issuer and a Reference Entity become Affiliates;

"Merger Event Redemption Date" means the day falling 10 Business Days after the date on which notice of early redemption is given to the Securityholders in accordance with Product Condition 12;

"Merger Event Unwind Costs" means, as used in the determination of the Redemption Amount if a Merger Event occurs, an amount determined by the Calculation Agent equal to:

- (a) the sum of (without duplication) all costs, expenses (including the cost to the Issuer of raising new funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index), such amount to be apportioned pro rata amongst the Securities; less
- (b) any gain realised by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position (including any such hedge or trading position entered into in connection with (in the case of Underlying Linked Coupon Rate Securities) any Underlying and (in the case of Underlying Linked Redemption Securities) any Performance Amount Underlying and (in the case of Inflation Linked Securities) the relevant Index), such amount to be apportioned pro rata amongst the Securities; and

"Redemption Amount" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) where the Securities are Single Reference Entity Securities;
 - (i) the Nominal Amount; less
 - (ii) Merger Event Unwind Costs; plus
 - (iii) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
 - (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Performance Amount;
- (b) where the Securities are Basket Securities and:
 - (i) where the Securities are not Zero Recovery Principal Amount Reduction Securities or Fixed Recovery Securities, (A) the sum of (aa) the Outstanding Nominal Amount as of the Merger Redemption Date and (bb) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Settlement Price is not determined as of the Merger Event Redemption Date less (B) Merger Event Unwind Costs plus (C) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
 - (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount;

- (i) where the Securities are Zero Recovery Principal Amount Reduction Securities, (a) the Outstanding Nominal Amount as of the Merger Event Redemption Date less (b) Merger Event Unwind Costs plus (c) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
 - (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount; and
- (i) where the Securities are Fixed Recovery Securities, (A) the sum of (aa) the Outstanding Nominal Amount as of the Merger Event Redemption Date and (bb) the Reference Entity Nominal Amounts for each Reference Entity with respect to which the Conditions to Settlement are satisfied and the relevant Partial Redemption Date has not occurred as of the Merger Event Redemption Date multiplied by the Settlement Price less (B) Merger Event Unwind Costs plus (C) if the Securities are Underlying Linked Redemption Securities, an additional amount equal to:
 - (A) if the Securities are not Maturity Capital Protected Securities, the Performance Amount; and
 - (B) if the Securities are Maturity Capital Protected Securities, the Capital Protected Basket Performance Amount.

5.9 **Early exercise, redemption or termination for extraordinary reasons, illegality and force majeure**

If the Issuer determines that, for reasons beyond its control:

- (a) an event or circumstance (other than any action taken by the Issuer) occurs after the Issue Date of the Securities as a result of which it becomes unlawful under any applicable law (including without limitation the laws of any country in which payment, delivery or compliance is required by the Issuer), on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day, for the Issuer, in respect of the Securities:
 - (i) make or receive payments or deliveries;
 - (ii) perform any absolute or contingent obligation to make a payment or delivery;
 - (iii) receive a payment or delivery;
 - (iv) comply with any other material provision; or
- (b) a force majeure or act of state occurs after the Issue Date of the Securities, and the Issuer cannot, using all reasonable efforts (which will not require the Issuer to incur a loss, other than immaterial, incidental expenses), overcome such prevention, impossibility or impracticability, in respect of the Securities:
 - (i) the Issuer is prevented from performing any absolute or contingent obligation to make a payment or delivery, from receiving a payment or delivery, or from complying with any other material provision (or would be so prevented if such payment, delivery or compliance were required on that day); or
 - (ii) it becomes impossible or impracticable for the Issuer to perform any absolute or contingent obligation to make a payment or delivery, to receive a payment or delivery, or to comply with any other material provision,

the Issuer may, at its discretion and without obligation, redeem the Securities early by giving notice to the Securityholders in accordance with Product Condition 12.

Should any one or more of the provisions contained in the conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer exercises, redeems or terminates the Securities early in accordance with this provision, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder equal to the fair market value of a Security notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount (or in the case of Maturity Capital Protected Securities, an amount equal to the Capital Protected Performance Amount or Capital Protected Basket Performance Amount, as the case may be), all as determined by the Calculation Agent in its reasonable discretion. For the avoidance of doubt the amount determined by the Calculation Agent may be zero, but may not be less than zero. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Product Condition 12.

6. Index Adjustment Provisions

If the Securities are Inflation Index Securities, this Product Condition 6 shall apply.

6.1 Index Definitions

For the purposes of this Product Condition 6:

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **"control"** means ownership of a majority of the voting power of an entity; and

"Redemption Amount" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to the fair market value of a Security taking into account the non-publication or announcement of the Index less any Unwind Costs plus, if the Securities are Underlying Linked Redemption Securities, an additional amount equal to the Performance Amount.

6.2 Delay of Publication of the Index

If a First Relevant Level or a Second Relevant Level for a Reference Month has not been published or announced by the Final Index Delay Date, the Calculation Agent shall determine a Substitute Index Level (as defined below) (in place of such First Relevant Level or Second Relevant Level, as applicable) by using the following methodology:

- (a) **"Substitute Index Level"** = Base Level x (Latest Level / Inflation Index Reference Level)

Where:

"Base Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month;

"Latest Level" means the latest level (the relevant month of such calculation being the "Earlier Month") of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the Reference Month; and

"Inflation Index Reference Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the Earlier Month referred to in "Latest Level" above;

- (b) Notwithstanding (a) above, if the relevant Final Terms specify "Related Bond" to be applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the relevant Reference Month as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond, and if such action does not result in a Substitute Index Level for the relevant Reference Month for any reason, then the Calculation Agent shall determine the Substitute Index Level by using the method in (a) above.

Where:

"Related Bond" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (i) the same day as the Scheduled Maturity Date, (ii) the next longest maturity after the Scheduled Maturity Date if there is no such bond maturing on the Scheduled Maturity Date, or (iii) the next shortest maturity before the Scheduled Maturity Date if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any governmental agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. The Calculation Agent will select the Related Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Related Bond shall be selected by the Calculation Agent from those bonds. If the Related Bond redeems the Calculation Agent will select a new Related Bond on the same basis, but selected from all eligible bonds in issue at the time the original Related Bond redeems (including any bond for which the redeemed bond is exchanged).

If the level of the Index is published or announced at any time after the Index Level Cut Off Date, such level will not be used in any calculations. The Substitute Index Level so determined pursuant to this provision, will be the definitive level for the relevant month.

The Issuer shall give notice to the Securityholders in accordance with Product Condition 12 of any Substitute Index Level calculated pursuant to this Product Condition 6.

6.3 Cessation of Publication

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Calculation Agent shall determine a successor index (in lieu of any previously applicable Index) for the purposes of the Securities by using the following methodology:

- (a) where the relevant Final Terms specify "Related Bond" to be applicable, if at any time a successor index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "Successor Index" for the purposes of all subsequent Coupon Periods in relation to the Securities, notwithstanding that any other Successor Index may previously have been determined pursuant to paragraphs (b), (c) or (d) below;
- (b) where the relevant Final Terms specify "Related Bond" to be applicable, if a Successor Index has not been determined under (a) above and a notice has been given or an announcement has been made by an Index Sponsor, specifying that the Index will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Securities from the date that such replacement Index comes into effect;
- (c) where the relevant Final Terms do not specify Related Bond to be applicable and a notice has been given or an announcement has been made by an Index Sponsor, specifying that the Index will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Securities from the date that such replacement Index comes into effect;
- (d) if no replacement index or Successor Index has been determined under (if the relevant Final Terms specify "Related Bond" to be applicable) (a) or (b) or (if the relevant Final Terms do not specify "Related Bond" to be applicable) (c) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading

independent dealers state the same index, this index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Index". If fewer than three responses are received, the Calculation Agent will proceed to subsection (e) hereof;

- (e) if no replacement index or Successor Index has been determined or deemed, as the case may be, under (if the relevant Final Terms specify "Related Bond" to be applicable) (a), (b) or (d) above or (if the relevant Final Terms do not specify "Related Bond" to be applicable) (c) or (d) above by the Replacement/Successor Index Cut Off Date the Calculation Agent will determine an appropriate alternative index for the next Coupon Payment Date, and such index will be deemed a "Successor Index"; or
- (f) if the Calculation Agent determines that there is no appropriate alternative index, no further Coupon Amounts shall be payable in respect of the Securities and the Issuer shall notify the Securityholders of such determination.

6.4 **Rebasing of the Index**

If the Calculation Agent determines that the Index has been or will be rebased at any time, Index as so rebased (the "**Rebased Index**") will be used for purposes of determining level of the Index from the date of such rebasing; provided, however, that the Calculation Agent shall make:

- (a) if the relevant Final Terms specify "Related Bond" to be applicable, such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased; or
- (b) if the relevant Final Terms specify "Related Bond" to be applicable, adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased.

Any such rebasing shall not affect any prior payments made under the Securities.

6.5 **Material Modification of Index**

If, on or prior to the Index Material Modification Cut Off Date, an Index Sponsor announces that it will make a material change to the Index then the Calculation Agent shall make any such adjustments to the Index necessary for the modified Index to continue as the Index, provided that, if the relevant Final Terms specify that Related Bond is applicable, such adjustments shall be consistent with adjustments made to the Related Bond (if any).

6.6 **Manifest Error in Publication**

If, within thirty days of publication and in any event prior to the Index Manifest Error Cut Off Date, the Calculation Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will notify the parties of that correction and the amount that is payable as a result of that correction and shall take such other action as it may deem necessary to give effect to such correction.

7. **Market Disruption and non-Trading Day**

7.1 **Consequences of Market Disruption and non-Trading Day**

A Market Disruption or a day not being a Trading Day may affect the valuation of a Reference Item or Hedging Arrangements of the Issuer in an unintended way. It is therefore necessary when a Market Disruption occurs or a day is not a Trading Day for the valuation of the Reference Item to be adjusted as follows:

- (a) if any day in respect of which the Calculation Agent is required to determine the price or level of a Reference Item for the purposes of Product Condition 4 is not a Trading Day (with the

meaning given above), the relevant price or level shall be determined on the first succeeding Trading Day, subject as provided below. Any such day for determination is referred to as a "**Scheduled Valuation Date**";

(b) if, in the opinion of the Calculation Agent, on any Scheduled Valuation Date (including, if any Observation Date(s) occurring on a daily basis is specified in the relevant Final Terms, the last occurring Observation Date but excluding any other such Observation Date(s) on which a Market Disruption exists, and for such other Observation Dates affected by a Market Disruption the relevant Observation Date determination shall not be made), a Market Disruption has occurred in relation to any Reference Item:

(i) subject to sub-paragraph (ii) below:

(A) if Separate Reference Item Determination is not specified to apply in the relevant Final Terms, all determinations on such Scheduled Valuation Date for all the Reference Items (including the affected Reference Item) shall be deferred to the first succeeding Trading Day on which there is no Market Disruption for any Reference Items; or

(B) if (x) the Underlying is not specified to be a Basket or (y) the Underlying is specified to be a Basket in the relevant Final Terms and Separate Reference Item Determination is specified to apply in the relevant Final Terms or (z) the Performance Amount Underlying is not specified to be a Basket or (a) the Performance Amount Underlying is specified to be a Basket in the relevant Final Terms and Separate Reference Item Determination is specified to apply in the relevant Final Terms, the determination on such Scheduled Valuation Date for any affected Reference Item only shall be deferred to the first succeeding Trading Day on which there is no Market Disruption for such Reference Item,

provided that in each case if such first succeeding Trading Day has not occurred by the Ultimate Trading Day following the Scheduled Valuation Date the Calculation Agent shall in its reasonable discretion determine the price or level of each undetermined Reference Item as of the Ultimate Trading Day following the Scheduled Valuation Date which in the case of a Reference Item for which a Market Disruption then exists shall be such price or level that it determines would have prevailed but for the occurrence of a Market Disruption, having regard to the then prevailing market conditions, the last reported, published or traded level or price of the Reference Item, if applicable in accordance with the formula for and method of calculating the price or level of the Reference Item last in effect prior to the occurrence of the Market Disruption. The Calculation Agent shall give notice of any such determination as soon as reasonably practicable in accordance with Product Condition 12; and

(ii) if Averaging is specified to apply in the relevant Final Terms and (A) this Product Condition 7 is specified to apply in the relevant Final Terms, the first succeeding Trading Day referred to in (a) or (b) above shall be the first succeeding Trading Day which is not itself a day on which the price or level of the relevant affected Reference Item is to be determined for the purpose of calculating an average price or level and on which a Market Disruption does not occur but in each case subject to the provisions applicable on the Ultimate Trading Day following the Scheduled Valuation Date in the manner set out in sub-paragraph (b)(i) above, or (B) this Product Condition 7 is specified not to apply in the relevant Final Terms, the determination for the relevant Scheduled Valuation Date shall be deferred to the relevant Averaging Disruption Date as provided in the relevant Final Terms.

For the purposes of this Product Condition 7, if the Underlying or Performance Amount Underlying is specified to be a Basket in the relevant Final Terms and Separate Reference Item Determination is specified to be applicable in the relevant Final Terms, then, subject as provided below, all references to a Trading Day shall be construed as references to a day which is a Trading Day determined as if the relevant Reference Item was the only Underlying or Performance Amount Underlying (as the case may be) and, for the purposes of determining whether a Market Disruption has occurred on any day, Product Condition 7.2 below shall be applied separately in relation to each Reference Item and references

therein to a Trading Day shall be construed as being a Trading Day determined as specified above in relation only to the relevant Reference Item provided that where it is necessary to calculate a value or level for each Reference Item on any Trading Day for the purposes of the Final Terms then such Trading Day is required to be a day which is a Trading Day for all Reference Items.

If any determination(s) of the Calculation Agent in respect of any day and any Reference Item is delayed pursuant to this Product Condition 7 then, for the avoidance of doubt, such day will itself also be deemed to be delayed in the same manner as such determination(s) and by reference to the relevant affected Reference Item(s), until the day on which each relevant delayed determination for the relevant affected Reference Item(s) has been made.

7.2 Events and/or situations constituting Market Disruption

"Market Disruption" means any of the following events or situations if, in the determination of the Calculation Agent, any of these is material to the valuation of a Reference Item or any Hedging Arrangements of the Issuer in relation to the Securities provided that any Market Disruption in respect of a Relevant Reference Item shall be deemed to be a Market Disruption in respect of the related Reference Item:

- (a) if the Reference Source for a Reference Item or Relevant Reference Item is an exchange, a trading system or a quotation system as determined by the Calculation Agent:
 - (i) the failure of a relevant Related Exchange or Reference Source, to open for trading during its regular trading session on any Trading Day; or
 - (ii) (A) the failure of the relevant Index Sponsor to publish the level of a Reference Item or Relevant Reference Item which is an index on any Trading Day (provided that the Calculation Agent may, in its discretion, determine that such event instead gives rise to an Adjustment/Termination event) or (B) the failure of a relevant Related Exchange to open for trading during its regular trading session; or
 - (iii) the occurrence or existence on any Trading Day at the Relevant Time for a Reference Item or Relevant Reference Item or at any time during the one hour period that ends at the Relevant Time for such Reference Item or Relevant Reference Item, as applicable:
 - (A) of any suspension of or limitation imposed on trading by the relevant Reference Source or Related Exchange or otherwise (and whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or any Related Exchange or otherwise):
 - (aa) of a Reference Item or Relevant Reference Item on the relevant Reference Source; or
 - (bb) where the Reference Item is not, under the heading of "Underlying" or under the heading of "Performance Amount Underlying" in the relevant Final Terms, specified to be a Multi-Exchange Index, on any Reference Source as a whole; or
 - (cc) in options contracts or futures contracts on or relating to a Reference Item on any Related Exchange; or
 - (dd) on any other exchange or trading system or quotation system on which a Reference Item is listed or quoted; or
 - (B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in relation to or to obtain market values for, a Reference Item or Relevant Reference Item on the relevant Reference Source or (ii) to effect transactions in, or obtain market values for options contracts or futures contracts on or relating to a Reference Item or Relevant Reference Item on any relevant Related Exchange; or

- (iv) the closure on any Exchange Business Day of a relevant Reference Source(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (B) the submission deadline (if applicable) for orders to be entered into the Reference Source or Related Exchange system for execution at the Relevant Time on such Exchange Business Day;
- (b) if the Reference Source for a Reference Item or Relevant Reference Item is not an exchange, a trading system or a quotation system as determined by the Calculation Agent, it is not possible, for reasons beyond the reasonable control of the Calculation Agent, to determine the price or value (or an element of such price or value) of such Reference Item or Relevant Reference Item by reference to such Reference Source according to the rules or normal or accepted procedures for the determination of such price or value (whether due to non-publication of such price or value or otherwise);
- (c) if the Reference Item is specified to be an "Emerging Market Underlying" in the relevant Final Terms:
 - (i) where the Reference Currency for a Reference Item is different from the Settlement Currency, the occurrence at any time of an event which the Calculation Agent determines would have the effect of preventing, restricting or delaying the Issuer and/or any Hedging Party from:
 - (A) converting the Reference Currency into the Settlement Currency through customary legal channels or transferring within or from any Relevant Country either currency, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;
 - (B) converting the Reference Currency into the Settlement Currency at a rate at least as favourable as the rate for domestic institutions located in any Relevant Country;
 - (C) delivering the Reference Currency or Settlement Currency from accounts inside any Relevant Country to accounts outside such Relevant Country; or
 - (D) transferring the Reference Currency or Settlement Currency between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country; or
 - (ii) a Relevant Country (A) imposes any controls or announces its intention to impose any controls; or (B)(x) implements or announces its intention to implement; or (y) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's ability to acquire, hold, transfer or realise or otherwise to effect transactions in relation to a Reference Item,

provided that where the Reference Item is, under the heading of "Underlying" or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms, specified to be a Rate of Exchange, within (i) and (ii) above references to "Reference Currency" should be read as references to "Second Currency" and references to "Settlement Currency" as references to "First Currency"; or
- (d) a general banking moratorium is declared in respect of banking activities in any Relevant Country.

7.3 Additional definitions

For the purposes of this Product Condition 7:

"Exchange Business Day" means

- (a) where the relevant Reference Item is not, under the heading "Underlying" or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms, specified to be a Multi-Exchange Index, any Trading Day on which each Reference Source and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Reference Source or Related Exchange closing prior to its Scheduled Closing Time; and
- (b) where the Reference Item is under the heading "Underlying" or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the Product Terms, specified to be a Multi-Exchange Index, any Trading Day on which the relevant Index Sponsor publishes the level of such Reference Item and the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Hedging Arrangements" means the arrangements the Issuer makes to have available to it the relevant cash amounts or assets to be paid or delivered under the Securities as these fall due. This may involve the Issuer investing directly or indirectly in the Underlying or the Performance Amount Underlying, as the case may be. An indirect investment might be made by an Affiliate or agent of the Issuer or other third party making an investment in the Underlying or the Performance Amount Underlying, as the case may be. Alternatively an indirect investment might involve the Issuer or an Affiliate, agent or other third party entering into or acquiring a derivative contract referencing the Underlying or the Performance Amount Underlying, as the case may be. The Issuer will select Hedging Arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer may also adjust Hedging Arrangements from time to time but it will not always be able to avoid adverse costs, taxes or regulatory changes which affect its Hedging Arrangements;

"Hedging Party" means any Affiliate or agent of the Issuer or other third party providing the Issuer with Hedging Arrangements as described in the definition of Hedging Arrangements above;

"Multi-Exchange Index", if applicable, means each Reference Item specified under the heading "Underlying" or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms to be a Multi-Exchange Index;

"Reference Currency" (A) in relation to a Reference Item, if so specified under the heading "Underlying" in the relevant Final Terms or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms, is the Reference Currency or (in the case of a Basket Constituent) is the Basket Constituent Currency, each as specified under such heading or, if not specified there, is the Settlement Currency; and (B) in relation to a Relevant Reference Item, is the currency in which such asset is denominated or quoted or with which it is most closely connected, as determined by the Calculation Agent;

"Reference Item" means each asset or reference basis (i) specified, under the heading "Underlying" in the relevant Final Terms, to be the Underlying or; (ii) in relation to the Performance Amount Underlying, specified under the heading "Performance Amount Underlying" in the relevant Final Terms, to be the Performance Amount Underlying or; (iii) in the case of a basket of assets or reference bases, to be included in the Underlying or the Performance Amount Underlying;

"Reference Source", in relation to a Reference Item or Relevant Reference Item, as applicable, is each source specified under the heading "Underlying" in the relevant Final Terms and, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms, if any, or any successor to any such Reference Source, acceptable to and as determined by the Calculation Agent or, if not defined there, the reference source or reference sources determined by the Calculation Agent to be applicable to the valuation of the Reference Item or Relevant Reference Item, as applicable for the purposes of determining its relevant level or value;

"Related Exchange" means, unless otherwise defined under the heading "Underlying" in the relevant Final Terms, or, in relation to the Performance Amount Underlying, under the heading "Performance Amount Underlying" in the relevant Final Terms, with respect to a Reference Item or Relevant Reference Item, each exchange, trading system or quotation system whose trading has an effect on the

overall market for options contracts or futures contracts on the Reference Item or Relevant Reference Item, and any successor acceptable to the Calculation Agent, as determined by the Calculation Agent;

"Relevant Country" means, as determined by the Calculation Agent, each of:

- (a) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and
- (b) any country (or any political or regulatory authority thereof) with which a Reference Item or Relevant Reference Item or Relevant Reference Item(s) is calculated or published and/or such other factor(s) as it may deem appropriate;

"Relevant Reference Item" means, in respect of a Reference Item specified to be an index, any index or other constituent used for the calculation or determination of such index or any asset or reference basis constituting such Reference Item at the relevant time;

"Relevant Time" means, with respect to a Reference Item or Relevant Reference Item,

- (a) where the Reference Item is not, under the heading "Underlying" in the relevant Final Terms, or, in relation to the Performance Amount Underlying, not, under the heading "Performance Amount Underlying" in the relevant Final Terms, specified to be a Multi-Exchange Index and in relation to each Relevant Reference Item, the relevant time by reference to which the Calculation Agent determines the level or value of such Reference Item or Relevant Reference Item; and
- (b) where the relevant Reference Item is an index and is under the heading "Underlying" in the relevant Final Terms, or, in relation to the Performance Amount Underlying, is under the heading "Performance Amount Underlying" in the relevant Final Terms, specified to be a Multi-Exchange Index,
 - (i) for the purposes of determining whether a Market Disruption has occurred,
 - (A) in respect of any Reference Item, the Scheduled Closing Time on the relevant Reference Source in respect of such Reference Item; and
 - (B) in respect of any options contracts or futures contracts on or relating to such Reference Item, the close of trading on the Related Exchange; and
 - (ii) in all other circumstances, the time at which the official closing level of such index is calculated and published by the relevant Index Sponsor;

"Scheduled Closing Time" means, in respect of a Reference Source or Related Exchange and a Trading Day, the scheduled weekday closing time of such Reference Source or Related Exchange on such Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Settlement Currency" means the currency specified as such in the relevant Final Terms; and

"Ultimate Trading Day" means the day specified as such in the relevant Final Terms.

8. **Adjustment Events and Adjustment/Termination Events**

8.1 **Adjustment Events**

The occurrence of any of the following events set out under "General" or "Specific" below, in each case, in respect of a Reference Item (as specified in the relevant Final Terms under the heading "Underlying" or under the heading "Performance Amount Underlying") shall constitute an "**Adjustment Event**":

General:

- (a) an event occurs which materially affects or may materially affect the theoretical economic value of such Reference Item or which has or may have an economic, dilutive or concentrative effect on the theoretical economic value of such Reference Item;
- (b) an event occurs that materially disrupts the economic link between the value of such Reference Item and the Securities subsisting immediately prior to the occurrence of such event; and/or
- (c) a Reference Item, or the underlying constituent(s) or reference basis(es) for any Reference Item, is materially modified; and/or

Specific:

- (d) any of the events or circumstances specified as Adjustment Events in Product Condition 8.5 below.

For the avoidance of doubt, an event or circumstance may at the same time qualify as an Adjustment Event under more than one of the above items (a)-(d) and each of the Adjustment Events in relation to a Reference Item set out in Product Condition 8.5 below shall constitute an Adjustment Event.

8.2 **Consequences of an Adjustment Event**

Following the occurrence of an Adjustment Event the Calculation Agent may make such adjustments to the Product Conditions as it, in its reasonable discretion, determines necessary or appropriate in order to account for the effect of such Adjustment Event and/or to preserve as nearly as practicable the economic equivalence of the Securities before and after the occurrence of such Adjustment Event and the economic link between the Underlying and/or the Performance Amount Underlying, as the case may be, and the Securities and/or to enable it to maintain its Hedging Arrangements (as applicable), and will determine when these adjustments become effective. This may include, without limitation, where the Underlying, Performance Amount Underlying, or the relevant Reference Item, is an index (in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms) determining the level of that index on that date using, in lieu of a published level for that index, the level for that index as at that date as determined by the Calculation Agent in accordance with the formula for and method of calculating that index last in effect prior to the relevant Adjustment Event but using only those Relevant Reference Items that comprised that index immediately prior to the event.

Such adjustments may take into account and pass on to Securityholders any increased direct or indirect cost to the Issuer as a result of or in connection with the relevant Adjustment Event including, without limitation any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in tax consequences) in each case for the Issuer. Such change in tax consequences may include, but is not limited to, any changes resulting from Hedging Arrangements of the Issuer in relation to the Securities.

The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such event made by a Related Exchange to options or futures contracts on the relevant Reference Item traded on that Related Exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Product Condition 12, stating the adjustment made to the conditions and giving brief details of the relevant Adjustment Event.

8.3 **Adjustment/Termination Event**

The occurrence of any of the following events set out under "General" or "Specific" below, in each case, in respect of (i) the Securities; (ii) any Hedging Arrangements in respect of the Securities, or (iii) a Reference Item (as specified in the relevant Final Terms under the heading "Underlying" or under the heading "Performance Amount Underlying") shall constitute an "**Adjustment/Termination Event**":

General:

- (a) an event occurs which materially affects the method by which the Calculation Agent determines the level or price of any Reference Item or the ability of the Calculation Agent to determine the level or price of any Reference Item;
- (b) a Reference Item is materially modified or affected, whether as a result of a material change in the formula or method for calculating such Reference Item or any other event which the Calculation Agent determines, in its reasonable discretion, constitutes a material modification of or materially affects a Reference Item;
- (c) an Adjustment Event has occurred in respect of which the Calculation Agent determines that it is not able to make an appropriate adjustment pursuant to Product Condition 8.2 above;
- (d) the Issuer determines that it is unable, after using commercially reasonable efforts, to realise, recover or remit the proceeds of any Hedging Arrangement(s);
- (e) the Issuer determines, at any time, that a Market Disruption exists on any Ultimate Trading Day pursuant to Product Condition 7 and that any valuation methods provided in Product Condition 7 for this case would not be appropriate for the purposes of making the relevant calculation, and the Issuer then elects to treat such Market Disruption as an Adjustment/Termination Event;
- (f) liquidity or market conditions in relation to any Reference Item (including the trading of any Reference Item) are materially adversely affected other than where this leads to a Market Disruption; and

Specific:

- (g) any of the events or circumstances specified as Adjustment/Termination Events in Product Condition 8.5 below.

For the avoidance of doubt, an event or circumstance may at the same time qualify as an Adjustment/Termination Event under more than one of the above items (a)-(g) and each of the Adjustment/Termination Events in relation to a Reference Item set out in Product Condition 8.5 below shall constitute an Adjustment/Termination Event.

8.4 **Consequences of an Adjustment/Termination Event:**

Following the occurrence of an Adjustment/Termination Event, the Calculation Agent may take any of the following actions. In particular, it should be noted that sub-paragraph (d) permits a termination and cancellation of the Securities:

- (a) other than in respect of an Adjustment/Termination Event in Product Condition 8.3(c) above, the Calculation Agent may make such adjustments to the conditions as it, in its reasonable discretion, determines necessary or appropriate in order to account for the effect of such Adjustment/Termination Event and/or to preserve as nearly as practicable the economic equivalence of the Securities before and after the occurrence of such Adjustment/Termination Event and the economic link between the Underlying and the Performance Amount Underlying and the Securities and/or to enable it to maintain its Hedging Arrangements (as applicable) and determine when these adjustments become effective. This may include, without limitation, where the Underlying, Performance Amount Underlying or the relevant Reference Item, is an index (in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms) determining the level of that index on that date using, in lieu of a published level for that index, the level for that index as at that date as determined by the Calculation Agent in accordance with the formula for and method of calculating that index

last in effect prior to the relevant Adjustment/Termination Event but using only those Relevant Reference Items that comprised that index immediately prior to the event.

Such adjustments may take into account and pass on to Securityholders any increased direct or indirect cost to the Issuer as a result of or in connection with the relevant Adjustment/Termination Event including, without limitation, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in tax consequences) for the Issuer. Such change in tax consequences may include, but is not limited to, any changes resulting from any Hedging Arrangements of the Issuer in relation to the Securities.

The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such event made by a Related Exchange to options or futures contracts on the relevant Reference Item traded on that Related Exchange or the adjustments that would follow from the rules and precedents set by an exchange or trading system or quotation system to account for the relevant Adjustment/Termination Event that in the determination of the Calculation Agent would have given rise to an adjustment by the exchange or trading system or quotation system if such options or futures contracts were traded thereon;

- (b) if Underlying Replacement or Performance Amount Underlying Replacement has been specified to apply in the relevant Final Terms, the Calculation Agent may substitute the relevant Reference Item affected by the Adjustment/Termination Event with a Replacement Asset, as specified in the relevant Final Terms, on or after the effective date of such Adjustment/Termination Event;
- (c) the Calculation Agent shall make such adjustments to the conditions as it in its reasonable discretion deems appropriate to account for such substitution or additional assets; or
- (d) if the Calculation Agent is not able to or elects not to determine or effect an appropriate adjustment pursuant to sub-paragraphs (a) or (b) above:
 - (ii) where Disruption Event Termination Option is specified to apply in the relevant Final Terms, the Securities may be terminated and cancelled by the Issuer giving notice to Securityholders as soon as practicable in accordance with Product Condition 12, which notice shall contain brief details of the Adjustment/Termination Event. If the Securities are so terminated and cancelled, the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such Securityholder which amount shall be the Market Value of a Security taking into account the relevant Adjustment/Termination Event, all as determined by the Calculation Agent in its reasonable discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Product Condition 12; and
 - (iii) where Disruption Event Termination Option is not specified to apply in the relevant Final Terms no further Coupon Amounts shall be payable in respect of the Securities.

The Calculation Agent shall, as soon as practicable after receipt of any written request from a Securityholder to do so, advise such Securityholder of any determination made by it pursuant to this Product Condition 8 which occurs on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Securityholders copies of any such determinations.

8.5 **Specific Adjustment Events and Adjustment/Termination Events in relation to different Reference Items**

Set out below are Adjustment Events and Adjustment/Termination Events where the Reference Item (as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms) is any of the following:

8.5.1 *Commodity*

Where the Underlying, Performance Amount Underlying or a relevant Reference Item, is a Commodity, in each case as specified under the heading "Underlying" or "Performance Amount

Underlying" in the relevant Final Terms, and which may be determined by reference to a futures contract (a "**Futures Contract**");

- (a) in addition to Product Conditions 8.1(a) to (c) (inclusive), the following shall each be an Adjustment Event:
 - (i) a relevant Commodity or relevant Futures Contract is traded on the Reference Source since the Issue Date in a different quality or another content, constitution or composition (for example in a different degree of purity or with a different point of origin);
 - (ii) any other event or measure as a result of which the Commodity or relevant Futures Contract, as traded on the Reference Source, is changed or altered; and
 - (iii) a material suspension of, or a material limitation imposed on, trading in the Futures Contract or Commodity on the Reference Source or in any other relevant futures contract, options contract or commodity on any exchange, trading system or quotation system, where such event is determined by the Calculation Agent not to be a Market Disruption.
- (b) In addition to Product Conditions 8.3(a) to (g) (inclusive) the following shall each be an Adjustment/Termination Event:
 - (i) the permanent discontinuation of trading, in a relevant Futures Contract or Commodity on the relevant Reference Source, the disappearance of, or of trading in, the Commodity or the disappearance or permanent discontinuance or unavailability of any relevant price or value for a Commodity or Futures Contract (notwithstanding any availability of the related Reference Source or the status of trading in the relevant Futures Contract or the Commodity);
 - (ii) the occurrence since the Issue Date of a material change in the formula for or method of calculating any relevant price or value for a Commodity or Futures Contract;
 - (iii) the failure of the Reference Source to announce or publish any relevant price or value for a Commodity or Futures Contract (or the information necessary for determining any such price or value) or the temporary or permanent discontinuance or unavailability of the Reference Source, where such event is determined by the Calculation Agent not to be a Market Disruption; and
 - (iv) where the Reference Source for a relevant Commodity is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, any material options or futures contract on or relating to such Commodity ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason.

8.5.2 *Rate of Exchange*

Where the Underlying, Performance Amount Underlying or a relevant Reference Item, is a foreign exchange rate (a "**Rate of Exchange**") referring to two or more currencies (each a "**Relevant Currency**"), in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms:

- (a) In addition to Product Conditions 8.1(a) to (c) (inclusive), the following shall each be an Adjustment Event:
 - (i) a Relevant Currency is, in its function as legal tender, in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such Relevant Currency, replaced by another currency, or merged with another currency to become a common currency;
 - (ii) a Relevant Currency in its function as legal tender ceases, for any reason, to be legal tender in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such Relevant Currency; and

- (iii) where the Reference Source for any Rate of Exchange is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, the exchange rate between the relevant First Currency and Second Currency ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent.

As used herein:

"First Currency" means the currency appearing first in the definition of the relevant Rate of Exchange or, in the case of a Rate of Exchange referring to more than two currencies, the currency referred to first in each constituent rate of such Rate of Exchange; and

"Second Currency" means the currency appearing second in the definition of the relevant Rate of Exchange or, in the case of a Rate of Exchange referring to more than two currencies, the currency referred to second in each constituent Rate of Exchange.

8.5.3 *Futures Contract*

Where the Underlying, Performance Amount Underlying or a relevant Reference Item, is a Futures Contract, in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms:

- (b) In addition to Product Conditions 8.1(a) to (c) (inclusive) the following shall each be an Adjustment Event:
 - (i) the terms and conditions of the relevant Futures Contract, or its underlying concepts or reference asset or basis, are materially modified;
 - (ii) any other event or measure as a result of which the Futures Contract, as traded on the Reference Source, is changed or altered; and
 - (iii) a material suspension of, or a material limitation imposed on, trading in the Futures Contract on the Reference Source or in any other relevant futures contract or options contract on any exchange, trading system or quotation system, where such event is determined by the Calculation Agent not to be a Market Disruption.
- (c) In addition to Product Conditions 8.3(a) to (g) (inclusive) the following shall each be an Adjustment/Termination Event:
 - (i) the permanent discontinuation of trading, in a relevant Futures Contract on the relevant Reference Source, the disappearance or permanent discontinuance or unavailability of any relevant price or value for a Futures Contract (notwithstanding any availability of the related Reference Source or the status of trading in the relevant Futures Contract);
 - (ii) a material change in the formula for or method of calculating any relevant price or value for a Futures Contract;
 - (iii) the failure of the Reference Source to announce or publish any relevant price or value for a Futures Contract (or the information necessary for determining any such price or value) or the temporary or permanent discontinuance or unavailability of the Reference Source, where such event is determined by the Calculation Agent not to be a Market Disruption;
 - (iv) where the Reference Source for a Futures Contract is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, such Futures Contract ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason; and
 - (v) the Futures Contract has been terminated, cancelled or otherwise ceased to be outstanding for any reason.

8.5.4 *Equity Shares*

Where the Underlying, Performance Amount Underlying or a relevant Reference Item, is an Equity Share, in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms:

- (d) in addition to Product Conditions 8.1(a) to (c) (inclusive), the following shall each be an Adjustment Event:
- (i) a subdivision, consolidation or reclassification of relevant Equity Shares (unless it has resulted in a Merger Event) or a free distribution or dividend of any such shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution, issue or dividend to existing holders of the relevant Equity Shares of (1) such shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Equity Share Company equally or proportionately with such payments to holders of such Equity Shares, or (3) share capital or other securities of another issuer as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Equity Share Company in respect of relevant Equity Shares that are not fully paid;
 - (v) a repurchase by or on behalf of the Equity Share Company or any of its subsidiaries of relevant Equity Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) in respect of an Equity Share Company, an event that results in any shareholder rights being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Equity Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent;
 - (vii) any redemption of shareholder rights referred to under (vi) above; and
 - (viii) any other event that may have a diluting or concentrative or other effect on the theoretical value of the relevant Equity Shares.
- (e) In addition to Product Conditions 8.3(a) to (g) (inclusive) the following shall each be an Adjustment/Termination Event:
- (i) a "**De-Listing**", which means, for any Equity Share for which the Reference Source is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, such Equity Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent;
 - (ii) an "**Insolvency**", which means by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Equity Share Company (A) all the Equity Shares of that Equity Share Company are required to be transferred to a trustee, liquidator or other similar official; or (B) holders of the shares of that Equity Share Company become legally prohibited from transferring them;
 - (iii) "**Merger Event**", which means, in respect of any relevant Equity Shares, any (i) reclassification or change of such Equity Shares that results in a transfer of or an irrevocable commitment to transfer all of such Equity Shares outstanding to another entity or person; (ii) consolidation, amalgamation, merger or binding share exchange of

an Equity Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Share Company is the continuing entity and which does not result in a reclassification or change of all of such Equity Shares outstanding); (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equity Shares of the Equity Share Company that results in a transfer of or an irrevocable commitment to transfer all such Equity Shares (other than such Equity Shares owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Share Company or its subsidiaries with or into another entity in which the Equity Share Company is the continuing entity and which does not result in a reclassification or change of all such Equity Shares outstanding but results in the outstanding Equity Shares (other than Equity Shares owned or controlled such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equity Shares immediately following such event, in each case if the Merger Date is on or before the last possible date on which the Calculation Agent could be required by the Product Conditions to determine the price or value of the relevant Equity Share;

- (iv) "**Nationalisation**", which means all the relevant Equity Shares or all or substantially all of the assets of an Equity Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and
- (v) "**Tender Offer**", which means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Share Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

As used herein:

A "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Equity Share Company**" means with respect to an Equity Share, the issuer specified for such Share under the heading "Underlying" or "Performance Amount Underlying" in the relevant Final Terms.

8.5.5 *Index*

Where the Underlying, Performance Amount Underlying or a relevant Reference Item, is an Index, in each case as specified under the heading "Index", "Underlying" or "Performance Amount Underlying" in the relevant Final Terms:

- (a) In addition to Product Conditions 8.1(a) to (c) (inclusive), the following shall each be an Adjustment Event:
 - (i) Any Index is not calculated or announced by the Index Sponsor specified under the heading "Index Sponsor", "Underlying" or "Performance Amount Underlying" in the relevant Final Terms but is calculated by a successor sponsor (the "**Successor Sponsor**") acceptable to the Calculation Agent.
 - (ii) Any such Index is replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index specified under the heading "Index", "Underlying" or "Performance Amount Underlying" in the relevant Final Terms.

The consequences of such Adjustment Event may be, in each case that the relevant Index will be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (b) In addition to Product Conditions 8.3(a) to (g) (inclusive) the following shall each be an Adjustment/Termination Event:

On or prior to any date with respect to which the Calculation Agent is required to determine the level of an Index, the relevant Index Sponsor or, if applicable, the Successor Sponsor (1) makes or announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index; or (2) permanently cancels that Index; or (3) fails to calculate and announce that Index (provided that the Calculation Agent may, in its discretion, determine that such event instead gives rise to a Market Disruption) and, in each case, the provisions of (a) above do not apply.

8.5.6 *Fund Shares*

Where the Underlying, Performance Amount Underlying or relevant Reference Item, is a Fund Share, in each case as specified under the heading "Underlying" or "Performance Amount Underlying" in the Product Terms:

- (a) In addition to Product Condition 8.1(a) to (c) (inclusive) the following shall each be an Adjustment Event:
- (i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless an Adjustment/Termination Event) or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of relevant Fund Shares of (1) such Fund Shares, or (2) other share capital or securities granting the right to payment of dividends, redemption amounts or other amounts and/or delivery of assets and/or the proceeds of liquidation of the Fund equally or proportionately with such payments or deliveries to holders of such Fund Shares, or (3) share capital or other securities of another issuer acquired by the Fund as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Fund in respect of relevant Fund Shares that are not fully paid;
 - (v) the Fund repurchases, redeems or is required by any applicable regulatory authority to repurchase or redeem relevant Fund Shares (other than in accordance with normal redemption or realisation procedures for such Fund Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Fund an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Fund (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
 - (vii) the occurrence of a tender offer (a "**Tender Offer**") by any entity or person to purchase more than 10 per cent. but less than 50 per cent. of the outstanding voting shares of any class of shares of the Fund, as determined by the Calculation Agent based upon the making of filings with governmental agencies and/or the nature and term of the Tender Offer;
 - (viii) any material change in the formula for or the method of calculating the net asset value or other price or value of the relevant Fund Share, or in the composition or weighting of the prices or assets on the basis of which such net asset value or other price or value is calculated; or

- (ix) any other event that may have, in the opinion of the Calculation Agent, a dilutive or concentrative or other effect on the theoretical value of the Fund Shares.
- (b) In addition to Product Condition 8.3(a) to (f) (inclusive) the following shall each be an Adjustment/Termination Event:
- (i) for any Fund Share for which the Reference Source is an exchange, a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, the Fund Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent;
 - (ii) in relation to a Fund Share, (A) the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, winding-up or other cessation of trading of or any analogous proceeding in relation to (i) the relevant Fund or (ii) the relevant Master Fund or (iii) unless replaced with a successor acceptable to the Calculation Agent, the relevant Administrator or the relevant Manager or (B) all such Fund Shares are required to be transferred to a trustee, liquidator or other similar official;
 - (iii) in respect of a Fund, its Manager or its Master Fund:
 - (A) an irrevocable commitment to transfer all of the relevant Fund Shares or shares or units in such Master Fund outstanding; or
 - (B) a consolidation, amalgamation or merger of such Fund, such Manager or such Master Fund with or into another fund or fund manager other than a consolidation, amalgamation or merger in which such Fund or its Master Fund or its Manager is the continuing Fund, Master Fund or Manager, as the case may be; or
 - (C) a takeover offer for such Fund, Master Fund or Manager that results in a transfer of or an irrevocable commitment to transfer all of the relevant Fund Shares or shares or units in such Master Fund or all the shares of such Manager (other than Fund Shares or shares owned or controlled by the offeror);
 - (iv) the Administrator or the Manager or the administrator or the manager of the Master Fund ceases to act in its capacity as administrator or manager of the Fund or the Master Fund, as the case may be, and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
 - (v) a material modification of the investment objectives, investment policies, investment strategy, investment process or investment guidelines (however described) ("**Investment Guidelines**") of the Fund or the Master Fund;
 - (vi) a material modification or breach of the conditions in place for the relevant Fund and/or the relevant Master Fund (including but not limited to a modification or breach of the Fund Information Document or the memorandum and articles of association or other constitutional documents of the Fund or any prospectus, information memorandum or similar document (including any document supplementing, amending or restating the same) or memorandum and articles of association or other constitutional documents of the Master Fund);
 - (vii) interruption, breakdown or suspension of the calculation or publication of the net asset value or other value or price of the Master Fund;
 - (viii) a material modification of the type of assets in which the Fund and/or the Master Fund invests or the trading practices of the Fund or the Master Fund (including but not limited to a material deviation from the Investment Guidelines set out in any Fund Information Document) which, in the determination of the Calculation Agent, has or is likely to have a material effect on the Hedging Arrangements of the Issuer in respect of the Securities;

- (ix) the non-execution or partial execution or delayed execution by or on behalf of the Fund for any reason of a subscription or redemption order in respect of any Fund Shares given by the Issuer and/or any Hedging Party;
- (x) the Fund otherwise suspends redemptions of any Fund Shares;
- (xi) the Fund or any party acting on its behalf imposes any restriction, charge or fee in respect of a redemption or issue of Fund Shares (other than any restriction, charge or fee in existence as at the Issue Date of the Securities);
- (xii) the Fund, the Master Fund, the manager of the Master Fund or the Manager has any relevant licence, authorisation or registration cancelled or revoked by any applicable regulatory authority and/or the Issuer and/or any Hedging Party is required by an applicable regulatory authority to dispose of any Fund Shares held in connection with any Hedging Arrangements relating to the Securities;
- (xiii) there is a change in the taxation treatment in any relevant jurisdiction in respect of any payments and/or deliveries made by a Fund or any reinvested amounts held by a Fund in respect of any Fund Shares as a result of which the amounts and/or assets realised by the Issuer in connection with Hedging Arrangements relating to the Securities are materially reduced or otherwise adversely affected; or
- (xiv) any other event occurs in relation to the relevant Fund or the relevant Fund Shares, which, in the determination of the Calculation Agent, has a material adverse effect on the value of such Fund Shares and/or the Hedging Arrangements of the Issuer in connection with the Securities and which is not an Adjustment Event.

The following definitions shall apply:

"Administrator" means, in relation to a Fund, any entity described as such in relation to the Fund in any Fund Information Document or which provides administrative, book-keeping or similar services (however described) to the Fund, all as determined by the Calculation Agent;

"Fund" means, with respect to a Fund Share, each issuer or obligor specified for such Fund Share in the definition of "Underlying" or "Performance Amount Underlying" in the Product Terms;

"Fund Information Document" means, in relation to a Fund and a Fund Share, any prospectus, information memorandum or similar document relating to the Fund and/or the Fund Share (including any document supplementing, amending or restating the same), all as determined by the Calculation Agent;

"Fund Share" means each fund share, interest or unit specified in the definition of "Underlying" or "Performance Amount Underlying" in the Product Terms;

"Manager" means, in relation to a Fund, any entity described as such in relation to the Fund in any relevant Fund Information Document or which provides investment, managerial, broking or arrangement or similar services (however described) to the Fund, all as determined by the Calculation Agent; and

"Master Fund" means, in relation to a Fund, any entity described as such in relation to the Fund in any relevant Fund Information Document or which acts as a master fund or umbrella fund or similar entity (however described) in relation to the Fund, all as determined by the Calculation Agent.

9. Purchases

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

10. Payments

10.1 Method of payment

10.1.1 *Method of payment of English Law Securities*

If the Securities are English Law Securities, this Product Condition 10.1.1 shall apply. Unless otherwise provided in the conditions, any amounts payable to the Securityholders will be transferred by an Agent on behalf of the Issuer to the relevant Clearing Agent for distribution to the Securityholders. Payments to a Clearing Agent will be made in accordance with the rules of such Clearing Agent.

The Issuer will be discharged from its payment obligations by payment to, or to the order of, the relevant Clearing Agent in respect of the amount so paid. Each of the persons shown in the records of a Clearing Agent as the holder of a particular number of the Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the Issuer to, or to the order of, the relevant Clearing Agent.

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and subject to the provisions of Product Condition 13.

If a payment of any amount payable to a Securityholder, according to the rules of the relevant Clearing Agent, cannot be made in the Determined Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to securityholders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Determined Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

10.1.2 *Method of payment of Portuguese Law Securities*

If the Securities are Portuguese Law Securities, this Product Condition 10.1.2 shall apply. If:

- (a) the Securities are denominated in EUR, payments in respect of the Securities will:
 - (i) be debited from the relevant payment current account of the Principal Agent (acting on behalf of the Issuer) (such account being the payment current account that the Principal Agent has notified to, and that has been accepted by, Interbolsa to be used on the Principal Agent's behalf for payments in respect of securities held through Interbolsa) and credited to the payment current accounts of the Affiliate Members of Interbolsa, whose securities control accounts with Interbolsa are credited with such Securities all in accordance with the applicable procedures and regulations of Interbolsa; and, thereafter,
 - (ii) be debited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts and credited either (A) to the cash accounts of the owners of those Securities with such Affiliate Members of Interbolsa, or (B) to the cash accounts held by Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme and thereafter to the cash accounts held by the beneficial owners of those Securities with Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (as applicable), in accordance with the rules and procedures of Interbolsa, Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme, as the case may be; and
- (b) the Securities are denominated in a currency other than EUR, payments in respect of the Securities will:
 - (i) be transferred, on the due date for such payment (in each case in accordance with the applicable procedures and regulations of Interbolsa available at www.interbolsa.pt), from the account held by the Principal Agent in the Foreign Currency Settlement System (Sistema de Liquidação em Moeda Estrangeira), managed by Caixa Geral de Depósitos, S.A., to the payment current accounts of the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Securities; and, thereafter
 - (ii) be debited by such Affiliate Members of Interbolsa from such payment current accounts and credited either (A) to the cash accounts of the owners of those Securities with such Affiliate Members of Interbolsa or (B) to the cash accounts held by Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme and thereafter to the cash accounts

held by the beneficial owners of those Securities with Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (as applicable), in accordance with the rules and procedures of Interbolsa, Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme, as the case may be.

The holders of the Securities must rely upon the procedures of Interbolsa to receive payment in respect of the Securities. The Issuer will be discharged of its payment obligations in respect of the Securities by payment to, or to the order of, the relevant Affiliate Members of Interbolsa, the clients of whom are shown as the registered holders of such Securities in the records of such Affiliate Members of Interbolsa. The Issuer will be discharged towards the relevant Securityholders in respect of each amount so paid.

The right to receive payment of any Coupon Amount lapses five years after the date on which such Coupon Amount becomes payable. The right to receive payment of any amount(s) payable in respect of principal lapses twenty years after the date on which any relevant amount becomes payable. The limitation on the right to receive such payments is for the benefit of the Issuer.

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and subject to the provisions of Product Condition 13.

If a payment of any amount payable to a Securityholder, according to the rules of the relevant Clearing Agent, cannot be made in the Determined Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to holders of securities control accounts with Interbolsa, following a conversion of the relevant amount from the Determined Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

10.1.3 *Method of payment of Spanish Law Securities*

If the Securities are Spanish Law Securities, this Product Condition 10.1.3 shall apply. Payments in respect of the Securities will be debited from the cash account held by the Principal Agent with the Bank of Spain and credited to the cash accounts held with the Bank of Spain by the members of Iberclear whose securities accounts with Iberclear are credited with such Securities, all in accordance with the applicable procedures and regulations of Iberclear and the Target2-Bank of Spain system. Thereafter, each of the members of Iberclear shall credit the relevant payments to each of the accounts of the relevant Securityholders.

The holders of the Securities must rely upon the procedures of Iberclear to receive payment in respect of the Securities. The Issuer will be discharged of its payment obligations in respect of the Securities by payment to the relevant member of Iberclear appointed by the Issuer as paying agent which will procure payment to any of the relevant members of Iberclear, the clients of whom are shown as the registered Securityholders of such Securities. The Issuer will be discharged towards the relevant Securityholders when the paying agent has paid, on behalf of the Issuer, the relevant amounts to each of the members of Iberclear, the clients of whom are shown as the registered Securityholders of such Securities.

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and subject to the provisions of Product Condition 13.

If a payment of any amount payable to a Securityholder, according to the rules of the relevant Clearing Agent, cannot be made in the Determined Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to Securityholders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Determined Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

10.2 **Presentation**

If the Securities are English Law Securities, this Product Condition 10.2 shall apply. Payments of principal and Coupon Amount will, subject as provided below, be made in the manner provided in Product Condition 10.1 and otherwise in the manner specified in the Global Security against presentation or surrender, as the case may be, of the Global Security at the specified office of any

Agent. A record of each payment made against presentation or surrender of the Global Security, distinguishing between any payment of principal and any payment of Coupon Amount, will be made on the Global Security by the relevant Agent and such record shall be prima facie evidence that the payment in question has been made.

The bearer of a Security shall be the only person entitled to receive payments of principal or Coupon Amount and the Issuer will be discharged by payment to, or to the order of, the bearer of the Global Security in respect of the amount so paid. Each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the Issuer to, or to the order of, the bearer of the Global Security.

Any claim to receive payments under the Securities, will be time-barred unless the Global Security has been presented within a period of ten years in relation to the payment of the principal and five years in relation to the payment of Coupon Amount or such longer period as may apply under relevant statute.

10.3 **Payment Day**

If any date for payment of any amount in respect of any Security is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any Coupon Amount or other payment in respect of such delay.

10.4 **Business Day Convention**

If any date referred to in these Product Conditions or the relevant Final Terms that is specified to be subject to adjustment in accordance with the Business Day Convention would otherwise fall on a day that is not a Business Day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date (if any) shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

10.5 **Liability for calculations and determinations**

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable hereunder or in any other determination pursuant to the provisions hereof.

10.6 **Securityholder Expenses**

The obligation of the Issuer to make payment is subject to prior full payment of any amount due to be paid by the Securityholder to the Issuer pursuant to the conditions. In particular, such due amount includes any applicable Securityholder Expenses. Any due amount will, as far as covered by a cash amount(s) to be paid according to the conditions, be directly subtracted from such cash amount(s). As long as a due amount has not been settled by a Securityholder, no payment shall be made by the Issuer under the Securities to such Securityholder.

10.7 **Redemption and settlement risk**

Redemption of, and any payment in respect of, the Securities is subject to all applicable laws, regulations and practices in force at all relevant times, and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

11. **Agents, Calculation Agent, determinations and modifications**

11.1 **Agents**

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country if so required by the rules and regulations of each such stock exchange and the securities regulators in each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Securityholders in accordance with Product Condition 12. The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

11.2 **Calculation Agent**

Deutsche Bank AG, London Branch (or, where the Securities are Spanish Law Securities, in accordance with the provisions of Product Condition 11.3 below, the Third Party Calculation Agent as the context requires shall undertake the duties of calculation agent (the "**Calculation Agent**" which expression shall include any successor calculation agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent, provided that no termination of appointment of the existing Calculation Agent shall become effective until a successor Calculation Agent has been appointed. Notice of any such termination or appointment will be given to the Securityholders in accordance with Product Condition 12.

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculations or determinations in respect of the Securities made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders,

Subject as otherwise provided herein, any agreement, determination, calculation or exercise of a discretion by the Calculation Agent in relation to the Securities (including, without limitation, with respect to the occurrence of a Credit Event or obtaining quotations) in each case in accordance with these Product Conditions, shall be made by it in good faith and in a commercially reasonable manner. Whenever the Calculation Agent is required to make any determination, it may, inter alia, decide issues of construction and legal interpretation in its discretion.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate, provided that, where the Securities are Spanish Law Securities, in the case of the Third Party Calculation Agent, such third party is not the Issuer.

Subsequent to any calculation or determination by the Calculation Agent in respect of the Securities, any subsequently published corrections in respect of any value or price of a Reference Item used by the Calculation Agent in respect of such calculation or determination shall only be taken into account by the Calculation Agent to the extent that it is published within the Correction Period specified in the relevant Final Terms or, if earlier, on or before the second Business Day proceeding the day on which a payment or delivery is to be made, the amount of which is determined in whole or in part by reference to such value or price of the Reference Item.

If, where the Calculation Agent has relied upon a DC Resolution for the purposes of making a calculation or determination with respect to the Securities, ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution, then provided that such reversal is not announced within 10 Business Days of the Redemption Date (or, where the calculation or determination related to a partial redemption, the relevant Partial Redemption Date), such reversal will be taken into account for the purposes of any subsequent calculations excepting instances where any Securities which would otherwise have been affected by such a reversal have already been redeemed (where redeemed in part, to the extent of any such redemption). The Calculation Agent, acting in a

commercially reasonable manner, will make any adjustment to any future payments as are required to take account of such reversal, including any payment of additional interest or any reduction in any interest or any other amount payable under the Securities. For the avoidance of doubt, no accruals of coupon shall be taken into account when calculating any such adjustment payment.

11.3 **Role of the Third Party Calculation Agent**

Where the Securities are Spanish Law Securities and the relevant Final Terms specify that the Calculation Agent shall be a Third Party Calculation Agent, this Product Condition 11.3 shall apply. Any determination(s) which is to be made in accordance with the conditions where the Issuer or the Calculation Agent is entitled to make determinations at its own option or which involve the exercise of its own discretion ("**Relevant Determinations**"), will be made by the Third Party Calculation Agent (being the entity (which shall not be the Issuer) specified as such in the Product Conditions, the "**Third Party Calculation Agent**"). All references to the Issuer or Calculation Agent in each such context making any Relevant Determinations, as the case may be, will be construed to refer to such Third Party Calculation Agent making such Relevant Determinations. The Third Party Calculation Agent shall make all such Relevant Determinations to the "best of its knowledge". In making such Relevant Determinations, the Third Party Calculation Agent shall at all times act as a third party service provider and independently of the Issuer. For the purpose of all other determinations specified to be made by the Calculation Agent in respect of the Securities, the Issuer shall be the Calculation Agent. For the avoidance of doubt, Relevant Determinations will not include (a) any exercise by the Issuer of any option or right for any other purpose, including, any right to redeem, cancel or terminate such Securities, (b) any right to vary or terminate the appointment of any Agent or Calculation Agent in accordance with the terms of Product Conditions 11.1 or 11.2, as the case may be or (c) any right to substitute the Issuer or a Branch in accordance with the terms of Product Condition 15 and the Calculation Agent (except where it is the Issuer) will not act as agent of the Issuer or the Securityholders. The Calculation Agent will act as a third independent party and will not assume any fiduciary duties or a relationship of agency or trust for or with the Issuer or the Securityholders.

For so long as any Securities are outstanding, the Issuer will procure that a Third Party Calculation Agent is appointed in respect of the Securities and that such Third Party Calculation Agent shall not be the Issuer itself (but may be a subsidiary or Affiliate of the Issuer). The Third Party Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

11.4 **Determinations by the Issuer and the Calculation Agent**

All determinations made by the Issuer in accordance with the conditions shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

All determinations made by the Calculation Agent in accordance with the conditions shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders and the Issuer.

12. **Notices**

12.1 **Notices – English Law Securities**

If the Securities are English Law Securities, this Product Condition 12.1 shall apply. Notices to the Securityholders are made via notification to the Clearing Agent(s) to be passed on to the Securityholders.

Notices, if delivered to the Clearing Agent(s), will become effective on the third day after delivery to the Clearing Agent or all the Clearing Agents (if more than one).

If the Securities are listed on any stock exchange or regulated market or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange or regulated market and each such jurisdiction.

In addition, and for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange, notices will be given in accordance with the rules of the Luxembourg Stock Exchange which may include, if the rules of the Luxembourg Stock Exchange so require, by publication on the Luxembourg Stock Exchange's website (www.bourse.lu).

12.2 Notices – Spanish Law Securities

If the Securities are Spanish Law Securities, this Product Condition 12.2 shall apply. Notices to the Securityholders are made via notification to the Clearing Agent(s) to be passed on to the Securityholders.

Notices, if delivered to the Clearing Agent(s), will become effective on the third day after delivery to the Clearing Agent or all the Clearing Agents (if more than one).

If the Securities are listed on any stock exchange or regulated market or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange or regulated market and each such jurisdiction.

In addition, and for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange, notices will be given in accordance with the rules of the Luxembourg Stock Exchange which may include, if the rules of the Luxembourg Stock Exchange so require, by publication on the Luxembourg Stock Exchange's website (www.bourse.lu).

12.3 Notices – Portuguese Law Securities

If the Securities are Portuguese Law Securities, this Product Condition 12.3 shall apply. Notices to the Securityholders are made via delivery to the relevant Affiliate Members of Interbolsa for subsequent delivery to the relevant Securityholders.

Notices, if delivered to the relevant Affiliate Members of Interbolsa, will become effective on the Business Day after delivery to the relevant Affiliate Members of Interbolsa, provided that no such notice shall become effective prior to it being disclosed through the website of the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) (www.cmvm.pt), if such disclosure is required.

If the Securities are listed on any stock exchange or regulated market or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange or regulated market and each such jurisdiction.

In addition, and for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange, notices will be given in accordance with the rules of the Luxembourg Stock Exchange which may include, if the rules of the Luxembourg Stock Exchange so require, by publication on the Luxembourg Stock Exchange's website (www.bourse.lu).

13. Taxation

In relation to each Security, Securityholder Expenses will be for the account of the relevant Securityholder as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for or pay, any tax, duty, charge, withholding or other amount whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, any payment or any delivery in respect of the Securities held by such Securityholder or, where the Securities are Portuguese Law Securities or Spanish Law Securities, be liable for any failure by a non-resident holder of any Securities to comply with any debt instruments withholding tax exemption certification procedures pursuant to, respectively, Decree-Law 193/2005 of 13 November 2005 (as amended), in the case of Portuguese Law Securities, and Royal Decree 1776/2004, of 30 July, approving the Non-Residents Income Tax Regulations and the Order of the Spanish Treasury EHA/3316/2010, of 17 December, approving self-assessment tax forms 210, 211 y 213 corresponding to Non-Residents Income Tax (both as amended), in the case of Spanish Law Securities. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Securityholder, such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other amount. Each Securityholder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other amount as referred to above in respect of the Securities of such holder.

The Issuer may, at its option redeem the Securities, in whole or in part, at any time prior to maturity, at their Redemption Amount (as defined in Product Condition 6) together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if the Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA Provisions (as defined below), provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Securityholder (or a foreign withholding agent (if any) in the chain of custody of payments made to the Securityholders) with the Issuer's requests for certifications or identifying information (such redemption, a "**Redemption for Tax Compliance Reasons**"). Upon a Redemption for Tax Compliance Reasons, Securities held by compliant Securityholders, in addition to those held by non-compliant Securityholders, may be redeemed.

Notice of intention to redeem Securities will be given in accordance with condition 12 not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption. From and after any redemption date, if monies for the redemption of Securities shall have been made available for redemption on such redemption date, such Securities shall cease to bear interest, if applicable, and the only right of the Securityholders shall be to receive payment of the Redemption Amount (as defined in Product Condition 6) and, if appropriate, all unpaid interest accrued to such redemption date.

As used in these Terms and conditions, the term "**FATCA Provisions**" means Section 1471 through 1474 of the Code, the U.S. Treasury regulations promulgated thereunder, and any administrative guidance with respect thereto, whether currently in effect or as published and amended from time to time.

14. **Further issues**

The Issuer reserves the right, without the consent of one or more Securityholders, to issue further securities in such a way as to be consolidated with any Securities already issued.

15. **Substitution**

15.1 **Substitution of Issuer**

The Issuer may, at any time, without the consent of the Securityholders opt to be replaced as principal obligor by a company (the "**Substitute**") which is either a subsidiary or affiliate of the Issuer. Such substitution is permissible if:

- (a) the Substitute's obligations are guaranteed by Deutsche Bank AG (unless Deutsche Bank AG itself is the Substitute);
- (b) all actions, conditions and tasks required to be taken, fulfilled and completed (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute have been taken, fulfilled and completed and are in full force and effect; and
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with Product Condition 12.

In the event of any substitution of the Issuer, any reference in the conditions to the Issuer shall henceforth be construed as a reference to the Substitute.

15.2 **Substitution of office**

The Issuer is entitled to change the office through which it is acting for the purpose of the Securities, by notifying the Securityholders of this change and the date thereof, in accordance with Product Condition 12. The office may not be changed prior to this notification.

16. **Redenomination**

16.1 **Redenomination in Euro**

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Product Condition 12, elect that, with effect from the Adjustment Date specified in the notice, the Securities shall be redenominated in euro.

The election will have effect as follows:

- (a) where the Determined Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Determined Currency shall be deemed to be an amount of euro converted from the original Determined Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the conditions to the Determined Currency were to euro;
- (b) where the conditions contain a rate of exchange or any of the conditions are expressed in a currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such rate of exchange or any other terms of the conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and
- (c) such other changes shall be made to the conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.

16.2 **Adjustment**

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Product Condition 12, make such adjustments to the conditions as the Issuer may determine to be appropriate to account for the effect on the conditions of the third stage of European Economic and Monetary Union pursuant to the Treaty.

16.3 **Associated Costs**

Notwithstanding the provisions of paragraph 16.1 and 16.2 above, none of the Issuer, the Calculation Agent and any Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

17. **Meetings of Securityholders of Portuguese Law Securities**

If the Securities are Portuguese Law Securities, this Product Condition 17 shall apply. Securityholders of the same series of Securities have the right to hold meetings to consider any matter affecting their interests, including the modification or abrogation of any of the conditions and to appoint a common representative (which must be a firm of lawyers, a firm of certified auditors or a natural person) as representative of their interests, under the terms of articles 355 to 359 of the Portuguese Companies Code, enacted by Decree-Law 262/86, of 2 September 1986 (as amended).

A meeting of holders of the Securities may be convened by (a) the common representative, at any time, or if (i) the common representative refuses to convene such a meeting or (ii) the meeting fails to be convened because a common representative has not been appointed, (b) the management of Deutsche Bank, Sucursal em Portugal. A meeting must in any case be convened by the common representative or the management of Deutsche Bank, Sucursal em Portugal if so requested by holders of the Securities holding not less than five per cent. of the aggregate nominal amount of the Securities. Every meeting of holders of the Securities shall be held on the date, and at the time and place, approved by the common representative or the management of Deutsche Bank, Sucursal em Portugal, as the case may be, as specified in the notice for such meeting of holders of the Securities. For the purposes of convening any such meeting, a call notice shall be disseminated at least 30 calendar days prior to the date of the meeting, (i) in accordance with all laws and regulations applicable to such dissemination (including any

rules and regulations of Interbolsa, the CMVM and of any stock exchange where the Securities are admitted to trading), and (ii) through the website of the CMVM (www.cmvm.pt).

18. **Provision of Information to Interbolsa in relation to Portuguese Law Securities**

If the Securities are Portuguese Law Securities, this Product Condition 18 shall apply. The Principal Agent shall provide information to Interbolsa regarding the amounts payable to the holders of the Securities by the fifth Business Day prior to the date on which such amounts will be paid to the relevant Securityholders or such later date as may be accepted by Interbolsa in respect of the Securities. The Issuer will provide the Principal Agent, on request, and no later than such fifth Business Day (or, in respect of any later date acceptable to Interbolsa, no later than that later date) with any such information relating to these amounts payable as Interbolsa may require.

19. **Modifications**

The Issuer may, to the extent permitted by applicable law and subject as provided below, modify the Product Conditions and/or the applicable Final Terms without the consent of the Securityholders in any manner which the Issuer may deem reasonably necessary (a) in order to maintain or preserve the intended commercial purpose of the Product Conditions and/or the applicable Final Terms or (b) if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or intended to correct a manifest or proven error or to cure, correct or supplement any defective provision contained therein. Notice of any such modification will be given to the Securityholders in accordance with Product Condition 12 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

The Issuer may exercise the above discretion for the reasons or in the circumstances described above (i.e. in order to maintain or preserve the intended commercial purpose of the Product Conditions and/or the applicable Final Terms or if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or is intended to correct any errors or defective provisions in the Product Conditions and/or the applicable Final Terms). In each of these cases the Issuer will first satisfy itself that the exercise of the discretion is reasonably necessary and it will consider if there is any reasonable alternative which would not incur additional material costs for the Issuer and/or its Affiliates. Following any modification pursuant to this Product Condition 19, the Issuer may at its discretion amend and restate the applicable Final Terms.

For the purposes of this Product Condition 19 only, "**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "**controlled by**" and "**controls**" shall be construed accordingly.

20. **Severability**

If any of the provisions of the Product Conditions is or becomes invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The invalid or unenforceable provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid or unenforceable provision. The same applies to any gaps in the Product Conditions.

21. **Governing law, place of jurisdiction**

21.1 **Governing Law and Place of Jurisdiction of English Law Securities**

If the Securities are English Law Securities, this Product Condition 21.1 shall apply. Subject as provided below, the Securities and any non-contractual obligations arising out of or in connection with the Securities shall be governed by, and shall be construed in accordance with, English law.

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of any person which exists or is available apart from that Act.

The courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities).

21.2 Governing Law and Place of Jurisdiction of Portuguese Law Securities

If the Securities are Portuguese Law Securities, this Product Condition 21.2 shall apply. Subject as provided below, the Securities and any non-contractual obligations in connection therewith, shall be governed by, and shall be construed in accordance with, Portuguese law, provided that the DC Credit Default Swap and the Credit Default Swap shall be governed by, and construed in accordance with, English law.

The exclusive place of jurisdiction for all proceedings arising from matters provided for in the conditions shall be Portugal and within the Portuguese jurisdiction, to the extent legally permitted, any such proceedings shall be held before the courts of Lisbon. Obligations of Deutsche Bank AG under the Securities will be performed only through Deutsche Bank AG, Sucursal em Portugal and the place of performance of any obligation of the Issuer under the conditions is Lisbon. In the event that, for reasons outside of its control, the Issuer is unable to perform any of its obligations in Lisbon (whether as a result of a change in law, regulation or otherwise), an investor shall not be entitled to require performance of such obligation(s) in any other jurisdiction or place.

21.3 Governing Law and Place of Jurisdiction of Spanish Law Securities

If the Securities are Spanish Law Securities, this Product Condition 21.3 shall apply. Subject as provided below, the Securities shall be governed by, and shall be construed in accordance with, Spanish law. The exclusive place of jurisdiction for all proceedings arising from matters provided for in the conditions shall, to the extent legally permitted, be, and any such legal proceedings shall be held before the courts of, Madrid. All the obligations of the Issuer under the conditions shall be performed exclusively from Spain through Deutsche Bank AG, Sucursal en España and all payments shall be originated in Spain for all purposes. As a consequence, in the event that, for reasons outside of its control, the Issuer is unable to perform its obligations from Spain through Deutsche Bank AG, Sucursal en España or to originate its payments from Deutsche Bank AG, Sucursal en España in Spain (whether as a result of a change in law, regulation, by administrative decision, force majeure or otherwise), an investor may not require that such obligations are performed from or originated by the Issuer acting through another branch or in any jurisdiction other than Spain.

V. FORM OF FINAL TERMS

Form of Final Terms

Final Terms dated [●]

DEUTSCHE BANK AG [LONDON BRANCH] [SUCURSAL EM PORTUGAL][SUCURSAL EN ESPAÑA]

(the "**Issuer**")

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Securities*] Securities

linked to [*Underlying/Performance Amount Underlying*] (the "**Securities**")

under its Programme for the issuance of credit linked securities

This document constitutes the Final Terms of the Securities described herein, and comprises the following parts:

Part A: Product Terms; and

Part B: Other Information.

These Final Terms have been prepared for the purpose of Article 5(4) of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 17 July 2014 (including the documents incorporated into the Base Prospectus by reference), (the "**Base Prospectus**") [as supplemented from time to time by supplements dated [●]]. Terms not otherwise defined herein shall have the meaning given in the Product Conditions set out in the Base Prospectus. Full information on the Issuer and the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus.

[The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (b) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (a) in circumstances in which no obligation arises for 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, in each case, in relation to such offer; or
- (b) in those Public Offer Jurisdictions mentioned under the section entitled "Non-exempt Offer" in Part B below provided such person is one of the persons mentioned in such section and that such offer is made during the Subscription Period or Offer Period specified in these Final Terms.

The Issuer has not authorised, nor does it authorise, the making of any offer of Securities in any other circumstances.

A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.

[The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer of Securities in any other circumstances.]⁴

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from [Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

⁴ Consider including this legend where only an exempt offer of Securities is anticipated.

PART A – PRODUCT TERMS

GENERAL

1. Security Type: [Single Reference Entity] [FTD] [Basket] [Fixed Recovery] [Zero Recovery Principal Amount Reduction] [Maturity Capital Protected] [Floating Rate] [Fixed Rate] [Fixed/Floating Switch Option] [Floating/Fixed Switch Option] [Range Accrual] [Inflation Index] [Underlying Linked Coupon Rate] [Underlying Linked Redemption] [Non Credit Linked Coupon] [Credit Event Accrued Interest] [Loss at Maturity] [Credit Contingent Call Option] [Callable] [English Law] [Portuguese Law] [Spanish Law] Securities.
2. Issue Price: [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●] per Security [[●] per cent.] [plus a subscription charge of [●] per cent.] [plus accrued interest from [●]]
- Following the Issue Date, further Securities may be sold at such times and at such prices as the Issuer may select.
3. (a) Issue Date: [●]
(b) Trade Date: [●]
4. (a) Nominal Amount: [●] per Security
(b) Aggregate Nominal Amount: [●]
5. Minimum trade size: The Securities may only be traded in a minimum initial amount of [●] and, thereafter, in multiples of [●].
6. Scheduled Maturity Date: [●]

PROVISIONS RELATING TO COUPON – Product Condition 4 (*Coupon Amount*)

7. Fixed Rate Securities: [Applicable] [, subject to paragraph 13 (*Underlying Linked Coupon Rate Securities*)] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Coupon Rate: [●] per cent. per annum (as referred to under Product Condition 4)
- (b) Coupon Commencement Date [Issue Date] [●]
- (c) Coupon Accrual Date(s): [●][, [●]][, [●] [and [●]] [in each year] from (and including) [the Coupon Commencement Date] [●] to (and including) the Maturity Date.
- (d) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the

Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.

- (e) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual]
[Actual/365]
8. Floating Rate Securities [Applicable] [, subject to paragraph 13
(*Underlying Linked Coupon Rate Securities*)
[Not Applicable]
- [If Not Applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Reference Rate: [[Structured Floating Rate (Aggregate Reference Rate)] [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]] [Structured Floating Rate ([EUR] [USD] CMS (SP1-SP2))] (as referred to under Product Condition 4)
- (b) Specified Period: [●] [week[s]] [month[s]] [year[s]]
[SP1: [●] [months] [year[s]]]
[SP2: [●] [months] [year[s]]]
- (c) Margin: [[●] per cent. per annum] [Not Applicable]
- (d) Leverage Factor: [●]
- (e) Linear Interpolation: [Applicable in respect of the [first] [and] [last scheduled] Coupon Period] [Not Applicable]
- (f) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (g) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (h) Coupon Commencement Date: [Issue Date] [●]
- (i) Coupon Accrual Date(s): [●], [●], [●] [and [●]] [in each year] from (and including) [the Issue Date] [●] to (and including) the Scheduled Maturity Date.
- (j) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.

- (k) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual]
9. Fixed/Floating Switch Option Securities Product Condition 4.1.6 (*Fixed/Floating Switch Option*) [Applicable] [, subject to paragraph 13 (*Underlying Linked Coupon Rate Securities*)] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Fixed to Floating Fixed Rate: [●] per cent. per annum (as referred to under Product Condition 4)
- (b) Fixed to Floating Switch Option Period Start Date: [●]
- (c) Fixed to Floating Switch Option Business Days: [●] Business Days
- (d) Reference Rate: [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]
- (e) Specified Period: [●] [months] [years]
- (f) Margin: [[●] per cent. per annum] [Not Applicable]
- (g) Leverage Factor: [●]
- (h) Linear Interpolation: [Applicable in respect of the first Coupon Period] [Not Applicable]
- (i) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (j) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (k) Coupon Commencement Date: [Issue Date] [●]
- (l) Coupon Accrual Date(s): [●][, [●]][, [●] [and [●]] [in each year] from (and including) [the Issue Date] [●] to (and including) the Scheduled Maturity Date.
- (m) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.
- (n) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual]
10. Range Accrual Securities [Applicable] [, subject to paragraph 13 (*Underlying Linked Coupon Rate Securities*)] [Not Applicable]
- [if Not Applicable, delete the remaining subparagraphs of this paragraph]*

- (a) Range Day Numerator Lower Barrier: [●] per cent.
- (b) Range Day Numerator Upper Barrier: [●] per cent.
- (c) Reference Rate: [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS] (as referred to under Product Condition 4)
- (d) Specified Period: [●] [months]
- (e) Margin: [[●]per cent. per annum] [Not Applicable]
- (f) Linear Interpolation: [Applicable in respect of the first Coupon Period] [Not Applicable]
- (g) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (h) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (i) Coupon Commencement Date: [the Issue Date] [●]
- (j) Coupon Accrual Date(s): [●],[[●]][, [●] [and [●]] [in each year] from (and including) [the Issue Date] [●] to (and including) the Scheduled Maturity Date.
- (k) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.
- (l) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual]
11. Inflation Index Securities [Applicable] [Not Applicable]
- [if Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Index: [●]
- (b) Index Sponsor: [●]
- (c) First Reference Month: [●]
- (d) Second Reference Month: The month falling [●] calendar months prior to the Relevant Calendar Month for such Coupon Period
- (e) Relevant Calendar Month: [The calendar month in which the Coupon Accrual Date for such Coupon Period falls] *[insert other relevant calendar month]*
- (f) Final Index Delay Date: [●]

	(g)	Index Manifest Error Cut Off Date:	[●]
	(h)	Index Material Modification Cut Off Date:	[●]
	(i)	Replacement/Successor Index Cut Off Date:	[●]
	(j)	Related Bond:	[Applicable] [Not Applicable]
	(k)	Leverage Factor:	[●]
	(l)	Margin:	[●]
	(m)	Minimum Coupon Rate:	[[●] per cent. per annum] [Not Applicable]
	(n)	Maximum Coupon Rate:	[[●] per cent. per annum] [Not Applicable]
	(o)	Disruption Event Termination Option:	[Applicable] [Not Applicable]
	(p)	Coupon Commencement Date:	[the Issue Date] [●]
	(q)	Coupon Accrual Date(s):	[●][, [●]][, [●] [and [●]] [in each year] from (and including) [the Issue Date] [●] to (and including) the Scheduled Maturity Date.
	(r)	Coupon Payment Date(s):	(i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.
	(s)	Day Count Fraction:	[Actual/360] [30/360] [Actual/Actual]
12.		Floating/Fixed Switch Option Securities	Product Condition 4.1.7 (<i>Floating/Fixed Switch Option</i>) [Applicable] [, subject to paragraph 13 (<i>Underlying Linked Coupon Rate Securities</i>)] [Not Applicable] <i>[If Not Applicable, delete the remaining subparagraphs of this paragraph]</i>
	(a)	Floating to Fixed Rate:	[●] per cent. per annum (as referred to under Product Condition 4)
	(b)	Floating to Fixed Switch Option Period Start Date:	[●]
	(c)	Floating to Fixed Switch Option Business Days:	[●] Business Days
	(d)	Reference Rate:	[EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]

- (e) Specified Period: [●] [months] [years]
- (f) Margin: [[●] per cent. per annum] [Not Applicable]
- (g) Leverage Factor: [●]
- (h) Linear Interpolation: [Applicable in respect of the first Coupon Period] [Not Applicable]
- (i) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (j) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (k) Coupon Commencement Date: [Issue Date] [●]
- (l) Coupon Accrual Date(s): [●][, [●]][, [●] [and [●]] [in each year] from (and including) [the Issue Date] [●] to (and including) the Scheduled Maturity Date.
- (m) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.
- (n) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual]
13. Underlying Linked Coupon Rate Securities Product Condition 4.1.5 (*Underlying Linked Coupon Rate*) [Applicable] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Underlying: [●]
- [Specify all relevant Underlyings including, (i) if the Underlyings are securities, the relevant ISINs and (ii) where the Underlyings are Indices, the name of the index, the Index Sponsor, the reference source, the reference currency and the Bloomberg or Reuters Code, each as applicable]*
- (b) Basket: [Applicable] [Not Applicable]
- (c) Reference Source: [●]
- (d) Multi-Exchange Index: [Applicable] [Not Applicable]
- (e) Related Exchange: [●]
- (f) [Fund Business Day: [Applicable] [Not Applicable]]
- (g) Reference Currency: [●]
- (h) Settlement Currency: [●]

- (i) Separate Reference Item Determination: [Applicable] [Not Applicable]
- (j) Correction Period: [●]
- (k) Ultimate Trading Day: [●]
- (l) Averaging: [Applicable] [Not Applicable]
- (m) Averaging Disruption Date: [●]
- (n) Underlying Replacement: [Applicable] [Not Applicable]
- (o) [Replacement Asset:]: [●]
- (p) Day Count Fraction: [●]
- (q) Coupon Commencement Date: [Issue Date] [●]
- (r) Coupon Accrual Date(s): [●][, [●]][, [●] [and [●]] [in each year] from (and including) [the Coupon Commencement Date] [●] to (and including) the Maturity Date.
- (s) Coupon Payment Date(s): (i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from (and including) the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date and (ii) the Scheduled Maturity Date, subject as set out in the Product Conditions, and provided that if any such Coupon Payment Date would otherwise fall on a day which is not a Payment Day, such Coupon Payment Date shall be postponed to the next day which is a Payment Day.
- (t) Coupon Payout 1: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining subparagraphs of this paragraph 13(r)]
- (i) Observation Date(s): [●] [Insert all Observation Dates]
- (ii) Initial Valuation Date: [●]
- (iii) Barrier Level: [●]
- (iv) Minimum Coupon Rate: [●] per cent.
- (u) Coupon Payout 2: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining subparagraphs of this paragraph 13(s)]
- (i) Initial Valuation Date: [●]
- (ii) Observation Date(s): [●] [Insert all Observation Dates]
- (iii) K: [●]
- (v) Coupon Payout 3: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining sub-

paragraphs of this paragraph 13(t)]

- (i) Initial Valuation Date: [●]
- (ii) Participation Fraction: [●]
- (iii) Observation Date(s): [●] *[Insert all Observation Dates]*
- (iv) K: [●]
- (w) Coupon Payout 4: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining sub-paragraphs of this paragraph 13(u)]
 - (i) Underlying 1: [●]
 - (ii) Underlying 2: [●]
 - (iii) Underlying 1 Initial Valuation Date: [●]
 - (iv) Underlying 2 Initial Valuation Date: [●]
 - (v) Observation Date: [●]
 - (vi) Barrier Level: [●]
 - (vii) Minimum Coupon Rate:: [●] per cent.
- (x) Coupon Payout 5: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining sub-paragraphs of this paragraph 13(v)]
 - (i) Initial Valuation Date: [●]
 - (ii) Participation Fraction: [●]
 - (iii) Maximum Coupon Rate: [●] [as specified in paragraph [8(f)] [9(i)]] [Not Applicable]
 - (iv) Observation Date(s): [●] *[Insert all Observation Dates]*
 - (v) K: [●]
- (y) Coupon Payout 6: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining sub-paragraphs of this paragraph 13(w)]
 - (i) Initial Valuation Date: [●]
 - (ii) Maximum Coupon Rate: [●] [As specified in paragraph [8(f)] [9(i)]] [Not Applicable]
 - (iii) Observation Date(s): [●] *[Insert all Observation Dates]*
 - (iv) K: [●]
- (z) Coupon Payout 7: [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph 13(u)]

- (i) Underlying 1: [●] *[specify for Underlying 1...n]*
- (ii) Underlying 1 Initial Valuation Date: [●] *[specify for Underlying 1...n]*
- (iii) Observation Date(s): [●] *[specify for Underlying 1...n]*
- (aa) Coupon Payout 8: [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph 13(x)]

- (i) Coupon Rate: [[●] %] [[EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK STIBOR] [PLN WIBOR] [EUR CMS] [USD CMS]] plus an amount calculated in accordance Coupon Payout [1] [2] [3] [4] [5] [6] [7]
- (ii) Specified Period: [[●] [months] [years]] [Not Applicable]
- (iii) Margin: [[●] per cent. per annum] [Not Applicable]
- (iv) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (v) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (vi) Linear Interpolation: [Applicable] [Not Applicable]

CREDIT-LINKED PROVISIONS

- 14. Single Reference Entity Securities [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- (a) Reference Entity: [●]
- (b) Reference Obligation: [●] *[Include relevant ISIN]*
- (c) Fixed Recovery Securities [Applicable] [Not Applicable]

[If Not Applicable, delete remaining subparagraphs of this paragraph 14(c)]

- (i) Settlement Price: [●] per cent.
- (d) Zero Recovery Principal Amount Reduction Securities: [Applicable] [Not Applicable]
- (e) Transaction Type: [●]
- (f) No Auction No Reference Obligation Final Price: [15 per cent.] [30 per cent.] [Not Applicable]
- (g) Credit Default Swap:
 - (i) Trade Date: [●]
 - (ii) Effective Date: [●]

(iii) Scheduled Termination Date: [●]

15. FTD Securities: [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

(a) Reference Entities and Reference Obligations and Transaction Type

Reference Entities	Reference Obligations <i>[Include relevant ISINs]</i>	Transaction Type
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

(b) Fixed Recovery Securities [Applicable] [Not Applicable]

[If Not Applicable, delete remaining subparagraphs of this paragraph 15(b)]

(i) Settlement Price: [●] per cent.

(c) Zero Recovery Principal Amount Reduction Securities: [Applicable] [Not Applicable]

(d) No Auction No Reference Obligation Final Price: [15 per cent.] [30 per cent.] [Not Applicable]

(e) Credit Default Swap:

(i) Trade Date: [●]

(ii) Effective Date: [●]

(iii) Scheduled Termination Date: [●]

16. Basket Securities [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

(a) Reference Entities, Transaction Type, Reference Obligations and Reference Entity Nominal Amounts or Weightings: As set out in Appendix 1

(b) Fixed Recovery Securities [Applicable] [Not Applicable]

[If Not Applicable, delete remaining subparagraphs of this paragraph 16(b)]

(i) Settlement Price: [●] per cent.

(c) Zero Recovery Principal Amount Reduction Securities: [Applicable] [Not Applicable]

- (d) No Auction No Reference Obligation Final Price: [15 per cent.] [30 per cent.] [Not Applicable]
- (e) Credit Default Swap:
- (i) Trade Date: [●]
- (ii) Effective Date: [●]
- (iii) Scheduled Termination Date: [●]
17. Credit Event Accrued Interest Securities: [Applicable] [Not Applicable]
18. Credit Contingent Call Option Securities: [Applicable] [Not Applicable]
19. Maturity Capital Protected Securities: [Applicable] [Not Applicable]
- [If Not Applicable, delete remaining subparagraph of this paragraph 19]*
- (i) Capital Protection Percentage: [●] per cent.
20. Loss at Maturity Securities: [Applicable] [Not Applicable]
21. Underlying Linked Redemption Securities: [Applicable] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (i) Performance Amount Underlying: [●]
- [If Index, specify the name of the index, the Index Sponsor, the reference source, the reference currency and the Bloomberg or Reuters Code, each as applicable, and if Fund/Fund Share, specify issuer/obligor]*
- (ii) Basket: [Applicable] [Not Applicable]
- (iii) Reference Source: [●]
- (iv) Observation Date(s): [●] *[Insert all Observation Dates relevant to Performance Amount Underlying]*
- (v) Performance Amount Underlying Initial Valuation Date: [●]
- (vi) K: [●] *[If Securities are Maturity Capital Protected, K must not be less than the Capital Protection Percentage]*
- (vii) M: [●]
- (viii) Multi-Exchange Index: [Applicable] [Not Applicable]
- (ix) Related Exchange: [●]

- (x) [Fund Business Day: [Applicable] [Not Applicable]]
- (xi) Reference Currency: [●]
- (xii) Settlement Currency: [●]
- (xiii) Separate Reference Item Determination: [Applicable] [Not Applicable]
- (xiv) Correction Period: [●]
- (xv) Ultimate Trading Day: [●]
- (xvi) Averaging: [Applicable] [Not Applicable]
- (xvii) Averaging Disruption Date: [●]
- (xviii) Performance Amount Underlying Replacement: [Applicable] [Not Applicable]
- (xix) Replacement Asset: [●]
- (xx) [Disruption Event Termination Option: [Applicable] [Not Applicable]]

MISCELLANEOUS

- 22. Callable Securities: [Applicable] [Not Applicable]
[If Not Applicable, delete the remaining subparagraphs of this paragraph]
- (a) Issuer Early Redemption Date: [●]
- (b) Issuer Early Redemption Notice Requirement: [●] Business Days
- 23. (i) Business Day: [New York City] [,] [London] [,] [TARGET2] [,] [Madrid] [,] [Lisbon] [and [●]]
- (ii) Business Day Convention: [[Floating Rate] [Modified Following] [Following] [Preceding] Business Day Convention] [Not Applicable] [●]
- 24. Payment Day: [New York City] [,] [and] [London] [,] [Madrid] [,] [Lisbon] [and] [Frankfurt am Main]]]; and [●]]
- 25. Calculation Agent: [Deutsche Bank AG, London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom] [[●] of [●]]
- 26. Third Party Calculation Agent: [Not Applicable] [[●] of [●]]
- 27. Clearing Agent: [●] *Insert name and address of the Clearing Agent* [Euroclear Banking S.A./N.V. and Clearstream Banking, société anonyme][Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany] [*If the Securities are Portuguese Securities, insert: Interbolsa*] [*If the Securities*

are Spanish listed Securities, insert: Iberclear].

PART B – OTHER INFORMATION

1. ESSENTIAL INFORMATION

1.1 Interests of natural and legal persons involved in the issue/offer

Description of any interest that is material to the issue/offer: Save for any fees payable to the Distributor[s], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer [*amend as appropriate if there are other interests*].

1.2 Reasons for the offer, estimated net proceeds and total expenses

Reasons for offer: [●][If reasons for offer different from making profit and/or hedging certain risks will need to include these reasons here]

[*Not required for Annex XIII*] [●]

Estimated net proceeds:

[*Not required for Annex XIII*] [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●]

Estimated total expenses: [None] [EUR] [●]

2. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING

ISIN: XS [●]

Common Code: [●]

WKN: [●]

CVM Code: [●]

Delivery: Delivery [against] [free of] payment

3. TERMS AND CONDITIONS OF THE OFFER

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in [Spain] [France] [Belgium] [Portugal] [United Kingdom] ("**Public Offer Jurisdiction[s]**") by the placers identified at paragraph 3.4 below (the "**Distributor[s]**").]

3.1 Conditions, offer statistics, expected timetable and action required to apply for the offer

Conditions to which the offer is subject: [Offers of Securities are conditional on their issue and are subject to [specify conditions].]

[*Not required for Annex XIII*]

[The Issuer reserves the right for any reason to cancel the issuance of the Securities.]

[In particular, the issuance of the Securities is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Securities amounting to an aggregate subscription value of at least [●] on or prior

to [●]. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Securities as of [●].]

[The Issuer reserves the right for any reason to close the subscription period early. [If the aggregate subscription of the Securities at any time on any Business Day prior to the primary market end date reaches [●], the Issuer will close the subscription of the Security at such time on such Business Day, without any prior notification.]

[As between the Distributor and its customers, offers of Securities are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]

Total amount of the offer:

[Up to] [EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●] [Give details]

[Not required for Annex XIII]

Time period during which the offer will be open:

[●] to [●] (inclusive), subject as set out in "Conditions to which the offer is subject" above.

[Not required for Annex XIII]

Description of the application process:

[An investor will purchase the Securities in accordance with the arrangements in place between the Distributor[s] and [its] [their respective] customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Securities.]

[Not required for Annex XIII]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

[Not Applicable] [Give details]

[Not required for Annex XII]

[Not required for Annex XIII]

Details of the minimum and/or maximum amount of application:

There are no pre-identified allotment criteria. The Distributor[s] will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations and/or as otherwise [determined by it] [agreed between them].

[Not required for Annex XIII]

Method and time limits for paying up the Securities and for delivery of the Securities:

[The Securities will be purchased by the Distributor[s] from the Issuer on a delivery [against] [free of] payment basis on the Issue Date. Prospective investors will be notified by the Distributor of their allocations of Securities and the settlement arrangements in respect thereof.]

[Not required for Annex XIII]

Full description of the manner and date in which results of the offer are to be made

[Not Applicable] [Give details]

public:

[Not required for Annex XIII]

Procedure for exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:

[Not Applicable] [Give details]

[Not required for Annex XII]

[Not required for Annex XIII]

3.2 Plan of distribution and allotment

Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries and, if so, an indication of such tranche(s):

[Not Applicable] [Give details]

[Qualified investors within the meaning of the Prospectus Directive][Non-qualified investors][Qualified investors within the meaning of the Prospectus Directive and non-qualified investors]

[Not required for Annex XIII]

[Offers may be made in [Luxembourg][,] [and] [Portugal][,] [and] [Spain][,] [and] [France][,] [and] [Belgium][,] [and] [the United Kingdom] to any person [who complies with all other requirements for investment as set out in the Base Prospectus or otherwise determined by the Issuer and/or the relevant financial intermediaries]. In other EEA countries, offers will only be made pursuant to an exemption under the Prospectus Directive as implemented in such jurisdictions.]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

[Prospective investors will be notified by the Distributor in accordance with the arrangements in place between [the] [such] Distributor and its customers. Any dealings in the Securities that takes place will be at the risk of the prospective Investor.]

[Not required for Annex XIII]

3.3 Pricing

Offer price of the Securities:

[[EUR] [USD] [GBP] [CHF] [SEK] [PLN] [●] per Security] [[●] per cent.]

[Not required for Annex XIII]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable] [Give details]

[Not required for Annex XIII]

3.4 Placing and Underwriting

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[●] of [●] .

[Not required for Annex XIII]

Fees paid by the Issuer to the Distributor[s]: Sales commission: [Up to [●] per cent.] [Not Applicable]

Placement commission: [Up to [●] per cent. of the Issue Price [Offer Price] (without Subscription Charge)] [Not Applicable] [The Issuer has offered the Securities to the Distributor at a price (the "Re-offer Price") per Security which will be [[●] [between [●]]% and [●] %] of the Issue Price and will be determined by the Issuer and the Distributor at the end of the Offer Period] [on or around the Issue Date]].

The Re-offer Price reflects the discount on the Issue Price granted by the Issuer to the Distributor on the sale of the Securities to the Distributor in satisfaction of the distribution-related fee agreed between the Issuer and the Distributor. [Further information on the Re-offer Price is available from Deutsche Bank AG.]

When the underwriting agreement has been or will be reached: [Not Applicable] [●]

[Not required for Annex XIII]

4. **ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

Listing and admission to trading: [Application [has been] [will be] made to list the Securities on the Official List of the Luxembourg Stock Exchange and to admit the Securities to trading on the [regulated] [Euro MTF] market, which is [not] a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)].

[[Application has been made to list the Securities on the [Euronext Lisbon regulated market][Madrid Stock Exchange][Barcelona Stock Exchange][Bilbao Stock Exchange][Valencia Stock Exchange] [AIAF Fixed Income Securities Market]].]

[Application has been made to list the Securities on the [regulated] [●] [market] [Freiverkehr] of the [Frankfurt] [Stuttgart] [●]] Stock Exchange[, which is [not] a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)] [*insert all relevant regulated markets*]. [The Securities have been admitted to the [regulated] [●] market of the [●] Stock Exchange [*insert all relevant regulated markets*], which are regulated markets for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)].

[The admission to trading of Securities on a regulated market or multilateral trading facility will depend on the fulfilment of all of the requirements of that market or facility [If the Securities are listed on Euronext Lisbon, unless otherwise accepted by Euronext Lisbon, insert: including, that at least [100,000 Securities] are admitted to trading].

[The Securities will not be listed or admitted to trading on the regulated market of any exchange.]

Earliest date on which the Securities will be admitted to trading: [Not Applicable] [●]

All regulated markets or equivalent markets on which securities of the same class of the Securities are already admitted to trading: [Not Applicable] [●]

[Not required for Annex XIII]

Estimate of total expenses related to admission to trading [Not Applicable] [●]

Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates and a description of the main terms of their commitment: [Not Applicable] [Give details]

[Not required for Annex XIII]

5. ADDITIONAL INFORMATION

[Annex XII: Performance of the Reference Item(s)] [insert for Single Reference Entity Securities: Entity] [insert for FTD/Basket Securities: Entities]: [[Interest] [and principal] payable under the Securities is linked to the [credit of the Reference [insert for Single Reference Entity Securities: Entity] [insert for FTD/Basket Securities: Entities] and to the performance of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]].

Details on the past and further performance of the [Reference [insert for Single Reference Entity Securities: Entity] [insert for FTD/Basket Securities: Entities] and of the [Index] [Reference Rate] [Exchange Rate(s)] [Commodity(ies)] [Futures Contract(s)] [Fund] [Fund Share]] can be obtained from Bloomberg (www.bloomberg.com)/[●].

Yield [Fixed rate Securities only]: [●] per cent. per annum.

As set out above yield is calculated as of the Issue Date on the basis of the Issue Price . It is not an indication of future yield.

Historic interest rates [Floating Rate] Details of historic [EURIBOR] [USD LIBOR] [GBP LIBOR] [CHF LIBOR] [SEK

Securities only]:

STIBOR] [PLN WIBOR] rates can be obtained from [Reuters].

[*Annex XII*: Whether or not the Issuer intends to provide post-issuance information and, if so, what information will be reported and where the information can be obtained from:]

[Not Applicable] [*Give details*]

[Basket Securities: APPENDIX 1: REFERENCE ENTITIES]

Reference Entity	Reference Entity [Nominal Amount] [Weighting]	Reference Obligation	Transaction Type
[●]	[EUR] [USD] [GBP] [●] [%]	[●]	[●]
[●]	[EUR] [USD] [GBP] [●] [%]	[●]	[●]
[●]	[EUR] [USD] [GBP] [●] [%]	[●]	[●]
[●]	[EUR] [USD] [GBP] [●] [%]	[●]	[●]
[●]	[EUR] [USD] [GBP] [●] [%]	[●]	[●]

ANNEX

[Insert issue specific summary]

VI. GENERAL INFORMATION ON TAXATION AND SELLING RESTRICTIONS

A. GENERAL TAXATION INFORMATION

6. General

Purchasers and sellers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price of the Securities.

Transactions involving the Securities (including purchases, transfers, exercise or non-exercise or redemption), the accrual or receipt of any interest payable on the Securities and the death of a holder of any Securities may have tax consequences for holders and potential purchasers which may depend, amongst other things, upon the tax status of the holder or potential purchaser and may relate to – amongst other taxes and duties - stamp duty, stamp duty reserve tax, income tax, corporation tax, trade tax, capital gains tax, withholding tax, solidarity surcharge and inheritance tax.

For more specific information on the tax consequences please see the appropriate country specific information.

Product Condition 13 (*Taxation*) should also be considered carefully by all potential purchasers of any Securities.

Potential purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities.

The European Commission's Proposal for a Financial Transaction Tax

On 14 February 2013, the European Commission published its detailed proposal for a common financial transaction tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "FTT Member States").

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1% of the sale price on such transactions. However, the effective rate will be higher as each financial institution party is separately liable for the tax, so transactions between two financial parties will be taxed twice. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt, although there is some uncertainty as to the intended scope of this exemption.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the FTT Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a FTT Member State. A financial institution may be, or be deemed to be, "established" in a FTT Member State in a broad range of circumstances, including (a) by transacting with a person established in a FTT Member State or (b) where the financial instrument which is subject to the dealings is issued in a FTT Member State.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. The actual implementation date would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law. Additional EU Member States may decide to participate. If the proposed directive (or similar tax) is adopted, transactions in the Securities would be subject to higher transaction costs, and the liquidity of the market for the Securities may diminish.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

7. Luxembourg taxation

The following overview is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed as, legal or tax advice. Prospective investors in the Securities should

therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

7.1 **Non-resident holders of Securities**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the "**Savings Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

However, under the Savings Laws) implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Savings Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Savings Laws will be subject to withholding tax of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. The final form of the measure is still unknown.

7.2 **Resident holders of Securities**

(a) **Individuals**

The profit made by a resident individual holder of a Security not holding the Securities as business assets, on the sale of Securities or upon the exercise thereof against payment of a cash amount, is taxable in Luxembourg, if such Security is sold or exercised within a period of six months following the acquisition by such person. The exercise by such a holder of Securities against physical settlement should not give rise to taxation in Luxembourg to the extent that the shares acquired upon such exercise and carrying unrealized gains are sold six months after the acquisition of such shares following the exercise of such Security and do not represent a substantial participation in the share capital of the company issuing such shares i.e. not more than 10% of the share capital of such company.

If Securities are held by a resident individual as a business asset, they are subject to Luxembourg tax as described in the paragraph "Undertakings with a collective character established in Luxembourg" set out here below.

(b) **Undertakings with a collective character established in Luxembourg**

The exercise by such holder of Securities against physical settlement does not give rise to taxation in Luxembourg. The disposal of the shares acquired upon such exercise and carrying unrealized gains will however be taxable in Luxembourg (unless the Luxembourg participation exemption is available) as would be a sale of a Security or the exercise thereof against payment of a cash amount. The Luxembourg participation exemption provides for an exemption of the capital gain realised upon disposal of shares if the following conditions are met at the time of disposal of the shares: (i) the holder of the shares holds or commits to hold for an uninterrupted period of at least twelve months a direct participation in the share capital of the company whose shares are sold, of at least 10% or which has an acquisition price of at least EUR 6 million and

(ii) the company whose shares are sold fall within the scope of Article 2 of the EU Parent-Subsidiary Directive (Council Directive 2011/96/EU of 30 November 2011) or is subject to a tax comparable to the Luxembourg corporate income tax (i.e. at a rate of at least 10.5% and its taxable basis is computed according to rules and criteria similar to those applicable in Luxembourg).

7.3 Other Taxes

Luxembourg net wealth tax will not be levied on a holder of Securities, unless the Holder is an undertaking with a collective character resident in Luxembourg; or the Securities are attributable to a permanent establishment or permanent representative in Luxembourg of a foreign entity of the same type as a Luxembourg undertaking with a collective character.

There is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the execution and delivery of the Securities or the performance of the Issuer's obligations under the Securities, except that court proceedings in a Luxembourg court or the representation of the Securities to an "*autorité constituée*" could imply registration of the Securities at a fixed registration duty

8. Stamp duty and withholding tax in Germany

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series of Securities may be subject to a different tax treatment due to the specific terms of such Series as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of the Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities, including the effect of any state, local or church taxes, under the tax laws of Germany and each country of which they are residents or otherwise subject to tax.

8.1 Tax Residents

The section "Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany). "Individual Securityholder" means an individual that is considered the owner of a Security for German tax purposes and whose Security forms part of his or her non-business assets (*Privatvermögen*).

8.2 Withholding tax on ongoing payments and capital gains

Ongoing payments received by an Individual Securityholder will be subject to German withholding tax (*Abgeltungsteuer*) if the Securities are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the Individual Securityholder is subject to church tax, upon application a church tax surcharge will also be withheld.

The same treatment applies to capital gains from the sale or redemption or (under certain circumstances) settlement of Securities (i.e. the difference between the proceeds from the disposal after deduction of expenses directly related to the disposal and the cost of acquisition) derived by an Individual Securityholder provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Securities are acquired and/or sold in a currency other than Euro any currency gains or losses are part of the capital gains. In case of a physical settlement of certain Securities which grant the Issuer or the individual Securityholder the right to opt

for a physical delivery of a predetermined number of underlying securities instead of a (re)payment of the Securities' nominal amount, generally no withholding tax has to be withheld by the Disbursing Agent as such exchange of the Securities into the predetermined number of underlying securities does not result in a taxable gain or loss for the Individual Securityholder. Under these circumstances acquisition costs of the Securities are regarded as acquisition costs of the underlying securities received by the Individual Securityholder upon physical settlement. However, withholding tax may then apply to any gain from the disposition of the securities received in exchange for the Securities. In other cases, e.g. where the Security has no nominal amount or the underlying is not a security, the physical settlement may trigger withholding tax that would be payable by the Individual Securityholder to the Disbursing Agent. Should the Securities qualify as contracts for differences (*Termingeschäfte*) in terms of section 20 para 2 sentence 1 no 3 German Income Tax Act (*Einkommensteuergesetz*), which depends on the applicable Final Terms, and a settlement takes place, the tax base is the settlement amount or other benefit received reduced by expenses directly and factually related to the contract for differences.

To the extent the Securities have not been kept in a custodial account with the same Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment withholding applies at a rate of 26.375 per cent. (including solidarity surcharge) to 30 per cent. of the disposal proceeds (including interest accrued on the Securities and paid separately ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may - subject to certain requirements and restrictions - deduct from the basis of the withholding tax negative investment income (*Einkünfte aus Kapitalvermögen*) realised by the Individual Securityholder via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest paid by the Individual Securityholder. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held in the custodial account with the Disbursing Agent to the extent such foreign withholding taxes cannot be reclaimed in the respective foreign country.

In addition, for Individual Securityholders an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) applies to all investment income received in a given year. Upon the Individual Securityholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Securityholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal of Securities held by a corporation as Securityholder while ongoing payments, such as interest payments under a coupon, are subject to withholding tax. Losses and foreign taxes are not taken into account when calculating the withholding tax. The same rules apply where the Securities form part of a trade or business (*Betriebsvermögen*) subject to further requirements being met.

8.3 **Taxation of current income and capital gains**

The personal income tax liability of an Individual Securityholder deriving income from capital investments under the Securities is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in case of Securities kept in custody abroad, the Individual Securityholder must report his or her income and capital gains derived from the Securities on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). Individual Securityholders subject to church tax but declining the application mentioned above are also under the obligation to include their investment income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax will presumably apply in respect of interest received after 31 December 2013, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Individual Securityholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which

case the obligation to include investment income in the tax return for church tax purposes will persist. Further, an Individual Securityholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any withholding tax withheld in excess of the tax assessed being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is disallowed. The utilization of losses from the disposal or redemption of Securities may be restricted. Losses from a worthless expiration of financial instruments representing an option (such as warrants) may be non-deductible altogether.

Where Securities form part of a trade or business or the income from the Securities qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Securities form part of the property of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income. The respective Securityholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Securityholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Securityholder. Where Securities form part of the property of a German trade or business the current income and the proceeds from the disposal, redemption, settlement, repayment or assignment of the Securities may also be subject to German trade tax.

8.4 German Investment Tax Act

German tax consequences different from those discussed above would arise if the respective Securities or the underlying securities delivered upon physical delivery are, or were to be regarded as, investment fund units. In such case, the withholding tax requirements for the Disbursing Agent as well as the taxation of the German Securityholders would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. German Securityholders might be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on fictitious income on a lump-sum basis (so-called penalty-taxation). Such deemed distributed income or fictitious income may be offset against any capital gains realised upon disposal of the Securities, subject to certain requirements.

If the respective Securities or the underlying securities delivered upon physical delivery were to be regarded as units of so called Investitionsgesellschaft, specific rules of taxation would apply.

8.5 Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Securityholder; or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Security are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

8.6 Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

8.7 Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Germany. It is intended to introduce a financial transaction tax, but not before 2014.

9. Stamp duty and withholding tax in the United Kingdom

The following paragraphs, which are intended as a general guide on stamp duty and withholding tax only, are based on current legislation and United Kingdom Inland Revenue practice. They summarise certain aspects of United Kingdom taxation only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold, transfer or redeem the Securities. In particular, this general overview does not consider any specific facts or circumstances that may apply to a particular purchaser. Potential purchasers of the Securities who are in any doubt about their tax position on purchase, ownership, transfer or exercise or non-exercise or redemption, as the case may be, of any Security should consult their own tax advisers.

A purchaser of a Security may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price of such Security.

Potential purchasers of the Securities should note that every Security is subject to United Kingdom stamp duty on issue by reference to the amount of the consideration paid or the value of the Security. However, the Global Security will be executed and delivered outside the United Kingdom and should not be brought into the United Kingdom save for the purposes of enforcement. So long as the Global Security is held outside the United Kingdom, it will not be necessary to pay United Kingdom stamp duty or interest or penalties in connection therewith. However, if the Global Security were brought into the United Kingdom (for example, for enforcement purposes), United Kingdom stamp duty may be required to be paid on the Global Security (subject to the availability of exemptions and reliefs). In addition, where the Global Security is executed outside the United Kingdom and is subsequently brought into the United Kingdom and stamped, interest on the amount of the unpaid stamp duty will be payable in addition to the stamp duty for a period of 30 days from the expiry of 30 days from the date of execution of the Global Security to the date of stamping, unless the Global Security is stamped within 30 days of execution, in which case no interest is payable. No penalties are payable where the Global Security is executed outside the United Kingdom and subsequently brought into the United Kingdom and stamped, provided the Global Security is stamped within 30 days of being brought into the United Kingdom. If the Global Security is subject to United Kingdom stamp duty, it would be inadmissible in evidence in civil (as opposed to criminal) proceedings in an English court unless duly stamped.

The comments above relate to United Kingdom stamp duty on issue only.

Any interest payable on the Securities, any original issue discount in respect of the Securities and/or any proceeds on redemption or exercise of the Securities will not be subject to United Kingdom withholding tax provided either (i) that any such payments are made in the ordinary course of the Issuer's business and the Issuer continues to qualify as a bank for the purposes of section 991 of the Income Tax Act 2007; and/or (ii) that at the time such payments are made, the Securities in question are listed on a recognised stock exchange for the purpose of section 1005 of the Income Tax Act 2007.

United Kingdom HM Revenue & Customs ("HMRC") has powers in certain circumstances to require persons paying or crediting interest in the ordinary course of its business to provide information to HMRC in respect of the interest paid or credited and the persons to whom the interest was so paid or credited (or of the beneficial owner (as the case may be)). In certain circumstances, HMRC may be entitled to exchange such information with the tax authorities of other jurisdictions. Interest for this purpose includes any amount to which a person holding a deeply discounted security is entitled on redemption of that security.

10. Taxation in Spain

The following is a general description of the Spanish withholding tax treatment and indirect taxation of payments under the notes, as well as a brief description of the tax treatment of income under the notes obtained by entities or individuals resident in Spain for tax purposes (and, in case of entities non-resident in Spain, those acting through a permanent establishment in Spain). It specially contains

information on taxes on the income from the notes withheld at source and provides an indication as to whether the issuer assumes responsibility for the withholding of taxes at source. The statements herein regarding Spanish taxes and withholding taxes in Spain are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this European base prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. It does not purport to be a complete analysis nor a comprehensive description of all tax considerations relating to the notes, whether in Spain or elsewhere, which may be relevant to a decision to subscribe for, purchase, own or dispose of the notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the notes and receiving payments of interest, principal and/or other amounts under the notes and the consequences of such actions under the tax laws of Spain. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the notes.

10.1 **Personal Income Tax ("PIT") / Corporate Income Tax ("CIT") / Non Resident Income Tax ("NRIT")**

Spanish resident individuals

(a) *Interest payments under the Securities*

Income earned by Spanish resident individuals under Securities should qualify as interest payments. In general, interest payments obtained by Spanish resident individuals should be subject to withholding tax at 21 per cent. on account of PIT (creditable against final tax liability). Notwithstanding the above, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, interest payments under Securities should be only subject to withholding tax in Spain in case they are issued by DBS or they are deposited in a depository entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derived from the Securities, provided that such income had not been previously subject to withholding tax in Spain.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT – to be declared in their annual tax returns – according to the following rates:

- Amounts up to EUR 6,000.00: 21 per cent.
- Amounts ranging between EUR 6,000.01 and EUR 24,000: 25 per cent.
- Amounts exceeding EUR 24,000: 27 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(b) *Income upon transfer or redemption of the Securities*

Income earned upon transfer or redemption of the Securities should be subject to Spanish withholding tax at 21 per cent. on account of PIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, income upon transfer or redemption of the Securities should be subject to withholding tax in Spain only if there is a 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 and such income had not been previously subject to withholding tax in Spain or in case of redemption when DBS acts as issuer under the Securities.

However, when the Securities (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, holders can benefit from a withholding tax exemption in respect of the income arising from the transfer or reimbursement of the Securities. However, under certain circumstances, when a transfer of the Securities has occurred within the 30-day period immediately preceding any relevant coupon payment date such holders may not be eligible for such withholding tax exemption.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, to be declared in their annual tax returns, according to the following rates:

- In case of capital gains obtained after one year from the acquisition of the Securities:
 - Amounts up to EUR 6,000.00: 21 per cent.
 - Amounts between EUR 6,000.01 and EUR 24,000: 25 per cent.
 - Amounts exceeding EUR 24,000: 27 per cent.
- In case of capital gains obtained before one year from the acquisition of the Securities: the capital gain would be taxed at the taxpayer's marginal tax rate, up to a maximum of per cent., although certain Spanish regions have increased the marginal tax rates up to a maximum of 56 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

Spanish resident companies

Interest payments under the Securities shall be subject to withholding tax at 21 per cent. on account of CIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, interest payments under Securities should be only subject to withholding tax in Spain in case they are issued by DBS or they are deposited in a depositary entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derive from the Securities, provided that such income had not been previously subject to withholding tax in Spain.

Income upon transfer or redemption of the Securities should be subject to Spanish withholding tax at 21 per cent. on account of CIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, income upon transfer or redemption of the Securities should be subject to withholding tax in Spain only if there is a 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 and such income had not been previously subject to withholding tax in Spain or In case of redemption when DBS acts as issuer under the Securities.

However, when (i) the Securities are represented in book-entry form and are admitted to trading on a Spanish secondary stock exchange or on the Spanish Alternative Fixed Income Market (*MARF*); or (ii) the Securities are listed on an OECD market; a withholding tax exemption should apply in respect of the income arising from the transfer or redemption of the Securities, exception made of income derived from accounts entered into with financial entities, provided that such income were based on financial instruments, such as Securities.

Spanish resident companies earning such income will still be subject to CIT, to be declared in their annual tax returns, at a general 30 per cent. rate. However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the CIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount that should have been paid in Spain in the case that such income had been obtained in Spain.

Individuals and companies with no tax residency in Spain

(a) *Income obtained through a permanent establishment*

The tax rules applicable to income deriving from the Securities under NRIT in this scenario are, generally, the same as those previously set out for Spanish resident companies, subject to the provisions of any relevant double tax treaty.

(b) *Income obtained without a permanent establishment*

(i) Income obtained from Securities issued by an Issuer other than DBS

Income obtained by investors residing outside Spain and without a permanent establishment within the Spanish territory would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain.

(ii) Income obtained from Securities issued by DBS

Any interest payment and any income arising from the redemption of the Securities will be subject to withholding tax at the general rate applicable from time to time, which is currently 21 per cent. Income deriving from the transfer of the Securities will be also subject to withholding tax at the general rate provided that it is obtained through a Spanish financial entity or an entity acting in Spain through a permanent establishment acting on behalf of the seller.

Notwithstanding the above, interest and other income deriving from the Securities will be tax exempt in Spain and exempt from Spanish withholding tax when obtained by people who are resident for tax purposes in a Member State of the European Union (other than Spain) or by a permanent establishment of such persons in another Member State of the European Union (other than Spain), provided that such income is not obtained through a country or territory regarded as a tax haven (pursuant to Royal Decree 1080/1991, of 5 July) and provided further that any such person obtains a certificate of tax residence issued by the competent authorities of their jurisdiction of residence prior to the date on which any relevant payment is made or becomes due. Such certificate is valid for a one-year period.

Holders of Securities who are not resident for tax purposes in a Member State of the European Union but in a jurisdiction which has ratified a Treaty for the avoidance of Double Taxation with Spain ("**DTT**") will be subject to Non-Resident Income Tax and Spanish withholding tax on interest obtained from the Securities at the reduced rates (or subject to any exemption) set out in the DTT, if any. Additionally, these holders will be tax exempt in Spain on any income arising from the transfer or redemption of the Securities, provided that they are resident in a jurisdiction which has ratified a DTT with Spain. Such holders will have to evidence their tax residence by obtaining, prior to the date on which any relevant payment is made or becomes due, a tax residence certificate within the meaning of the applicable DTT issued by the competent authorities of their jurisdiction of residence or, as the case may be, the equivalent document set out in the order which further develops the applicable DTT. Such certificate of tax residence is valid for a one-year period.

10.2 Net Wealth Tax ("NWT")

Only individual holders of Securities would be subject to the NWT as legal entities are not taxable persons under NWT.

Relevant taxpayers will be (i) individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised; and (ii) non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain, both whose net wealth is higher than EUR 700,000, as this amount is considered as exempt from NWT.

Taxpayers should include in their NWT self-assessment the Securities for the following amounts:

- (i) if they are listed in an official market, the average negotiation value of the fourth quarter; and
- (ii) in other case, its nominal value (including redemption premiums).

The value of the Securities together with the rest of the taxpayer's wealth, once reduced by the deductible in rem liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 2.5 per cent.

Finally, please note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory.

10.3 **Inheritance and Gift Tax ("IGT")**

Individuals with tax residency in Spain

Individuals resident in Spain who acquire ownership or other rights over any Securities by inheritance, gift or legacy will be subject to IGT. The applicable effective tax rates range between 7.65 per cent and 81.6 per cent, depending on several factors such as family relationship and pre-existing heritage. However, it is necessary to take into account that the IGT (including certain tax benefits) has been transferred to the Spanish regions. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

Companies with tax residency in Spain

Companies resident in Spain which acquire ownership or other rights over the Securities by inheritance, gift or legacy are not subject to IGT, as income obtained will be subject to CIT.

Individuals and companies with no tax residency in Spain

Non-Spanish companies that acquire the ownership or other rights over the Securities by inheritance, gift or legacy, will not be subject to IGT as income obtained will be subject to the NRIT..

Non-Spanish resident individuals that acquire ownership or other rights over the Securities by inheritance, gift or legacy, will not be subject to IGT provided that the Securities were not issued by DBS and the rights deriving from them could not be exercised within Spanish territory. In the case the Securities were issued by DBS or the rights deriving from them could be exercised in Spain, the tax rules applicable in this scenario are the same as those set out for individuals with tax residence in Spain.

10.4 **Value Added Tax, Transfer Tax and Stamp Duty**

Acquisition and transfer of Securities, in principle, shall not trigger Transfer Tax and Stamp Duty, nor will they be taxable under Value Added Tax.

11. **Withholding tax in Portugal**

The following is an overview of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the Securities. The statements do not deal with other Portuguese tax aspects regarding the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. The holders of Securities who are in any doubt as to their tax position should consult their own professional advisers.

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising in respect of Securities are designated as investment income for Portuguese tax purposes.

11.1 **General tax regime applicable to debt securities**

Interest and other types of investment income obtained from Securities held by a Portuguese resident individual are subject to individual income tax. If payment of interest or other investment income is

made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax payable on that income unless the individual elects to include such income in his taxable income, in which case the tax withheld is deemed to be a payment on account of the final tax due. Where an investor elects to include such investment income in his taxable income, investment income will be subject to tax at progressive rates of up to 48 per cent, as well as to an additional income tax rate of 2.5 per cent. on any part of such taxable income that exceeds EUR 80,000 and 5 per cent. on any part of such taxable income that exceeds EUR 250,000. An additional surtax of 3.5 per cent. will be payable on any part of the taxable income that exceeds, for each taxpayer, the annual amount of the monthly minimum salary. Accrued interest qualifies as interest for tax purposes.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified, in which case, the withholding tax rates applicable to such beneficial owner(s) will apply.

Interest and other investment income derived from Securities obtained by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income is attributable, are included in the taxable income of such legal persons and are subject to Corporate Income Tax rates. As such, a 23 per cent. tax rate will be applicable on such taxable income, to which may be added a municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. of such taxable income. A State Surcharge ("*derrama estadual*") will be payable at the following rates: (i) 3 per cent. on the part of a corporate taxpayer's taxable profits exceeding EUR 1,500,000; (ii) 5 per cent. on the part of the taxable profits exceeding EUR 7,500,000; (iii) 7 per cent. on the part of the taxable profits exceeding EUR 35,000,000.

As a general rule, withholding tax at a rate of 25 per cent. applies on interest and other investment income, any amounts so withheld being deemed to be a payment on account of the final tax due. Financial institutions, pension funds, retirement or education savings funds, share savings funds, venture capital funds incorporated under the laws in Portugal and some exempt entities are not subject to Portuguese withholding tax.

Without prejudice to the special debt securities tax regime as described below, the general tax regime on debt securities applicable to non-resident entities is as follows:

Interest and other types of investment income obtained by non-resident beneficial owners (individuals or legal persons) without a Portuguese permanent establishment to which the income is attributable are subject to withholding tax at a rate of 25 per cent. (in the case of legal persons) or 28 per cent (in the case of individuals), which is the final tax payable on that income. A withholding tax rate of 35 per cent. applies for investment income payments made to legal persons or individuals resident in the countries and territories included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004 of 13 February 2004, amended by Ministerial Order (*Portaria*) no. 292/2011 of 8 November 2011). Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified, in which case, the withholding tax rates applicable to such beneficial owner(s) will apply. Under the tax treaties entered into by Portugal, which are in full force and effect on the date of this Prospectus, the withholding tax rate may be reduced to 15, 12, 10 or 5 per cent., depending on the applicable treaty and provided that the relevant formalities (including certification of residence by the tax authorities of the jurisdiction of residence of the beneficial owners of the interest and other investment income) are met. The reduction may apply at source or by way of a refund of the excess tax. The forms currently applicable for these purposes are (at the date of this Base Prospectus) available to download at www.portaldasfinancas.gov.pt.

The relevant withholding, if applicable, to a given beneficial owner of Securities will be made by the Affiliate Member of Interbolsa (which may or may not be the Issuer) through which such beneficial owner holds the Securities.

11.2 **Special debt securities tax regime**

Pursuant to Decree-Law no. 193/2005, of 7 November, as amended from time to time (hereinafter, "**Decree-Law 193/2005**"), investment income paid to Securityholders not resident in Portugal in

respect of debt securities registered (i) with a centralised system recognised by the Portuguese Securities' Code and complementary legislation (such as the *Central de Valores Mobiliários*, managed by Interbolsa) , (ii) with an international clearing system whose managing entity has its head-office or place of effective management in an EU Member State or EEA Country (provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States) or (iii) integrated in other centralised systems authorised by the Portuguese Government will be exempt from Portuguese income tax provided the following requirements are met.

For the above-mentioned tax exemption to apply, Decree-Law 193/2005 requires that (i) the Securityholders are not residents in the Portuguese territory (and do not have any registered or deemed permanent establishment therein to which interest is attributable); (ii) the Securityholders are not residents in the countries and territories included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, amended by Ministerial Order (*Portaria*) no. 292/2011, 8 November 2011).

For purposes of the exemption granted under Decree-Law 193/2005, the Portuguese Government has recognised both Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**") as entities managing an international clearing system.

11.3 Domestic cleared notes held through a direct or indirect registered entity

Where non-resident Securityholders hold Securities through an account registered for the purposes of Decree Law 193/2005 as an exempt account, the exemption from Portuguese income tax available pursuant to Decree Law 193/2005 may be applied "upfront". To qualify for such "upfront" exemption, such non-resident holders must provide evidence of this non-resident status, to the direct registering entity (entity affiliated on the centralized system where the securities are integrated) prior to the payment date, as follows:

- (a) if the Securityholder is a central bank, public institution, international body recognised as such by the Portuguese State, or a public law entity and respective agencies a declaration of tax residence issued by the beneficial owner of the Notes itself, duly signed and authenticated or proof pursuant to paragraph (d) below. The corresponding proof of non-residence in Portugal is provided once, without any periodical renewal obligation. However, the beneficial owner should immediately inform the direct registered entity of any change that may prevent the tax exemption from applying;
- (b) the Securityholder is a credit or financial institution, a pension fund or an insurance company, with its head office in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty, the Securityholder will be required to prove its non-resident status by providing: (i) its tax identification; or (ii) a certificate issued by the entity responsible for its supervision or registration, confirming the legal existence of the Securityholder and its head office; or (iv) proof of non-residence pursuant to the terms of paragraph (d) below. The corresponding proof of non-residence in Portugal is provided once, without any periodical renewal obligation. However, the beneficial owner should immediately inform the direct registered entity of any change that may prevent the tax exemption from applying;
- (c) if the Securityholder is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty or an agreement for exchange of information regarding tax matters, it shall make proof of its non-resident status by providing any of the following documents: (i) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (ii) proof of non-residence pursuant to the terms of paragraph (d) below. The corresponding proof of non-residence in Portugal is provided once, without any periodical renewal obligation. However, the beneficial owner should immediately inform the direct registered entity of any change that may prevent the tax exemption from applying; and
- (d) other investors will be required to make proof of their non-resident status by way of: (i) a certificate of residence or equivalent document issued by the relevant tax authorities; (ii) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (iii) a

document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Securityholder must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months.

11.4 **Internationally cleared notes held through an entity managing an international clearing system**

If the Securities are registered in an account with Euroclear or Clearstream and the management entity of such international clearing system undertakes not to provide registration services in respect of the Securities to (i) Portuguese tax residents that do not benefit from either an exemption or waiver of Portuguese withholding tax, and (ii) non-resident entities for tax purposes, which do not benefit from the above Portuguese income tax exemption, the evidence required to benefit from the exemption must be provided prior to the payment date, as follows:

- (a) through the presentation of a certificate, on a yearly basis, with the name of each beneficial owner, address, tax payer number (if applicable), the identity of the Securities, the quantity held and also the reference to the legislation supporting the exemption or the waiver of Portuguese withholding tax. The wording and contents of the form of certificate for exemption from Portuguese withholding tax on income from debt securities is available to download at www.portaldasfinancas.gov.pt; or
- (b) alternatively, through a yearly declaration that states that the beneficial owners are exempt or not subject to withholding tax, accompanied by a disclosure list, on each coupon payment date, of each beneficial owner's identification, with the name, address and taxpayer number (if applicable) of each beneficial owner, the identity of the securities, the quantity held and also the reference to the legislation supporting the exemption or the waiver of Portuguese withholding tax. The wording and contents of the form of statement for exemption from Portuguese withholding tax on income from debt securities, is available to download at www.portaldasfinancas.gov.pt.

The two documents referred to in (a) or (b) above shall be provided by the participants (i.e. the entities that operate in the international clearing system) to the direct registering entities (entity affiliated on the centralized system where the securities are integrated), through the international clearing system managing entity, and must take into account the total accounts under their management relating to each Securityholder that is tax exempt or benefits from the waiver of Portuguese withholding tax.

The international clearing system managing entity shall inform the direct registering entity (entity affiliated on the centralized system where the securities are integrated) of the income paid to each participant for each security payment.

If the conditions for the exemption to apply are met but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-law no. 193/2005. The refund claim is to be submitted to the direct or indirect registering entity (entity that does not perform the role of direct registering entity but is a client of the latter and provides custody, register and portfolio management, or similar services) of the Securities within six months from the date the withholding took place. A special tax form for these purposes is available to download at www.portaldasfinancas.gov.pt.

The refund of withholding tax in other circumstances, or after the six months period set out above, is to be claimed from the Portuguese tax authorities under the general procedures and within the general deadlines. The absence of evidence of non-residence in respect of any non-resident entity that benefits from the above mentioned tax exemption regime shall result in the loss of the tax exemption and consequent submission to the above applicable Portuguese general tax provisions.

12. **Republic of France Taxation**

The following summary describes the principal French tax treatment applicable to the holding of the Securities by an investor residing in France.

This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Securities. In some cases, different rules can be applicable and may depend on the nature and characterisation of such Securities. The below comments are limited to the Securities constituting debt instruments for French tax purposes. Potential purchasers of Securities are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, or ownership of, the Securities.

Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change. This summary is based on the French tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

12.1 **Taxation of individuals residing in France holding Securities as part of their private assets**

Taxation of capital gains

As from 1st January 2013, capital gains derived from the disposal of the Securities are generally subject to personal income tax at a progressive tax scale of up to 45 per cent and to social contributions levied at an aggregate rate of 15.5 per cent. (i.e. a global rate of taxation of up to 60.5 per cent.).

If the investor sells Securities at a loss, such loss may be offset against capital gains of the same nature during the year of the loss or the ten following years.

The Securities are not eligible for the *plan d'épargne en actions* ("PEA").

Taxation of interest payments and redemption premium (*Prime de remboursement*)

Interests and redemption premium paid to an individual are generally subject to personal income tax at the progressive tax scale of up to 45 per cent and social contributions levied at an aggregate rate of 15.5 per cent. (i.e. a global rate of taxation of up to 60.5 per cent.).

Subject to certain exceptions, interest will, however, remain subject to a mandatory (non-final) withholding tax of 24 per cent. Practical steps to be taken for purposes of levying this withholding tax will depend on the place where the paying agent is located.

If applicable, this withholding tax is creditable against the applicable personal income tax liability. If the withholding tax paid exceeds the total amount of personal income tax due, the excess will be refunded.

When interest income is derived from non-French source, the amount of withholding taxes paid in the source State is off-settable against the 24 per cent withholding tax, up to the amount of the tax credit which is granted to the investor under the relevant double taxation treaty.

Taxpayers who receive less than EUR 2,000 of interest annually can elect to be subject to a final withholding tax of 24 per cent.

Exceptional contribution

Income exceeding certain amounts is subject to an exceptional contribution. The rate is 3 per cent. on annual reference income over EUR 250,000 (double for couples), and 4 per cent. on annual reference income over EUR 500,000 (double for couples). Income received by French residents individuals related to the Securities will be taken into account for the purpose of the exceptional contribution and be subject to this contribution, if applicable, in accordance with standard rules.

Wealth tax

Securities held by French residents individuals among their private assets should be included in their taxable estate and subject to, if applicable, French wealth tax (*Impôt de solidarité sur la fortune*).

12.2 **Taxation of companies subject to French corporate income tax**

Taxation of capital gains

Capital gains from the disposal of the Securities are subject to corporate income tax at the standard rate of 33 1/3 per cent. (or the reduced rate applicable to small companies where the relevant conditions are met), to which a 3.3 per cent. surtax and a 10.7 per cent. exceptional contribution are added in certain circumstances. Capital losses are in principle treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules.

Taxation of interest payments and redemption premium (*Prime de remboursement*)

Interest payments and redemption premium are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met) on the basis of accrued interest.

Redemption premium is equal to the difference between the sums or assets to be received from the Issuer of the Notes, whatever their nature except linear interest (*intérêts linéaires*), payable each year on a regular basis and those paid at the time of subscription or purchase of the Notes (article 238 septies E of the French tax code). Non linear interest qualifies as reimbursement premium for French corporation tax purposes.

If one of the conditions of article 238 septies E of the French tax code are not fulfilled, the reimbursement premium is taxable when it is paid out to the holder of the Notes.

However, if the estimated value of the redemption premium exceeds purchase value by 10% and the issue price is less than 90% of the estimated redemption value, such premium is partially taxed before maturity on an annual basis pursuant to an actuarial allocation in accordance with article 238 septies E of the French tax code.

13. **Belgian Taxation**

The following is a general description of certain Belgian tax considerations relating to an investment in the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities. Prospective purchasers of the Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of the Securities. This summary is based upon the law as in effect on the date of this prospectus and is subject to any change in law that may take effect after such date.

13.1 **Taxation applicable to individuals resident in Belgium**

Belgian residents subject to Belgian personal income tax are normally subject to the following tax treatment with regard to the Securities.

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the issuer) will be treated as interest for Belgian tax purposes and will be subject to a Belgian withholding tax of 25 per cent if collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the income will not be taxed further, and need not be reported in the tax return. Holders of the Securities who collect the payment abroad without Belgian withholding tax are required to mention this income in their tax return and will be taxed at a flat rate of 25 per cent.

Capital gains realised on the sale of the Securities on the secondary market before maturity are generally not taxable for individuals, except if the purchaser is the Issuer. In the latter case, capital gains are taxable as interest and subject to withholding tax if collected through a financial intermediary established in Belgium. The accrued interest part of a capital gain realized on a sale of Securities which qualify as fixed income securities in the meaning of article 2, §1, 8° Belgian Income Tax Code is also taxable as interest. Capital losses realized on a sale of the Securities are not tax deductible.

Other rules may be applicable in certain specific cases, especially when the investors hold the Securities within the framework of their professional activity, or when transactions regarding the Securities fall outside the scope of common private asset management transactions.

13.2 **Taxation applicable to Belgian corporations**

Companies that are subject to Belgian corporate tax are normally subject to the tax treatment described below with regard to the Securities.

The total amount of income from the Securities will be part of the taxable profit of the company, except for capital gains realized upon settlement of a physically settled warrant, which may under certain conditions benefit from an exemption.

The income which is treated as interest for Belgian tax purposes is subject to a Belgian withholding tax of 25 per cent if it is collected through a financial intermediary established in Belgium. An exemption of withholding tax may apply if the company receiving the interest delivers a specific residence certificate. The exemption does not apply for income on zero coupon or capitalization bonds.

Belgian withholding tax, if due, can be offset against the investor's corporate tax, but only in proportion to the period during which the company held the Securities.

Capital gains realised on the sale of the Securities are taxable while capital losses are in principle tax deductible.

13.3 **Taxation applicable to entities subject to the legal entities' tax**

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the issuer) will be subject to a Belgian withholding tax of 25 per cent if collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further. Holders of the Securities who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Capital gains realised on the sale of the Securities on the secondary market before maturity are generally not taxable for non-profit entities, except if the purchaser is the Issuer. In the latter case, capital gains are taxable as interest and subject to withholding tax if collected through a financial intermediary established in Belgium. The accrued interest part of a capital gain realized on a sale of Securities which qualify as fixed income securities in the meaning of article 2, §1, 8° Belgian Income Tax Code are also taxable as interest. Capital losses realized on a sale of the Securities are not tax deductible.

13.4 **Taxation applicable to Organisations for Financing Pensions ("OFP")**

Income from the Securities, including capital gains realized on a sale or settlement of the Securities, derived by Organisations for Financing Pensions will be exempt from Belgian corporate income tax. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

13.5 **Taxation applicable to non-Belgian residents**

Investors who are non-residents of Belgium for Belgian tax purposes and are not holding the Securities through a Belgian establishment and do not invest the Securities in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax).

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the issuer) will be subject to a Belgian withholding tax of 25 per cent if collected through a financial intermediary established in Belgium, unless the investor is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors that do not hold the Securities through a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Securities paid through a Belgian credit

institution, a Belgian stock market company or a Belgian-recognized clearing or settlement institution, provided that they deliver an affidavit from such institution or company confirming (i) that the investors are non-residents, (ii) that the Securities are held in full ownership or in usufruct and (iii) that the Securities are not held for professional purposes in Belgium.

13.6 **Inheritance duties**

No Belgian inheritance duties will be due in respect of the Securities if the deceased holder of the Securities was not a Belgian resident at the time of his or her death, even if the Securities were held in custody in Belgium.

13.7 **Stamp duties**

Secondary market trades in respect of the Securities may give rise to a stamp duty of 0.09% (*taks op beursverrichtingen / taxe sur les opérations de bourse*) if they are carried out through a financial institution established in Belgium. The tax is due both on the sale and the acquisition leg of the transaction. The amount of the stamp duty, however, is capped at EUR 650 per party and per transaction, and various types of investors (including credit institutions, insurance companies, pension funds and all non-residents of Belgium) are exempted from this stamp duty.

13.8 **EU Savings Directive**

Under EC Council Directive 2003/48/ED ("**EU Savings Directive**") on the taxation of savings income each Member State is required to provide to the tax authority of another Member State details of payments on interest or other similar income payments ("**Savings Income**") made by a person within its jurisdiction to or collected by such a person for an individual or to certain other persons, resident in that other Member State (interest payments on the Securities will for these purposes be Savings Income). However, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at 35%. This transitional period will terminate at the end of the first fiscal year following agreement with certain non-EU countries to the exchange of information relating to such payments. The Luxembourg government has announced that Luxembourg will adopt the exchange of information as of 1 January 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding) in relation to payments of Savings Income made by a person within its jurisdiction to an individual, or to certain other persons, resident in a Member State. In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to an individual, or to certain other persons, resident in certain dependent or associated territories or non-EU countries.

Where an individual holder of Securities receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual holder of Securities may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual holder of Securities to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. Provided that the other tax authority receives all of the necessary information the payment will not suffer a withholding under EC Council Directive 2003/48/EC or the relevant law conforming with the directive in a dependent or associated territory.

Prospective holders of Securities should note that an amended version of the EU Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current EU Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the EU Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

- (i) *Individuals not resident in Belgium*

A Belgian paying agent within the meaning of the Savings Directive will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the Savings Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Dependent and Associated Territories. Residual entities (in the meaning of the Savings Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of an affidavit.

(ii) *Individuals resident in Belgium*

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State or one of the Dependent and Associated Territories, i.e. Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, St. Maarten, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands, except where a Source Tax is levied.

If the interest received by an individual resident in Belgium has been subject to a Source Tax under the Savings Directive, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the Belgian personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of 2.5 EUR.

13.9 **Belgian stock exchange tax regime regarding Securities**

The issuance of the Securities (primary market) is not subject to the tax on stock exchange transactions.

The sale of the Securities (secondary market) executed in Belgium through a financial intermediary will trigger the tax on stock exchange transactions. The tax is due at a rate of 0.25 per cent. (due on each sale and acquisition separately) with a maximum of EUR 740 per party and per transaction. An exemption is available for certain Belgian institutional investors as well as for non-residents (provided that certain formalities are respected), both acting for their own account.

B. GENERAL SELLING AND TRANSFER RESTRICTIONS

1. General

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

2. United States of America

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act (the "**Commodity Exchange Act**").

No Securities, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) an individual who is a resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the Commodity Exchange Act.

3. European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms have not been offered and will not be offered to the public in that Relevant Member State except, with effect from and including the Relevant Implementation Date, the Securities may be offered to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of this Base Prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (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); or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Authorised Offeror 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 Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Any commission or fee received by any dealer from the Issuer must comply with the applicable rules set out in the Markets in Financial Instrument Directive 2004/39/EC.

4. **United Kingdom**

Each dealer appointed by the Issuer in respect of the sale of the Securities has represented and agreed (and further dealer appointed by the Issuer in respect of the sale of the Securities will represent and agree) that:

- (a) in relation to any Securities where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Securities 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 agent) for the purposes of their businesses
- (b) it has only communicated or caused to be communicated and will only communicate or caused to be communicated an 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 Securities may only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- (c) it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (d) Commission and fees:
 - (i) if it is distributing Securities that are "retail investment products" (as such term is defined in the Financial Conduct Authority Handbook) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; and
 - (ii) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where the Issuer has agreed to facilitate the payment of an advisory fee and has the express consent of the retail investor to do so.

5. Portugal

Regarding any offer or sale of Securities in Portugal or to individuals resident in Portugal or having a permanent establishment located in the Portuguese territory, any distributor of Securities will be required to agree that all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code (*Código dos Valores Mobiliários*), any regulations issued by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) including its Regulation 5/2012 on information and duties relating to complex financial products and marketing of transactions and insurance linked to collective investment undertakings (if applicable) and Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive will be complied with in respect of any placement or distribution of Securities, and other than in compliance with all such laws and regulations: (a) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, market, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code and other applicable securities legislation and regulations, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having a permanent establishment located in Portugal, as the case may be; (b) all offers, sales and distributions by it of the Securities have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code, qualify as a private placement of Securities only (*oferta particular*); (c) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed, the Prospectus, or any other offering material relating to the Securities, to the public in Portugal. Furthermore, (i) if the Securities are subject to a private placement addressed exclusively to qualified investors as defined, from time to time, in the relevant provisions of the Portuguese Securities Code (*investidores qualificados*), such private placement will be considered as a private placement of securities pursuant to the Portuguese Securities Code; (ii) private placements addressed by companies open to public investment (*sociedades abertas*) or by issuers of securities listed on a regulated market shall be notified to the CMVM for statistics purposes.

6. Kingdom of Spain

The offering of the Securities has not been registered in compliance with the requirements of Law 24/1988, of 28 July, on the Spanish Law Securities Market (as amended from time to time), Royal Decree 1310/2005, of 4 November, on admission to listing and on issues and public offers of securities (as amended from time to time) and any other regulation developing them which may be in force from time to time. Accordingly, no Securities may be offered, sold, delivered, marketed nor may copies of this Base Prospectus or of any other document relating to the Securities be distributed in the Kingdom of Spain, except:

- (a) to qualified investors (*inversores cualificados*), as defined in Article 39 of Royal Decree 1310/2005, of 4 November as amended and restated and, particularly, by Royal Decree 1698/2012 of 31 December 2012 which implements EU Directive 2010/73/EU; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 30 bis of Law 24/1988, of 28 July, on the Spanish Law Securities Market, and Article 38 of Royal Decree 1310/2005, of 4 November, on admission to listing and on issues and public offers of securities.

Any offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus or any other document relating to the Securities in the Kingdom of Spain under (a) or (b) above must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Law 24/1988, of 28 July, on the Spanish Law Securities Market.

7. France

Offer to the public in France

The Securities will only be offered or sold, directly or indirectly, to the public in France and the Base Prospectus, the relevant Final Terms and any other offering material relating to the Securities will only be distributed to the public in France (i) when a prospectus in relation to those Securities has been

approved by the *Autorités des Marchés Financiers* (AMF), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2002/71/EC as amended, on the date of notification of such approval to the AMF, all in accordance with Articles L.412-1 and L.621-8 of the French 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 Base Prospectus;

Private placement in France

The Securities will not be offered or sold, directly or indirectly, to the public in France and the Base Prospectus, the relevant Final Terms and any other offering material relating to the Securities will not be distributed to the public in France, and such offers, sales and distributions will be made in France only to (a) providers of 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*) other than individuals acting for their own account or a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Monetary and Financial Code (*Code monétaire et financier*).

8. **Belgium**

Other than in circumstances which do not require the publication of a prospectus pursuant to the Belgian law of 16th June, 2006 on the public offering of financial instruments and the admission of financial instruments to trading on regulated markets (the **Law on Public Offerings**), prior to an offer of the Securities to the public in Belgium, the offer would need to be notified to the Belgian Financial Services and Markets Authority by the competent authority of the home member state of the Issuer pursuant to Article 38 of the Law on Public Offerings.

Each Authorised Offeror has represented and agreed, and each further Authorised Offeror appointed under the Programme will be required to represent and agree, that it will not offer for sale, sell or market Securities to any person qualifying as a consumer within the meaning of Article 2.3 of the Belgian law of 6th April, 2010 on consumer protection and trade practices, as amended from time to time, unless such offer, sale or marketing is made in compliance with this law and its implementing regulation

VII. DOCUMENTS ON DISPLAY

So long as Securities are capable of being issued under the Programme, copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the articles of association (with an English translation, where applicable) of the Issuer;
- (b) the audited consolidated and non-consolidated annual financial statements of Deutsche Bank group in respect of the financial years ended 31 December 2013, 31 December 2012 and 31 December 2011;
- (c) the unaudited consolidated interim financial statements of Deutsche Bank group for the 3 months ended 31 March 2014 and for the 3 months ended 30 September 2013 (in German and each with an English translation thereof);

The EMTN Base Prospectus dated 26 June 2014, and:

- (a) a copy of this Base Prospectus; and
- (b) any future supplements to this Base Prospectus and Final Terms and any other documents incorporated herein or therein by reference (save that Final Terms and any such documents incorporated by reference relating to a Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Securities and identity).

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