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**Deutsche Bank Aktiengesellschaft**

**(Frankfurt am Main, Germany)**

**Programme for the issuance of Credit Linked Securities**

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Under this programme (the "**Programme**") for the issuance of credit linked securities, Deutsche Bank Aktiengesellschaft (the "**Issuer**" or "**Deutsche Bank**") may from time to time issue credit linked securities, in the form of credit linked notes ("**Notes**") or credit linked certificates ("**Certificates**") and, together with Notes, "**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).

This document constitutes a securities note (the "**Securities Note**") in respect of all Securities issued under the Programme in accordance with Article 8 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**EU Prospectus Regulation**"), which, together with the registration document dated 4 May 2022 and prepared by the Issuer (as supplemented from time to time, the "**Registration Document**"), constitutes a base prospectus (as supplemented from time to time, the "**Base Prospectus**" or the "**Prospectus**") in accordance with Article 8 (6) and Article 10 of the EU Prospectus Regulation.

This Securities Note was approved on 6 January 2023 (the "**Date of Approval**") by the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the EU Prospectus Regulation. The CSSF only approved this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject of this Securities Note. In accordance with Article 6 (4) of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities (loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières, the "**Luxembourg Prospectus Act**"), by approving this Securities Note, the CSSF assumes no responsibility for the economic or financial soundness of the transactions contemplated by this Securities Note or the quality and solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in the Securities.

The Issuer has also requested the CSSF to provide the competent authorities in Italy with a certificate of approval in accordance with Article 25 (1) of the EU Prospectus Regulation attesting that the Base Prospectus of which this Securities Note forms part has been drawn up in accordance with the EU Prospectus Regulation (each, a "**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area (the "**EEA**") with similar Notifications.

The CSSF has neither approved nor reviewed information contained in this Securities Note in connection with Exempt Securities. Information contained in this Securities Note in connection with Exempt Securities (as defined in the Section entitled "*General Description of the Programme*") has been reviewed by the Luxembourg Stock Exchange and this Securities Note was approved on the Date of Approval by the Luxembourg Stock Exchange pursuant to Part IV of the Luxembourg Prospectus Act with regard to Exempt Securities only.

Application has also been made by the Issuer to the Luxembourg Stock Exchange for Securities issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading (i) (in the case of Non-Exempt Securities (as defined in the Section entitled "*General Description of the Programme*")) on the Luxembourg Stock Exchange's regulated market or the professional segment of the regulated market of the Luxembourg Stock Exchange or (ii) (in the case of Non-Exempt Securities and Exempt Securities) on the "Euro MTF" market of the Luxembourg Stock Exchange or on the professional segment of the "Euro MTF" market of the Luxembourg Stock Exchange.

Securities issued under the Programme may also be admitted to trading or listed on the EuroTLX Market (a multilateral trading facility organised and managed by Borsa Italiana S.p.A) ("**Borsa Italiana**"), which is not a regulated market for the purposes of MiFID II.

The Base Prospectus may be filed in Switzerland with a review body (Prüfstelle) approved by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act (“**FinSA**”) for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. Notwithstanding anything else in this Securities Note, the Issuer may make offers of Securities to the public in Switzerland (“**Swiss Non-exempt Offers**”), in respect of which the Issuer shall complete Final Terms (as defined below). In accordance with Article 36(4)(b) FinSA, the Issuer consents, to the extent and under the conditions, if any, specified in the applicable Final Terms, to the use of the Base Prospectus and the applicable Final Terms by any financial intermediary specified in the applicable Final Terms under “[Financial intermediaries granted specific consent to use the Base Prospectus for Swiss Non-exempt Offers]” for a Swiss Non-exempt Offer on the basis of and in accordance with the Base Prospectus and the applicable Final Terms. The Issuer and the relevant financial intermediary/intermediaries may also make offers of Securities in Switzerland pursuant to an exemption under Article 36(1) FinSA or where such offers do not qualify as a public offer in Switzerland.

The Securities issued under the Programme are securities in respect of which the amount payable at redemption and/or any interest are linked to the credit risk of one or more corporate or sovereign entities or their successors (each a “**Reference Entity**”).

**The Base Prospectus (comprising this Securities Note and the Registration Document) is valid for a period of twelve months from the Date of Approval, i.e. until (and including) 6 January 2024. The obligation to supplement the Base Prospectus (comprising this Securities Note and the Registration Document) in the event of a significant new factor, material mistake or material inaccuracy shall not apply once the Base Prospectus (comprising this Securities Note and the Registration Document) is no longer valid. During its time of validity the Issuer shall not be obliged to supplement the Base Prospectus (comprising this Securities Note and the Registration Document) in case it is not being used in connection with an issue of Notes which shall be (i) admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA in circumstances where no exemption is available under Article 1 (4) and/or Article 3 (2) of the EU Prospectus Regulation, or (ii) admitted to trading on the "Euro MTF" market of the Luxembourg Stock Exchange or on the professional segment of the "Euro MTF" market of the Luxembourg Stock Exchange.**

This Securities Note, the Registration Document, any document incorporated by reference in this Securities Note and the Registration Document and any supplement relating to information contained in this Securities Note or the Registration Document are available in electronic form on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.xmarkets.db.com](http://www.xmarkets.db.com)) and will be viewable on, and obtainable free of charge from, such websites. For the avoidance of doubt, none of the information contained in the aforementioned websites, forms part of this Securities Note or has been scrutinised or approved by the CSSF or the Luxembourg Stock Exchange.

## IMPORTANT NOTICES

**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 both the "Risk Factors" section of this Securities Note and the "Risk Factors" section of the Registration Document. The Securities will represent direct unsubordinated and unsecured contractual obligations of the Issuer which will rank *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any statutory priority regime of the jurisdiction of the Issuer's incorporation (or, in the case of Securities issued by Deutsche Bank AG through a branch, of the jurisdiction where such branch is established) that provides certain claims will be satisfied first in a resolution or German insolvency proceeding with respect to the Issuer. The Securities will be subject to Resolution Measures, as discussed in the "Risk Factors" section of this Securities Note under "*Regulatory Bail-in and other Resolution Measures*" below.**

Notice of the aggregate principal amount or number of Securities, as applicable, interest (if any) payable in respect of Securities, the issue price of Securities and certain other information which is applicable to each tranche of Securities (each, a "**Tranche**") will (other than in the case of Exempt Securities) be set out in a final terms document (the "**Final Terms**") which will be filed with the CSSF in case the Securities are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1 (4) or Article 3 (2) of the EU Prospectus Regulation. In the case of Exempt Securities, notice of the aggregate principal amount or number of Securities, as applicable, interest (if any) payable in respect of Securities, the issue price of Securities and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**" and, together with the Final Terms, the "**Issue Terms**").

Copies of the Issue Terms will be available from the registered office of the (save that a Pricing Supplement will only be available for inspection by a holder of the relevant Security and such holder must produce evidence satisfactory to the Issuer as to its holding of Securities and identity). In the case of Securities that are to be listed on the Official List of, and admitted to trading on, the regulated market (including its professional segment) or the "Euro MTF" market (including its professional segment) of the Luxembourg Stock Exchange, the applicable Issue Terms will be available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)), but only for so long as such admission to trading and listing is maintained and the rules of the Luxembourg Stock Exchange or the laws or regulations so require. In addition, in the case of Securities which are admitted to trading on the EuroTLX market of Borsa Italiana, the relevant Final Terms together with any notice to the Final Terms may be viewed on the website of the Borsa Italiana ([www.borsaitaliana.com](http://www.borsaitaliana.com)). but only for so long as such admission to trading is maintained and the rules of the Borsa Italiana or the laws or regulations so require.

This Securities Note should be read and understood in conjunction with the Registration Document and any supplement relating to information contained in the Securities Note. Full information on the Issuer and any Securities issued under the Programme is only available on the basis of the combination of the information contained in this Securities Note, the Registration Document, any document incorporated by reference in the Registration Document, any supplement relating to information contained in this Securities Note or the Registration Document and the relevant Issue Terms.

No person is or has been authorised to give any information or to make any representations, other than those contained in this Securities Note, in connection with the Programme or the issue and sale of the Securities and, if given or made, such information or representations must not be relied upon as having been authorised by Deutsche Bank. Neither the delivery of this Securities Note or the Registration Document nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Neither this Securities Note nor the Registration Document nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any Distributor that any recipient of this Securities Note or the Registration Document or any recipient of any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Securities Note nor the Registration Document nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or invitation by or on behalf of the Issuer or any Distributor to subscribe for or to purchase any Securities.

This Securities Note as well as any applicable Issue Terms reflects the status as of their respective dates of issue. Neither the delivery of this Securities Note nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained in the aforementioned related documents is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer shall amend or supplement this Securities Note and the Registration Document or publish a new securities note or registration document if and when the information herein or therein should become materially inaccurate or incomplete and has further agreed to furnish a supplement relating to information contained in this Securities Note or the Registration Document in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Securities Note or the Registration Document, as applicable, which is capable of affecting the assessment of the Securities and which arises or is noted between the time when this Securities Note has been approved and the final closing of any Tranche of Securities offered to the public in an EEA Member State or, as the case may be, when trading of any Tranche of Securities on a regulated market of a stock exchange located in an EEA Member State begins.

The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or 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.

**Prohibition of Sales to Retail Investors in the European Economic Area** – If the Issue Terms in respect of any Securities includes a legend entitled "*Prohibition of Sales to Retail Investors in the European Economic Area*", the Securities are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. If the relevant Issue Terms include the above-mentioned legend, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling those Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling those Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

If Issue Terms specify "*Prohibition of Sales to Retail Investors in the European Economic Area*" as "*Not Applicable*", except to the extent sub-paragraph (ii) below may apply, in relation to each Member State of the EEA (each, a "**Relevant Member State**"), any offer of Securities will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering/placement contemplated in this Securities Note as completed by Issue Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Distributor to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the EU Prospectus Regulation, provided that any such prospectus has subsequently been completed by the relevant Issue Terms which specify that offers may be made other than pursuant to Article 1 (4) of the EU Prospectus Regulation in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or relevant Issue Terms, as applicable, and the Issuer has consented in writing to the use of such prospectus for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Distributor have authorized, nor do they authorize, the making of any offer of Securities in circumstances in which an obligation arises for the Issuers or any Distributor to publish or supplement a prospectus for such offer.

**Prohibition of Sales to Retail Investors in the United Kingdom** – If the Issue Terms in respect of any Securities include a legend entitled "*Prohibition of Sales to Retail Investors in the United Kingdom*", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the United Kingdom Financial Services and Markets Act 2000 (as amended, the

"FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2 (1) of Regulation (EU) 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) 1286/2014, as amended, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the "**United Kingdom PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the United Kingdom PRIIPs Regulation.

If the relevant Issue Terms specify "*Prohibition of Sales to Retail Investors in the United Kingdom*" as "*Not Applicable*", except to the extent sub-paragraph (ii) below may apply, in relation to the United Kingdom, any offer of Securities will be made pursuant to an exemption under the EU Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the "**UK Prospectus Regulation**") from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in the United Kingdom of Securities which are the subject of an offering/placement contemplated in this Securities Note as completed by Issue Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Distributor to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in the United Kingdom and published, all in accordance with the UK Prospectus Regulation, provided that any such prospectus has subsequently been completed by Issue Terms which specify that offers may be made other than pursuant to Article 1 (4) of the UK Prospectus Regulation and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or relevant Issue Terms, as applicable, and the Issuer has consented in writing to the use of such prospectus for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Distributor have authorized, nor do they authorize, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Distributor to publish or supplement a prospectus for such offer.

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

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

**UK MiFIR Product Governance / Target Market** – The Issue Terms in respect of any Securities may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any Distributor should take into consideration the target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Distributor subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor any other Distributor nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Neither this Securities Note nor the Registration Document constitutes an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Securities Note and the Registration Document and the offer or sale of Securities may be restricted by law in certain jurisdictions. Neither the Issuer nor any Distributor represent that this Securities Note or the Registration Document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Distributor which would permit a public offering of any Securities in any

jurisdiction (other than any EAA Member State into which the Base Prospectus (of which this Securities Note forms part) has been notified) or distribution of this Securities Note or the Registration Document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Securities Note nor the Registration Document nor any advertisement or 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 Securities Note, the Registration Document or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Securities Note and the Registration Document and the offering and sale of Securities. Please see the Section X entitled "*Selling and Transfer Restrictions*" of this Securities Note. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Securities being offered, including the merits and risks involved.

**Neither this Securities Note nor the Registration Document nor any Issue Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

Neither this Securities Note nor the Registration Document nor any Issue Terms constitutes an offer or an invitation to subscribe for or purchase any Securities and should not be considered as a recommendation or a statement of an opinion (or a report of either of those things) by Deutsche Bank, any Distributor or any of them that any recipient of this Securities Note, the Registration Document or any Issue Terms should subscribe for or purchase any Securities. Each recipient of this Securities Note or any Issue Terms shall be taken to have made its own appraisal of the condition (financial or otherwise) of the Issuer.

Neither the Issuer nor any Distributor makes any representation to any purchaser of the Securities regarding the legality of its investment under any applicable laws. Any purchaser of the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

The Securities have not been and will not be registered with the U.S. Securities and Exchange Commission (the "**SEC**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States, 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 of 1936, as amended (the "**Commodity Exchange Act**"). The Securities may not be offered, sold, resold, pledged or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Securities may be offered and sold at any time outside the United States to non-U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S ("**Regulations S**") under the Securities Act who also 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 "*Selling and Transfer Restrictions*", in Section X of this Securities Note.

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Pursuant to this Securities Note, Securities may be issued whose interest payments will be calculated by reference to a specific benchmark which will be provided by an administrator (the "**Benchmark-linked Securities**")

As at the date of this Securities Note, the specific benchmark applicable to an issue of Benchmark-linked Securities has not yet been determined. However, amounts payable under Benchmark-linked Securities may be calculated by reference to (i) €STR (Euro short-term rate) which is provided by the European Central Bank (the "**ECB**"), (ii) SOFR (Secured Overnight Financing Rate), which is provided by the Federal Reserve Bank of New York (the "**Federal Reserve**"), (iii) SONIA (Sterling Overnight Index Average), which is provided by the Bank of England (the "**BoE**"); (iv) certain CMS (constant maturity swap) rates which are provided by ICE Benchmark Administration Limited ("**IBA**"); (v) EURIBOR, which is provided by the European Money Markets Institute ("**EMMI**"); or, in respect of Exempt Securities, (vi) another benchmark (any "**Other Benchmark**").

As at the date of this Securities Note, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") (the "**ESMA Register**") pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended (the "**Benchmark Regulation**")

As at the date of this Securities Note, none of the ECB, IBA, the Federal Reserve or the BoE appear on the ESMA Register. As far as the Issuer is aware:

- (i) the transitional provisions in Article 51 of the Benchmarks Regulation apply to IBA, so that certain CMS rates provided by IBA may currently continue to be used without any recognition, endorsement or equivalence; and
- (ii) the exemption set out in point (a) of Article 2 (2) of the Benchmarks Regulation applies to the ECB, the Federal Reserve and the BoE, so that €STR, SOFR and SONIA may be used without any recognition, endorsement or equivalence.

In case Securities are issued which make reference to any Other Benchmark, the relevant Issue Terms will specify the name of the specific benchmark and the relevant administrator. In such case the Issue Terms will further specify whether the relevant administrator is included in the ESMA Register and, if not, (i) whether the transitional provisions in Article 51 of the Benchmarks Regulation apply or (ii) whether an exemption pursuant to Article 2 of the Benchmarks Regulation applies.

### **Stabilising Manager**

**In connection with the issue of any Tranche of Securities, any Distributor(s) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Issue Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.**

### **Listing on other exchanges**

Securities may, subject to compliance with all relevant laws, also be listed on other exchanges which are not regulated markets for the purposes of the Markets in Financial Instrument Directive (Directive 2014/65/EU, as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, "UK MiFIR"), as indicated in the relevant Issue Terms.

### **ISDA Documentation**

**Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions, the 2014 ISDA Credit Derivatives Definitions or the relevant Credit Derivatives Physical Settlement Matrix, in each case, as published by the International Swaps and Derivatives Association, Inc.**

### **Defined Terms**

An index of defined terms is set out at the end of this document. In this Securities Note, all references to "€", "Euro", and "EUR" are to 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 European Union treaty law (as amended from time to time), all references to "£" and "GBP" are to Pounds Sterling and all references to "U.S. dollars", "U.S.\$", "USD" and "\$" refer to United States dollars.

The website addresses of certain third parties have been provided in this Securities Note. Except as expressly set forth in this Securities Note, information in such websites are for information purposes only and should not be deemed to be incorporated by reference in, or form a part of, this Securities Note.

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## I. GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview describes the key features of the Securities that each Issuer is offering under the Programme in general terms only. Investors should read this general description together with the more detailed information that is contained in this Securities Note, the Registration Document and in the applicable Issue Terms.*

**Issuer:** Securities may be issued by Deutsche Bank Aktiengesellschaft (the "**Bank**") through its head office in Frankfurt am Main and acting through its London branch in relation to any Series, as specified in the applicable Issue Terms. All Securities constitute obligations of the Bank.

**Issuer's Legal Entity Identifiers (LEI):** 7LTFWZYICNSX8D621K86

**Description of the Bank:** Deutsche Bank Aktiengesellschaft (commercial name: Deutsche Bank) is a banking institution and a stock corporation incorporated in Germany and accordingly operates under the laws of Germany. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its principal office at Taunusanlage 12, 60325 Frankfurt am Main, Germany.

**Business of the Bank:** The objects of Deutsche Bank, as laid down in 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. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the 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.

Deutsche Bank maintains its head office in Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo, Hong Kong and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is organized into the following segments:

- Corporate Bank (CB);
- Investment Bank (IB);
- Private Bank (PB);
- Asset Management (AM);
- Capital Release Unit (CRU); and
- Corporate & Other (C&O).

In addition, Deutsche Bank has a country and regional organizational layer to facilitate a consistent implementation of global strategies.

The Bank has operations or dealings with existing and potential customers in most countries in the world. These operations and dealings include:

- working through 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.

**Fiscal Agent:** Subject as provided below, where the Issuer in respect of a Series of Securities is:

- (i) Deutsche Bank Aktiengesellschaft acting through its head office in Frankfurt am Main, Deutsche Bank Aktiengesellschaft acting through its head office in Frankfurt am Main; and

- (ii) Deutsche Bank AG, acting through its London branch ("**Deutsche Bank AG, London Branch**"), Deutsche Bank AG, London Branch domiciled at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

The Issuer may perform any obligation specified herein to be performed by the Fiscal Agent and in such circumstances each reference to the Fiscal Agent herein shall be deemed to be to the Issuer acting in such capacity.

**Calculation Agent:** In respect of a Series of Securities, the Issuer of such Securities, or as otherwise specified in the relevant Issue Terms.

**Distributor:** The Issuer may from time to time issue Securities to one or more of entities which it has appointed as a distributor (each a "**Distributor**" and together the "**Distributors**") in respect of the Programme or such issuance. Any such appointment as Distributor may be for a specific issue or on an ongoing basis.

**Risk Factors:** Prospective purchasers should ensure to carefully read and consider the risks relating to the Issuer and the risks relating to the Securities set out in "*Risk Factors*" below. Prospective purchasers should consult their own financial and legal advisers about risks associated with investment in any Securities and the suitability of investing in any Securities in light of their particular circumstances.

**Status of Securities:** In case of Securities the ranking of which is specified in the relevant Issue Terms of the Securities as preferred, such Securities constitute unsecured and unsubordinated preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated preferred liabilities of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.

In accordance with § 46f(5) of the German Banking Act (Kreditwesengesetz, "**KWG**"), the obligations under such Securities rank in priority of those under debt instruments of the Issuer within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision, including eligible liabilities within the meaning of Articles 72a and 72b(2) of The Capital Requirements Regulation (EU) No. 575/2013 ("**CRR**").

In case of Securities the ranking of which is specified in the relevant Issue Terms of the Securities as non-preferred, such Securities constitute unsecured and unsubordinated non-preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated non-preferred liabilities of the Issuer. This is subject to statutory priorities conferred to certain unsecured and unsubordinated non-preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, Insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.

In accordance with § 46f(5) KWG, in the event of resolution measures being imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the obligations under such Securities shall rank behind the claims of unsubordinated creditors of the Issuer not qualifying as obligations within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision; this includes eligible liabilities within the meaning of Article 72b(2) CRR where point (d) of such Article does not apply. In any such event, no amounts shall be payable in respect of the Securities until the claims of such other unsubordinated creditors of the Issuer have been satisfied in full.

**Selling Restrictions:** Restrictions apply to offers, sales or transfers of the Securities in various jurisdictions and any person who purchases Securities at any time is required to make, or is deemed to have made, certain agreements and representations as a condition to purchasing such Securities or any legal or beneficial interest therein. See "*Selling and Transfer*

*Restrictions*" in Section X of this Securities Note. In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction

**Listing and Admission to Trading:**

Application has been made by the Issuer to the Luxembourg Stock Exchange for Securities issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading:

- (i) (in the case of Non-Exempt Securities) on the Luxembourg Stock Exchange's regulated market or the professional segment of the regulated market of the Luxembourg Stock Exchange; or
- (ii) (in the case of Non-Exempt Securities and Exempt Securities) on the "Euro MTF" market of the Luxembourg Stock Exchange or on the professional segment of the "Euro MTF" market of the Luxembourg Stock Exchange.

Securities issued under the Programme may also be admitted to trading or listed on the EuroTLX Market (a multilateral trading facility organised and managed by Borsa Italiana), which is not a regulated market for the purposes of MiFID II.

The Securities may also be unlisted.

**Rating:**

Securities may be rated or unrated. A security rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Securities to be issued under the Programme:**

Securities may be issued under the Programme as Notes or Certificates and as Non-Exempt Securities or Exempt Securities.

**"Non-Exempt Securities"** means Securities which are to be admitted to trading on a regulated market of a stock exchange located in an EEA Member State and/or are offered to the public in an EEA Member State in circumstances where no exemption is available under Article 1(4) of the EU Prospectus Regulation and where therefore a prospectus is required to be published thereunder.

**"Exempt Securities"** means Securities which are neither to be admitted to trading on the regulated market of a stock exchange located in an EEA Member State nor offered to the public in an EEA Member State in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

**Method of Issue:**

The Securities will be issued in Series. Each Series may be issued in Tranches having the same terms as other Securities of such series other than the issue date and the issue price.

**Form of Securities:**

The Securities will be issued in bearer form without interest coupons attached. Securities will be issued outside the United States in reliance on Regulation S under the Securities Act.

Any Securities will be issued in the form of a Global Security represented by a Permanent Bearer Global Security without interest coupons which will be delivered on or prior to the original issue date to Clearstream Frankfurt, a common depositary for Euroclear and Clearstream, Luxembourg or such other Clearing System specified in the applicable Issue Terms.

The Issuer has executed a deed of covenant dated 6 January 2023 in respect of Securities which is governed by English law, pursuant to which it covenants in favour of the holders of Securities that in certain circumstances each such holder shall automatically acquire against the Issuer those rights that it would have had if it held and beneficially owned authenticated definitive securities.

**Restrictions on the free transferability of the Securities:**

The Securities have not been and will not be registered under the Securities Act and trading in the Securities has not been approved by the CFTC under the Commodity Exchange Act.

The Securities, or any interests therein, may not be offered or sold except to, or for the account or benefit of, non-U.S. persons located outside the United States in reliance on Regulation S under the Securities Act. For a description of certain

restrictions on the sale and transfer of the Securities, please refer to the "*Selling and Transfer Restrictions*", in Section X of this Securities Note.

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.

Subject to the above, each Security or a Series of Securities is freely transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Systems through whose books such Security is transferred.

**Currency of the Securities of Issue:** The Securities may be denominated in such currency as specified in the relevant Issue Terms, subject to compliance with applicable legal and/or regulatory and/or central bank requirements.

**Minimum Denomination for Non-Exempt Securities:** No Non-Exempt Securities may be issued under the Programme which have a minimum denomination (in the case of Notes) or unit value (in the case of Certificates) of less than EUR 1,000 (or nearly equivalent in another currency). Subject thereto, Non-Exempt Securities will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Maturity:** Such maturity as specified in the relevant Issue Terms, subject, in relation to specific currencies, to compliance with applicable legal and/or regulatory and/or central bank requirements.

**Issuer Call:** The relevant Issue Terms may specify that the Issuer has the right to redeem the Securities earlier than the scheduled maturity date (in the case of Notes) or scheduled redemption date (in the case of Certificates) (as applicable) on giving notice to the Securityholders on not less than the number of Business Days' notice as specified in the relevant Issue Terms. The Securities shall be redeemed on such early redemption date and the Securityholders shall receive an amount on early redemption of the Securities calculated in accordance with the relevant Product Conditions.

**Redemption:** The relevant Issue Terms may specify the date of redemption of Securities (or that the Securities may be redeemed at such other time or on such event as specified in the relevant Issue Terms) and the amount payable or asset(s) deliverable on redemption, which may be linked to the performance of one or more Reference Entities.

The relevant Issue Terms may specify that the Securities shall be redeemed earlier than the scheduled maturity date (in the case of Notes) or scheduled redemption date (in the case of Certificates) pursuant to the exercise of a call option by the Issuer (see "*Issuer Call*" above).

Securities may also be redeemed at the option of the Issuer following the occurrence of an Illegality or Force Majeure Event (see "*Illegality or Force Majeure Event*" below).

Securities may also be redeemed earlier than the scheduled maturity date (in the case of Notes) or scheduled redemption date (in the case of Certificates) following the occurrence of certain events in accordance with the relevant Product Conditions and/or as specified in the relevant Issue Terms.

**Substitution of Issuer:** The Issuer may, at any time, without the consent of the Securityholders opt to be replaced as principal obligor by a Substitute which is either a subsidiary or Affiliate of the Issuer provided that (a) the Substitute's obligations are guaranteed by Deutsche Bank AG, (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 10.

**Merger Event Redemption:** The Securities may be redeemed early if the Issuer consolidates, 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. In such circumstances, each Security will be redeemed by the Issuer at the Merger Event Redemption Amount (if any) as set out in Product Condition 5.10 together with any Coupon Amount accrued as provided in Product Condition 4.8 on the day falling 10 Business Days after the date on which notice is given to the Securityholders in accordance with Product Condition 10.

**Negative Pledge:** None.

**Cross Default:** None.

**Events of Default:** The occurrence at any time with respect to the Issuer of any of the following events:

- (a) the Issuer fails to pay principal or interest within in respect of the Securities 30 calendar days of the relevant due date;
- (b) the Issuer fails duly to perform any other obligation arising from the Securities, if such failure continues for more than 60 days after the Issuer has received notice thereof from a Securityholder;
- (c) the Issuer announces its inability to meet its financial obligations or ceases its payments; or
- (d) a court in Germany opens insolvency proceedings against the Issuer.

A Security may be redeemed by the relevant Securityholder prior to final redemption following an Event of Default as set out in Product Condition 18. In such circumstances, the amount payable to relevant Securityholder will be an amount (which may never be less than zero) calculated by the Calculation Agent equal to the fair market value of the Securities held by the relevant Securityholder, together with interest accrued to (but excluding) the day the relevant Event of Default occurred. For such purposes, the fair market value shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. For the purposes of determining the fair market value, no account shall be taken of the financial condition of the Issuer, which shall be presumed to be able to perform fully its obligations in respect of the Securities

**Illegality or Force Majeure Event:** If the Issuer determines, for reasons beyond its control, that an Illegality Event or Force Majeure Event has occurred, the Issuer may, at its option, redeem the Securities early by giving notice to the Securityholders in accordance with Product Condition 10.

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, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner.

**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.

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.

**Coupon:**

The Securities to be issued under the Programme may pay either (a) fixed amounts of coupon, (b) variable amounts of coupon or (c) no coupon at all. Please also see Commonly Asked Question 20 “*How is the coupon amount calculated?*” in the “Commonly Asked Question” section herein.

*Credit Linked*

The coupon amount payable in respect of the Securities may be linked to the credit risk of one or more corporate or sovereign entities or their successors. Please see “*Credit Linked Provisions*” below for more detail and Commonly Asked Questions 21.13 and 21.14 in the “Commonly Asked Question” section herein.

**Credit Linked Provisions:**

The Securities are securities in respect of which the amount payable at redemption (other than in respect of Securities that are Final Redemption Capital Protected Securities for which the applicable Capital Protection Percentage is 100%) and the amount payable on each Coupon Payment Date (if any) are linked to the credit risk of one or more corporate or sovereign entities or their successors (each a “**Reference Entity**”). In exchange for a higher coupon or other return on the Securities in the absence of a Credit Event (as described below), investors take the risk that the amount which they receive at redemption will be less than the face value of the Security and any Coupon Amounts they receive may be reduced if a Reference Entity has, amongst other similar things, become insolvent or defaulted on its obligations.

Insolvency or default of a Reference Entity (or, where applicable, other events such as the restructuring of debt liabilities, the declaration of a moratorium on payments or the imposition by a governmental authority of reductions in debt liabilities) is referred to as a “Credit Event” having occurred. If a Credit Event has occurred with respect to a Reference Entity to which your Securities are linked and, as a result, an Event Determination Date under the Conditions of the Securities occurs in relation to such Reference Entity, depending on the type of the Securities, you may receive a reduced percentage (which may be zero) of the face value of each Security you hold. Depending on the type of the Securities, such reduced percentage may be calculated by reference to the recovery rate achieved by creditors of the Reference Entity (or, if “Zero Recovery Principal Amount Reduction Securities” is specified to be applicable in the relevant Issue Terms, you may suffer a loss of your entire principal).

The Product Conditions specify seven Credit Events which may apply to a Reference Entity, the applicable Credit Events depend on the identity of the Reference Entity and will be determined either by reference to market standards that relate to credit default swaps or will be specified in the relevant Issue Terms. Such Credit Events are:

- Bankruptcy (broadly, one or more reference entities becomes insolvent or enters into formal bankruptcy or rehabilitation proceedings or an administrator is appointed);
- 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);

- 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);
- 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);
- 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));
- 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); and
- Governmental Intervention (as a result of the action taken or announcement made by a governmental authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulations) applicable to the relevant Reference Entity, certain binding changes are made to the relevant obligations of the Reference Entity. The changes include, without limitation, a reduction in the rate or amount (as applicable) of interest, principal or premium payable when due, a postponement or other deferral of the date or dates for payment of interest, principal or premium, a change in the ranking in priority of payment of any obligation, or a mandatory cancellation, conversion or exchange),

in each case, subject to and as more fully described in the Product Conditions.

The Product Conditions as amended, if applicable, by any applicable Issue Terms, deal with how the payments relating to the Securities are calculated and the consequences following a Credit Event in respect of a Reference Entity. In purchasing the Securities, you are assuming credit risk exposure to the relevant Reference Entity(ies).

**Following the occurrence of a Credit Event with respect to any such Reference Entity and an Event Determination Date under the Conditions of the Securities, you may lose some or all of your investment in the Securities.**

By investing in the Securities, you will be a seller of credit protection (and hence a buyer of credit risk), whilst the Issuer will be a buyer of credit protection (and therefore a seller of credit risk).

If an Event Determination Date occurs, the Securities will be subject to redemption at a price which may be at a considerable discount to par and could be zero, depending on the type of Securities as specified in the relevant Issue Terms and Coupon Amounts may cease to accrue from (and including) the Coupon Payment Date immediately preceding the relevant Event Determination Date (or, if "Credit Event Accrued Coupon Securities" is specified to be applicable, coupon amounts will cease to accrue from (and including) the relevant Event Determination Date). The Securities explicitly bear the credit risk of the Reference Entity or Reference Entities specified in the relevant Issue Terms and any Successor(s) thereto identified by the Calculation Agent or the Credit Derivatives Determinations Committee, in each case, in accordance with the definition of "Successor" in the Product Conditions. Even where a Credit Event has not occurred, the market value of the Securities may be adversely affected when the probability or perceived probability of a Credit Event occurring in relation to the relevant Reference Entity increases.

An Event Determination Date may occur at any time during the period from, and including, the “Credit Event Backstop Date” to, and including, the Credit Period End Date (subject to extension in certain circumstances). Therefore, Credit Events occurring prior to the Trade Date may, depending on the Conditions of the Securities, be taken into account for the purposes of the Securities.

Subject as more fully described in the Product Conditions, an Event Determination Date may occur:

- (i) as a result of the publication by ISDA of a resolution by a Credit Derivatives Determinations Committee (“CDDC”) that a Credit Event has occurred in relation to that Reference Entity (in which case the Event Determination Date will be the date of the relevant request for a resolution); or
- (ii) in the absence of a resolution of a CDDC, if the Calculation Agent delivers to the Issuer a notice and, if applicable, supporting information derived from specified sources (that is, public news or information sources, the Reference Entity itself, court or other public filings or paying agents, trustees or other intermediaries appointed in respect of obligations of the Reference Entity), in order to trigger settlement of the Securities following a Credit Event.

#### *Types of Securities*

The Securities may be:

- Basket Securities, which are Securities linked to the performance of a portfolio of Reference Entities (including where such portfolio is comprised of the constituents of a credit default swap index). Under Basket Securities the amount of principal and coupon (if any) payable by the Issuer is dependent on whether a Credit Event in respect of one or more of Reference Entities has occurred. Where such Securities are Zero Principal Amount Reduction Securities (“zero recovery”) Basket Securities, the loss suffered by investors on a Credit Event occurring in respect of a Reference Entity will be equal to the entire weighting of that Reference Entity in the portfolio. The portfolio of Reference Entities may in some cases be determined in relation to a credit default swap index.
- Single Reference Entity Securities that are Zero Principal Amount Reduction Securities, which are Securities linked to the performance of a single Reference Entity under which if a Credit Event occurs in respect of the Reference Entity, the Securities will cease to pay coupon and will be cancelled at zero and investors will lose their entire investment.
- Fixed Recovery Securities, which are Securities where the amount payable on redemption of the Securities following the occurrence of a Credit Event is fixed.
- Final Redemption Capital Protected Securities, which are Securities in respect of which following a Credit Event in respect of a Reference Entity will be redeemed at specified portion of the Nominal Amount (in the case of Notes) or Notional Amount or Reference Amount, as the case may be (in the case of Certificates) of the Securities.
- Loss at Final Redemption Securities, which are Securities where, notwithstanding the occurrence of a Credit Event in respect of a Reference Entity, the Securities will continue to redeem on the Maturity Date (in the case of Notes) or the Redemption Date (in the case of Certificates) in accordance with Product Condition 5.4.

If no Event Determination Date occurs then, subject as noted in “*Potential extension of the Maturity/Redemption Date*” below, the Securities are scheduled to redeem on the Scheduled Maturity Date (in the case of Notes) or the Scheduled Redemption Date (in the case of Certificates) as specified in the relevant Issue Terms.

#### *Potential extension of the Maturity/Redemption Date*



Redemption of the Securities may be extended beyond the Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates) even where no Event Determination Date is ultimately deemed to have occurred. For further information please see Commonly Asked Question 21.15 “*In what circumstances might the maturity of the Securities be extended?*” in the “Commonly Asked Question” section herein.

**Governing law of the Securities:**

The Securities shall be governed by English law.

## II. RISK FACTORS

Potential investors should carefully review and consider the following risk factors (the "**Risk Factors**") and the other information contained in this Securities Note (including any document incorporated by reference) or any supplement to this Securities Note.

The Issuer believes that the Risk Factors described below represent the specific risks inherent in investing in the Securities issued under the Programme but the inability of the Issuer to pay principal, interest or other amounts may occur or arise for other reasons and there may be other factors which are material to the risks associated with the Securities. In the case of Exempt Securities, the Pricing Supplement in respect of a Series of Securities may contain additional issue specific risk factors in respect of such Series.

The Securities issued under the Programme may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability and appropriateness of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Securities Note or any applicable supplement and all the information contained in the applicable Issue Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (d) understand thoroughly the terms of the Securities; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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).

During the life of each Series of Securities the Risk Factors specified below may impact such Securities at different points in time and for different lengths of time. Each Series of Securities may have a risk profile that changes over time. Prospective investors should seek advice from a professional financial adviser in order to further discuss and understand how the risk profile of a particular Series of Securities will affect their overall investment portfolio.

More than one risk factor may have 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 which may not be predictable. No assurance can be given as to the effect that any combination of the Risk Factors set out below may have on the value of the Securities.

If one or more of the risks described below occurs, this may result in material decreases in the price of the Securities or, in the worst-case scenario, in total loss of interest and capital invested by the investor.

Terms used in this section and not otherwise defined shall have the meanings given to them elsewhere in this Securities Note.

The Risk Factors are presented according to their nature in the following categories:

1. Risks related to credit linked Securities

2. General risks related to the Securities
3. Risks related to market factors, market value and potential illiquidity of the Securities
4. Conflicts of interest in respect of the Securities

## 1. **RISKS RELATED TO CREDIT LINKED SECURITIES**

The Securities feature an embedded credit derivative, which means that the Coupon Amount(s) and/or 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 and, if so and in respect of Securities that are not Fixed Recovery Securities, Final Redemption Capital Protected Securities or Zero Recovery Principal Amount Reduction Securities and depending on the terms of the Securities, on the value of certain specified assets of the Reference Entity(ies). In these circumstances, since the relevant assets will be issued, guaranteed or insured by the Reference Entity affected by the Credit Event, the value of such assets at the relevant time may be considerably less than would be the case if the Credit Event had not occurred. 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 Final Redemption Capital Protected Securities for which the applicable Capital Protection Percentage is 100% ("**100% Final Redemption Capital Protected Securities**"), the Securities will only be redeemable at their Nominal Amount (in the case of Notes) or Notional Amount or Reference Amount, as the case may be (in the case of Certificates) at final redemption 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, Repudiation/Moratorium or Governmental Intervention) 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, and an Event Determination Date has occurred with respect thereto, the amounts (if any) payable in respect of the Securities will be reduced and in certain circumstances may be zero.

The market price of the Securities may be volatile and may be affected by, among other things, the creditworthiness of the Reference Entity (which in turn may be affected by the economic, financial and political events in one or more jurisdictions) and the time remaining until final redemption.

### 1.1 **General risks related to credit linked securities**

#### 1.1.1 *Risks related to the occurrence of 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));
- (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); and
- (g) Governmental Intervention (as a result of the action taken or announcement made by a governmental authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulations) applicable to the relevant reference entity, certain binding changes are made to the relevant obligations of the reference entity. The changes include, without limitation, a reduction in the rate or amount (as applicable) of Coupon Amounts, principal or premium payable when due, a postponement or other deferral of the date or dates for payment of Coupon Amounts, principal or premium, a change in the ranking in priority of payment of any obligation, or a mandatory cancellation, conversion or exchange),

in each case, subject to and as more fully described in the Product Conditions.

The Credit Events which are applicable shall be determined by reference to the most recent Credit Derivatives Physical Settlement Matrix published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") as at the Trade Date of the Securities. Whether a Credit Event occurs will be determined in accordance with the Product Conditions. The occurrence of a Credit Event and the designation of an Event Determination Date may result in a Securityholder losing some, and potentially all, of its initial investment.

Prospective investors should note that not all of the possible Credit Events require an actual default with respect to the obligations of a relevant Reference Entity. Securityholders could bear losses based on deterioration in the credit of any relevant Reference Entity(ies) short of a default, subject to the provisions set out in the Product Conditions and the applicable Issue Terms.

#### 1.1.2 *Risks related to determinations by a Credit Derivatives Determinations Committee and ISDA Auctions*

As further provided in the Product Conditions and as described above, the determination as to whether or not a Credit Event has occurred 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**").

By way of the 2014 ISDA Credit Derivatives Definitions and the Credit Derivatives Determinations Committees Rules (as published by ISDA and made available on the website of the Credit Derivatives Determinations Committees at [www.cdsdeterminationscommittees.org](http://www.cdsdeterminationscommittees.org) (or any successor website thereto), as may be amended and/or supplemented from time to time) (the "**DC Rules**"), 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.

In such circumstances the relevant determination pursuant to the Conditions of the Securities is subject to the announcements, publications, determinations and resolutions made by ISDA and/or the Credit Derivatives Determinations Committees.

Certain other determinations under the Securities, including without limitation determinations with respect to Successors and Substitute Reference Obligations, may also follow determinations and/or approvals of the relevant Credit Derivatives Determinations Committee and which in such circumstances would be binding on the Securityholders.

In any such cases any such announcements, publications, determinations and resolutions could therefore affect the amount and timing of payments of Coupon Amounts on and principal of the Securities or deliveries pursuant to the terms of the Securities. None of the Issuer, the Fiscal Agent or any other related person will have any liability to any person for any determination or calculation and/or any delay or suspension of payments and/or redemption of the Securities resulting from or relating to any announcements, publications, determinations and resolutions made by ISDA and/or any of the Credit Derivatives Determinations Committees. Further information regarding the ISDA Credit Derivatives Determinations Committees can be found at [www.isda.org/credit](http://www.isda.org/credit).

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 DC Rules. A Credit Derivatives Determinations Committee will make decisions on issues submitted to it which are agreed to be deliberated in accordance with the DC 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.

The external reviewers within the external review panel may not consider new information that was unavailable to the relevant Credit Derivatives Determinations Committee at the time of the binding vote and questions may be returned to the Credit Derivatives Determinations Committee for another vote if new information becomes available. In addition, if the external reviewers fail to arrive at a decision for any reason, the entire process will be repeated. As a result, the external review process may be elongated in certain situations, leaving questions unresolved for a period of time which may materially negatively affect the interests of the Securityholders and their position in respect of the Securities.

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 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 4 ("*Conflicts of interest in respect of the Securities*") below.

In certain circumstances, following the occurrence of a Credit Event if the relevant Credit Derivatives Determinations Committee determines that one or more auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms published by ISDA in relation to obligations of appropriate seniority of the Reference Entity applicable to credit derivatives transactions incorporating the 2014 ISDA Credit Derivatives Definitions (an "**ISDA Auction**"), the Securities may be redeemed by the Issuer by payment of an amount linked to the value determined pursuant to the relevant auction. If an ISDA Auction is held, there is a high probability that the Issuer (or one of its affiliates) will act as a participating bidder in any such ISDA Auction. In such capacity, it may take certain actions which may influence the final price determined in such ISDA Auction (the "**Auction Final Price**") including (without limitation): (i) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the ISDA Auction; and (ii) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Issuer (or its affiliate) shall be under no obligation to consider the interests of any Securityholder.

Investors should note that the value determined pursuant to such ISDA auction (if applicable) will be determined by reference to obligations of the Reference Entity which may not include the Reference Obligation and such value may be lower than the market value that would otherwise have been determined in respect of the Reference Obligation. In addition, if the Credit Event is a Restructuring Credit Event, in certain circumstances the ISDA auction determined to be applicable may be for obligations of the Reference Entity of considerably longer tenor than the Reference Obligation, and as a result it is very likely that the value determined pursuant to such ISDA auction will be lower than the market value that would otherwise have been determined in respect of the Reference Obligation.

If Auction Settlement is applicable and an Auction occurs, a lack of limit offers sufficient to clear an open interest to purchase Deliverable Obligations will result in an Auction Final Price of 100 per cent. and a lack of limit bids sufficient to clear an open interest to sell Deliverable Obligations will result in an Auction Final Price of zero. If the Auction Final Price is zero, this will have a material negative effect on the value of the Securities.

If a Reference Obligation is a subordinated debt obligation, investors in the Securities should be aware that, on the occurrence of a Credit Event, the value of that Reference Obligation or the value determined pursuant to the ISDA auction in respect of obligations of appropriate seniority (being subordinated obligations) and (if the Credit Event is a restructuring) tenor of the relevant Reference Entity, as applicable, will be less than that of senior unsecured obligations of the Reference Entity and therefore the amount (if any) payable to investors in the Securities on redemption following a Credit Event will be lower (and is more likely to be zero) than if that Reference Obligation were a senior unsecured obligation.

Any references in these risk factors to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto. The Calculation Agent may make such adjustments to the Product Conditions and/or the applicable or Issue Terms as it determines appropriate to account for any other entity so succeeding to or performing functions previously undertaken by ISDA.

1.1.3 *Potential conflicts of interest due to the involvement of the Calculation Agent with the Credit Derivatives Determinations Committees*

Since, as of the Issue Date, the Calculation Agent (or one of its affiliates) is a voting member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the 2014 ISDA Credit Derivatives Definitions, it may take certain actions which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. Such action may be adverse to the interests of the Securityholders and may result in an economic benefit accruing to the Calculation Agent. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the DC Rules, the Calculation Agent shall have no obligation to consider the interests of the Securityholders and may ignore any conflict of interest arising due to its responsibilities under the Securities.

1.1.4 *Holders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committees or the external reviewers*

Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the DC Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the member institutions of the Credit Derivatives Determinations Committees from time to time will not owe any duty to the Securityholders and the Securityholders will be prevented from pursuing legal claims with respect to actions taken by such member institutions or external reviewers under the DC Rules.

Securityholders should also be aware that member institutions of the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts which may not be favourable to the interests of the Securityholders in relation to the Securities.

### 1.1.5 *Risks related to an amendment of terms in accordance with Market Convention*

The Calculation Agent may from time to time amend the terms of the Securities in any manner which the Calculation Agent determines acting in good faith and in a commercially reasonable manner is necessary or desirable from the perspective of the Issuer, the Calculation Agent or any Affiliate of the Issuer hedging the Issuer's obligations in respect of the Securities:

- (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees; and/or
- (ii) to reflect or account for market practice for credit derivative transactions.

Any such amendment may have an adverse effect on the value of the Securities.

### 1.1.6 *Investors are subject to the risk that a Credit Event may occur prior to the Trade Date.*

In certain cases where "Lookback" is specified as "Applicable" in the relevant Issue Terms (or "Lookback" is not specified as "Not Applicable" in the relevant Issue Terms), the credit exposure period commences up to 60 days prior to the Credit Event Resolution Request Date. A Credit Event that occurred in relation to the Reference Entity or any Obligation thereof up to 60 days prior to such date may therefore impact the Securities. Securityholders should conduct their own review of any recent developments with respect to the Reference Entity by consulting publicly available information. If a request to convene a Credit Derivatives Determinations Committee has been delivered prior to the Trade Date to determine whether a Credit Event has occurred with respect to the Reference Entity, details of such request may be found on the DC Secretary's website ([www.cdsdeterminationscommittees.org](http://www.cdsdeterminationscommittees.org)). If a Credit Derivatives Determinations Committee has not been convened to determine such matter as of the Trade Date, one may still be convened after the Trade Date in respect of an event which occurs up to 60 days before the date of a request to convene such Credit Derivatives Determinations Committee.

### 1.1.7 *Risks related to a Merger Event redemption*

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 Merger Event Redemption Amount equal to:

- (a) if the Securities are linked to a single Reference Entity, the Nominal Amount (in the case of Notes) or Notional Amount or Reference Amount (in the case of Certificates), subject if the Securities are Final Redemption Capital Protected Securities only, to a minimum amount equal to the Minimum Redemption Amount); and
- (b) if the Securities are linked to a basket of Reference Entities, (i) where the Securities are not Zero Recovery Principal Amount Reduction Securities or Fixed Recovery Securities, the sum of (A) the Outstanding Nominal Amount as of the Merger Redemption Date and (B) the Reference Entity Nominal Amounts for each Reference Entity with respect to which an Event Determination Date has occurred and the relevant Settlement Price is not determined as of the Merger Event Redemption Date, subject (if the Securities are Final Redemption Capital Protected Securities only) to a minimum amount equal to the Minimum Redemption Amount; (ii) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Outstanding Nominal Amount as of the Merger Event Redemption Date; and (iii) where the Securities are Fixed Recovery Securities, the sum of (A) the Outstanding Nominal Amount as of the Merger Event Redemption Date and (B) the Reference Entity Nominal Amounts for each Reference Entity with respect to which an Event Determination Date has occurred and the relevant Partial Redemption Date has not occurred as of the Merger Event Redemption Date multiplied by the Settlement Price, subject (if the Securities are Final Redemption Capital Protected Securities only) to a minimum amount equal to the Minimum Redemption Amount.

Where Securities are redeemed early following a Merger Event, the Merger Event Redemption Amount payable pursuant to the above may be less than the amount Securityholders would have received if the Securities had redeemed at their scheduled final redemption.



### 1.1.8 *Risks related to Callable Securities*

If the Securities are Callable Securities, the Issuer has an early redemption option and therefore has the right, on giving not less than a specified period of notice to Securityholders in accordance with Product Condition 10, to redeem all outstanding Securities at a Redemption Amount equal to (i) the product of any Additional Call Percentage specified and the Nominal Amount (in respect of Notes) or Notional Amount or Reference Amount, as the case may be (in respect of Certificates) or (ii) if no Additional Call Percentage is specified, the Nominal Amount or Notional Amount or Reference Amount (as applicable), together in each case with any Coupon Amount accrued as provided in the Product Conditions or, if the Securities are both Basket Securities and Callable Securities, to redeem all outstanding Securities at a Redemption Amount determined in accordance with Product Condition 5.9.2, together with any Coupon Amount accrued as provided in the Product Conditions. The early redemption of the Securities in such circumstances may result in the Securityholders receiving less than their expected return if the Securities had been redeemed as their scheduled redemption.

### 1.1.9 *Risks related to the 2014 ISDA Credit Derivatives Definitions*

This Securities Note contains Product Conditions for credit linked securities, some of which are based on the 2014 ISDA Credit Derivatives Definitions (the "**2014 ISDA Definitions**"). While there are similarities between the Product Conditions and the terms used in the 2014 ISDA Definitions, as applicable, there are a number of differences (including, without limitation, the operation of the credit protection period and, if auction settlement applies, the auction(s) which may be applicable on a M(M)R Restructuring Credit Event). In particular, the Issuer has determined that certain provisions of the 2014 ISDA Definitions, which are intended for use by market participants in "over the counter" transactions, require amendment when incorporated in the terms of an offering of securities such as the Securities. Therefore, a prospective investor should understand that the complete Conditions of the Securities are as set out in this Securities Note and the applicable Issue Terms and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in Securities is not necessarily equivalent to investing a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published and, where applicable, supplemented the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives, including Securities are subject to further evolution. Past events have shown that the view of market participants may differ as to how the 2014 ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Securities may not conform to future market standards. Such a result may have a negative impact on the Securities. Furthermore, changes to the terms applicable to credit derivatives generally may be less favourable to the Issuer or the Securityholders.

### 1.1.10 *Securityholders will have no role in the composition of the Credit Derivatives Determinations Committees*

Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Securityholders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the rules which govern the DC Rules, as the term of a member institution may expire or a member institution may be required to be replaced. The Securityholders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the DC Rules.

### 1.1.11 *Securityholders are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees*

Notices of questions referred to the Credit Derivatives Determinations Committees, meetings convened to deliberate such questions, lists of voting members attending meetings and the results of binding votes of the Credit Derivatives Determinations Committees will be published on the website of the Credit Derivatives Determinations Committees ([www.cdsdeterminationscommittees.org](http://www.cdsdeterminationscommittees.org)) (or any successor website thereto) and neither the Issuer, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the Securityholders of such information (other than as expressly provided in the terms of the Securities). Failure by the Securityholders to be aware of information relating to determinations of a Credit Derivatives Determinations Committee will have no effect under the Securities and Securityholders are solely responsible for obtaining any such information.



1.1.12 *Securityholders (in their capacity as holders of the Securities) will not be able to refer questions to the Credit Derivatives Determinations Committees*

The Securityholders, in their capacity as holders of the Securities, will not have the ability to refer questions to a Credit Derivatives Determinations Committee since the Securities are not a credit default swap transaction and the Securities do not incorporate and are not deemed to have incorporated, the 2014 ISDA Definitions. As a result, Securityholders will be dependent on other market participants to refer specific questions to the Credit Derivatives Determinations Committees that may be relevant to the Securityholders. The Calculation Agent has no duty to the Securityholders to refer specific questions to the Credit Derivatives Determinations Committees.

1.1.13 *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 (as to which see Commonly Asked Question 21.9 (*How is the Redemption Amount or Partial Redemption Amount calculated?*) below) 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 Credit Period End Date 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 Credit Period End 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 then 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).

1.1.14 *Risks related to the ability of the Calculation Agent or its Affiliates to influence the outcome of an Auction*

As of the date of this Securities Note, the Calculation Agent (or one of its Affiliates) is a leading dealer in the credit derivatives market. There is a high probability that the Calculation Agent (or one of its Affiliates) would act as a participating bidder in any Auction held with respect to the relevant Reference Entity. In such capacity, it may take certain actions which may influence the Auction Final Price. In deciding whether to take any such action (or whether to act as a participating bidder in any Auction), the Calculation Agent (or its Affiliate) shall be under no obligation to consider the interests of any Securityholders and may take such action that has the effect of reducing a Securityholders return on the Securities.

1.2 **Risks related to Reference Entities**

1.2.1 *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. If the creditworthiness of a Reference Entity deteriorates, this could trigger Credit Event which in turn may result in Securityholders suffering a loss of some, and potentially all, of their initial investment in the Securities.

Neither the Issuer, the Fiscal Agent, the Calculation Agent nor any other person on their behalf or any of their respective affiliates 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 linked to a basket of Reference Entities which are not weighted equally, 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 Fiscal Agent, 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.

1.2.2 *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 negatively affect the creditworthiness or the financial position of one or more other Reference Entity(ies), which in turn may negatively affect the market value of the Securities.

1.2.3 *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 determines that there is a Successor to a Reference Entity, all as further provided in the Product Conditions. In addition, if the Securities are Index Basket Securities, a Successor may also be identified by the Index Sponsor of the relevant credit index, as further provided in the Product Conditions.

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, 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 Final Redemption 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 an Event Determination Date has occurred with respect to a Reference Entity.

If the Securities are not Final Redemption 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.

#### 1.2.4 *Reference Entity will not be replaced to avoid Credit Events or successions*

Following the Trade Date, the Issuer will not be able to replace any Reference Entity to avoid Credit Events or successions. Consequently, the occurrence of Credit Events may lead to an Event Determination Date which in turn may result in a reduction in the value of the Securities, a reduction, potentially to zero, in the outstanding nominal amount of the Securities held and an early redemption of the Securities.

#### 1.2.5 *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. Such conditions could lead the deterioration of the creditworthiness of a Reference Entity which, in turn, could negatively affect the value of the Securities.

#### 1.2.6 *Risks related to credit risk of a Sovereign Reference Entity - Securities that are linked to one or more Sovereign Reference Entities*

Securities may be linked to the credit of one or more sovereign or governmental entity or quasi-governmental entity, and therefore payment of amounts due or delivery of any assets pursuant to the Conditions of the Securities, including any applicable Coupon Amount payments, may be subject to sovereign risks. These include the potential default by such sovereign, government/quasi government issuer or the occurrence of political or economic events resulting in or from governmental action such as the declaration of a moratorium on debt repayment or negating repayment obligations of the sovereign issuer. If any such event were to occur, holders of such Securities may lose up to all of their initial investment in such Securities. 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 negative affect on the market value of the Securities.

#### 1.2.7 *No Claim against any Reference Entity*

A Security will not represent a claim against any Reference Entity or any Credit Reference Item (as defined below) in respect of which any amount of principal and/or Coupon Amount payable is dependent and, in the event that the amount paid by the Issuer is less than the principal amount of the Securities, a Securityholder will not have recourse under a Security to the Issuer or any Reference Entity or any Credit Reference Item.

An investment in Securities linked to one or more Reference Entities may entail significant risks which are not associated with investments associated with conventional debt securities, including but not limited to the risks set out in this section. The amount paid or value of the specified assets delivered by the Issuer on

redemption or settlement of such Securities may be less than the principal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero.

1.2.8 *No Investigation or Due Diligence of Reference Entities*

No investigation, due diligence or other enquiries have been made by the Issuer, the Fiscal Agent or any other related person in respect of any Reference Entity (including its existing or future creditworthiness) or any Reference Obligation, Obligation, Valuation Obligation or other obligations of the Reference Entity (as applicable) (each, a "**Credit Reference Item**"). No representations, warranties or undertakings whatsoever have been or will be made by the Issuer, any Distributor or any other related person in respect of the Reference Entity (including its existing or future creditworthiness) or any Reference Obligation, Obligation, Valuation Obligation or other obligations of the Reference Entity (as applicable). Prospective investors in Securities should make their own evaluation as to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event.

1.2.9 *Risks related to an Early Redemption on Redemption in whole of Reference Obligation for Reference Obligation Only Securities Relating to a Single Reference Entity*

If the Securities are Reference Obligation Only Securities relating to a single Reference Entity and the Reference Obligation is redeemed in whole, the Issuer will redeem the Credit Linked Notes early at the Early Redemption Amount and such amount may be less than the amount Securityholders would have received if the Securities had redeemed at their scheduled final redemption.

1.2.10 *No Exposure to Reference Entities*

The Issuer's obligations in respect of Securities are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

1.2.11 *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% Final Redemption 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.

1.2.12 *Risks related to Reference Obligation(s) which are "Subordinated Level" - Securities which are not Final Redemption Capital Protected Securities, Zero Recovery Principal Amount Reduction Securities or Fixed Recovery Securities.*

Investors in the Securities should be aware that if the Securities are linked to a Reference Obligation of a Reference Entity that is a "Subordinated Level" debt obligation of the Reference Entity (and/or) if there is only a subordinated Reference Obligation of the Reference Entity, on the occurrence of a Credit Event and the occurrence of an Event Determination Date 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 occurrence of an Event Determination Date will be lower (and is more likely to be zero) than if the relevant Reference Obligation were a senior unsecured obligation.

### 1.2.13 *Risks related to Senior Transactions & Subordinated Transactions*

For a Reference Entity, a Government Intervention or Restructuring Credit Event solely affecting subordinated debt will not trigger an Event Determination Date where the Seniority Level is "Senior Level" and will only trigger an Event Determination Date where the Seniority Level is "Subordinated Level" and, therefore, investors in Securities where the Seniority Level is "Subordinated Level" are more likely to suffer a loss in such circumstances than investors in Securities where the Seniority Level is "Senior Level".

### 1.3 **Risks of a loss of investment and or Coupon Amounts and/or postponement**

#### 1.3.1 *Investors risk losing all of their investment in the Securities*

If the Securities are not 100% Final Redemption Capital Protected Securities, 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).

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% Final Redemption Capital Protected Securities, they may lose all or a substantial portion of their investment.

An investor may also lose some or all of its investment if it seeks to sell the relevant Securities prior to their scheduled final redemption, 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 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.

#### 1.3.2 *Risks related to a Postponed Maturity/Redemption Date*

Where an Event Determination Date has not occurred but (a) on or prior to the Credit Period End Date, the Repudiation/Moratorium Extension Condition has been satisfied, (b) on or prior to the Credit Period End Date a Potential Failure to Pay has occurred or (c) if on the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date (as applicable) the Calculation Agent determines that a Credit Event may have occurred or a Potential Repudiation/Moratorium may have occurred, the relevant Maturity Date (in respect of Notes) or Redemption Date (in respect of Certificates) and/or the redemption of the Securities may be extended pursuant to the Conditions of the Securities such that investors may experience delays in receipt of payments or deliveries that would otherwise have occurred in accordance with the terms of the Securities.

The period of such deferral may be substantial and no interest will accrue in respect of any such deferral if an Event Determination Date occurs.

#### 1.3.3 *Redemption of the Securities may be deferred even where no Event Determination Date occurs*

In certain circumstances (as more fully described in Product Conditions), the redemption of the Securities may be postponed beyond the Scheduled Maturity Date (in respect of Notes) or Scheduled Redemption Date (in respect of Certificates) even if no Event Determination Date actually occurs.

If the redemption of the Securities is postponed as described above, even if an Event Determination Date has not occurred with respect to the relevant 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 the Reference Entity Nominal Amount (in respect of Notes) or Reference Entity Notional Amount or Reference Entity Reference Amount, as the case may be (in respect of Certificates) for such Reference Entity (if the Securities are Basket Securities) if "Extension Period Interest" is specified as applicable in the relevant Issue Terms in which case interest shall accrue at an overnight deposit rate determined by the Calculation Agent acting in good faith and a commercially reasonable manner. If "Extension Period Interest" is not specified as applicable in the relevant Issue Terms, no interest will accrue in respect of any such deferral.

Investors should note that where the redemption of the Securities is postponed in accordance with the above, payment of the final redemption amount and any applicable coupon shall be delayed (and such delay may be substantial).

#### 1.3.4 *Risks related to the Settlement Price*

In respect of Securities that are not Fixed Recovery Securities, Redemption Capital Protected Securities or Zero Recovery Principal Amount Reduction Securities, following an Event Determination Date in respect of a Reference Entity, depending on the terms of the Securities, the Redemption Amount may be determined by reference to the Settlement Price in respect of such Reference Entity. The Settlement Price will be determined based upon the applicable Settlement Method which will be Auction Settlement (pursuant to which the "**Auction Final Price**" will be determined pursuant to an ISDA Auction) or Cash Settlement (pursuant to which the "**Final Price**" will be determined).

The Auction Final Price will be determined pursuant to an ISDA Auction for obligations of appropriate seniority of the Reference Entity (with, where more than one such ISDA Auction is held, the applicable ISDA Auction being as determined pursuant to the Product Conditions). The Credit Derivatives Determinations Committee will determine whether an ISDA Auction will be held for a Reference Entity following an Event Determination Date and the members of which may participate in that ISDA Auction.

However, 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, or Cash Settlement is the applicable Settlement Method specified in the relevant Issue Terms or is applicable as the Fallback Settlement Method, the Settlement Price and therefore the Redemption Amount payable in respect of the Securities, will be determined pursuant to the Cash Settlement provisions and, for the purposes of determining the Final Price, the market value of the Reference Obligation(s) for the relevant Reference Entity, will be determined by the Calculation Agent by reference to a Valuation Obligation of the Reference Entity selected by the Calculation Agent and, in such circumstances, the amount received by investors may be less than if the Redemption Amount had been determined by reference to an Auction Final Price. It is likely that the Valuation Obligation selected by the Calculation Agent is an obligation of the Reference Entity with the lowest market value that are permitted to be valued in accordance with the terms of the Securities. This could result in a lower recovery value and hence greater losses for Securityholders. In addition, the Valuation Obligation may be illiquid and such illiquidity may be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of the relevant Valuation Obligation which in turn would result in a lower recovery value for holders of Securities.

#### 1.3.5 *Risks related to other types of Securities*

##### *Basket Securities*

The Issuer may issue Basket Securities which are Securities linked to the performance of a portfolio of Reference Entities. Under Basket Securities the amount of principal and interest (if any) payable by the Issuer is dependent on whether a Credit Event and related Event Determination Date in respect of one or more of Reference Entities has occurred and, if applicable to the relevant Securities, the related Settlement Price. Where such Securities are Zero Recovery Principal Amount Reduction Securities, the loss suffered by investors on a Credit Event occurring in respect of a Reference Entity will be equal to the entire weighting of that Reference Entity in the portfolio.

##### *Fixed Recovery Securities*

The Issuer may issue Fixed Recovery Securities which are Securities where the amount payable on redemption of the Securities following the occurrence of a Credit Event is fixed. 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 market value based determination. Accordingly, an investor in such Securities may suffer an increased loss in such circumstance.

##### *Zero Recovery Principal Amount Reduction Securities*

The Issuer may issue Securities which are Zero Recovery Principal Amount Reduction Securities under which, if an Event Determination Date occurs in respect of the Reference Entity, 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. In respect of Single Reference Entity Securities which are Zero Recovery Principal Amount Reduction Securities, following an Event Determination Date, the Securities will cease to pay interest and will be cancelled at zero and investors will lose their entire investment.

#### *100% Final Redemption Capital Protected Securities*

The Issuer may issue Securities which are Final Redemption Capital Protected Securities in which case, if an Event Determination Date has occurred with respect to a Reference Entity, the Redemption Amount, shall be determined taking into account the Capital Protection Percentage. If the Securities are 100% Final Redemption Capital Protected Securities, the Securities will be redeemed on the Maturity Date (in the case of Notes) or Redemption Amount (in the case of Certificates) at a Redemption Amount equal to the Nominal Amount (in respect of Notes) or Notional Amount or Reference Amount, as the case may be (in respect of Certificates). However, investors 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.

#### 1.3.6 *Credit linked Coupon Amount*

If the Securities are not Non Credit Linked Coupon Securities, 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). Any potential investor in the Securities should therefore form its own independent opinion of the financial, legal and other circumstances of each relevant Reference Entity. The payment of any Coupon Amount for Non Credit Linked Coupon Securities is not credit linked.

If Securities are not Non Credit Linked Coupon Securities, depending on the terms of the Securities, if an Event Determination Date occurs in respect of a Reference Entity, Coupon Amounts may cease to accrue, either in whole or in part from the start of the Coupon Period in which the Event Determination Date occurs or the Event Determination Date, and investors will receive no or a reduced 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 respect of Notes) or Redemption Date (in respect of Certificates).

In a worst case scenario, in respect of Single Reference Entity Securities, provided that the Securities are not Credit Event Accrued Coupon Securities, if an Event Determination Date has occurred 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.

#### 1.3.7 *Suspension or postponement of payment of Coupon Amount*

If, in the determination of the Calculation Agent, on the last day of a Coupon Period (other than the Final Coupon Period) a Potential Credit Event has occurred but an Event Determination Date has not occurred with respect to the Reference Entity, the payment of any Coupon Amount in respect of such Coupon Period may be suspended, notwithstanding that an Event Determination Date has not occurred. In such circumstances, if an Event Determination Date has not occurred 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 may be payable on that next Coupon Payment Date or, if later and applicable, 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.

## 2. **GENERAL RISKS RELATED TO THE SECURITIES**

### 2.1 **Investors in the Securities are subject to the Issuer's credit risk**

An investment in the 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.

Investors are dependent on the Issuer's ability to pay 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.

## 2.2 **Value of Securities**

If the Securities are not 100% Final Redemption 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 a Securityholders initial investment.

If the Securities are not Final Redemption 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.

## 2.3 **No payments until settlement**

Prospective investors should note that 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. Unless otherwise specified in the relevant Issue Terms, there may be no periodic Coupon Amount or other distributions made during the term of the Securities.

Investors should also note the risk factors described under the headings "*Market value*" and "*Potential illiquidity of the Securities*" below in this regard.

## 2.4 **Early termination of the Securities**

Securities which include a redemption option by the Issuer are likely to have a lower market value than similar securities which do not contain an Issuer redemption option. An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem the Securities, the market value of those Securities generally will not rise substantially above the price at which they may be redeemed. This may also be the case prior to any redemption period.

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The applicable Issue Terms will indicate whether the Issuer has the right to redeem the Securities prior to final redemption. The Issuer may exercise its right to redeem the Securities if the yield on comparable Securities in the market falls which may result in the investor only being able to invest the redemption proceeds in Securities with a lower yield.

If the Issuer redeems the Securities prior to final redemption, a holder of such Securities is exposed to the risk that as a result of such early redemption its investment will have a lower than expected yield.

## 2.5 **Acceleration of Securities**

A Security may be accelerated by the holder thereof in certain circumstances described in the "Events of Default" set out in Product Condition 18. In such circumstances, the amount payable to Securityholders will be an amount (which may never be less than zero) calculated by the Calculation Agent equal to the fair



market value of the Securities held by the relevant Securityholder, together with interest accrued to (but excluding) the day the relevant Event of Default occurred. For such purposes, the fair market value shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. For the purposes of determining the fair market value, no account shall be taken of the financial condition of the Issuer, which shall be presumed to be able to perform fully its obligations in respect of the Securities. All of the above may result in the Securityholders receiving less upon such early redemption than they would have expected to have received if the Securities had redeemed at their scheduled redemption.

## 2.6 **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 to (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 or (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 and either (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, terminate the Securities early. If the Issuer redeems the Securities early, the Issuer will pay the holder of each such Security an amount determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, to be its fair market value notwithstanding the illegality or impracticability, which may be less than the amount that would have been payable if the Securities had redeemed at their scheduled redemption.

## 2.7 **Risks related to Securities where a Coupon Amount is payable**

### 2.7.1 *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.

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

In addition, the Reference Rate used to calculate the Coupon Amount in respect of Floating Rate Securities may be subject to a maximum coupon rate or a minimum coupon rate if specified in the applicable Issue Terms. If a floor or a minimum coupon rate is specified in respect of any Floating Rate Securities, the Reference Rate used to calculate the Coupon Amount in respect of such Floating Rate Securities will be floored at such minimum rate (i.e. regardless of the actual performance of the Reference Rate). However, if a cap or a maximum coupon rate is specified in respect of any Floating Rate Securities, the Reference Rate in respect of such Floating Rate Securities will be limited to such maximum rate, even if the actual market level of such Reference Rate is greater than such maximum rate. In such circumstances, Securityholders would receive a lesser Coupon Amount than if such maximum coupon rate had not been applied to the Floating Rate Securities. Investors should note that this risk may also apply to Fixed/Floating Switch Option Securities and Floating/Fixed Switch Option Securities to which a Floating Rate is used to calculate the Coupon Amount and a maximum coupon rate or a minimum coupon rate if specified in the applicable Issue Terms.

### 2.7.2 *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 and may be less than prevailing interest rates and the prevailing costs of borrowing.

### 2.7.3 *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 (or a Fixed/Floating Switch Option Date may automatically occur on a Coupon Accrual Date, so 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 or automatic switch, 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 final redemption of the Securities. If the Issuer exercises this right, the return on an investor's investment may be lower than if the Issuer had not exercised such right. 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.

### 2.7.4 *Risks related to Floating/Fixed Switch Option Securities*

In relation to any Floating/Fixed Switch Option Securities, the Issuer may elect on any Coupon Accrual Date that (or a Floating/Fixed Switch Option Date may automatically occur on a Coupon Accrual Date, so 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.

After such election or automatic switch, the Coupon Rate will be determined by reference to a Reference Rate described in the Product Conditions which is a fixed 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 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 final redemption of the Securities. If the Issuer exercises this right, the return on an investor's investment may be lower than if the Issuer had not exercised such right. This may also negatively affect the market value of the Securities.

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

## 2.8 **Risks related to Securities Linked to a "Benchmark"**

Interest rates and indices or other figures which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation**") is a key element of the ongoing regulatory reform in the EU and has applied since 1 January 2018.

In addition to "critical benchmarks", other interest rates, foreign exchange rates, and indices, including equity and commodity indices, will in most cases be within scope of both versions of the EU Benchmarks Regulation as "benchmarks" where they are used to determine the amount payable under, or the value of, certain financial instruments.

The EU Benchmarks Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the EU. Amongst other things, the EU Benchmarks Regulation requires EU benchmark administrators to be authorised or registered as such and to comply with extensive requirements relating to benchmark administration. It also prohibits, subject to transitional provisions, certain uses by EU supervised entities of (a) benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmarks Regulation and (b) benchmarks provided by non-EU administrators where (i) the administrator's regulatory regime has not been determined to be "equivalent" to that of the EU, (ii) the administrator has not been recognised in accordance with the EU Benchmarks Regulation, and (iii) the benchmark has not been endorsed in accordance with the EU Benchmarks Regulation.

The ESMA maintains a public register of benchmark administrators and third country benchmarks pursuant to the EU Benchmarks Regulation (the "**ESMA Register**").

The EU Benchmarks Regulation could have a material impact on Securities linked to a benchmark, in particular if the methodology or other terms of a benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level such benchmark.

Furthermore, the occurrence of an Administrator/Benchmark Event may cause early redemption or adjustment of the Securities, which may include selecting one or more successor benchmarks and making related adjustments to the Securities, including if applicable to reflect increased costs. An Administrator/Benchmark Event may arise if any of the following circumstances occurs or may occur: (1) a benchmark is materially changed or cancelled; or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn; (3) it is not fair and commercially reasonable from the perspective of the Issuer or the Calculation Agent to continue the use of the benchmark or the Issuer or the Calculation Agent suffer increased costs in each case due to licensing restrictions or changes in licence costs; or (4) a relevant supervisor officially announces a benchmark is longer representative of any relevant underlying market(s).

Investors should be aware that if a benchmark used to calculate the Coupon Rate under the Securities were discontinued or otherwise unavailable, were no longer permitted for use by the Issuer or were its methodology of calculation to be materially changed, the benchmark used in the calculation of the Coupon Amount will then be determined by the fall-back provisions set out in the Product Conditions which may (depending on market circumstances at the relevant time, including uncertainty concerning availability of replacement rates) not operate as intended. The fall-back provisions may in certain circumstances (i) result in the Calculation Agent or an Independent Adviser appointed by the Issuer, or the Issuer itself, determining a replacement rate (if any at the relevant time) to be used, with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the extent reasonably practicable in the circumstances, any transfer of economic value between the Issuer and Securityholders arising out of the replacement of the relevant rate) and making such other adjustments to the terms of the Securities as it determines appropriate to account for such replacement; (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available; (iii) result in the early redemption of the Securities; or (iv) result in paragraphs (i) and (ii), or (ii) and (iii), both applying. Any such replacement and adjustment may result in an Coupon Rate in respect of the Securities which is different and may perform differently from the rate originally anticipated (and result in a lower Coupon Amount) and unless any such replacement rate is itself discontinued or otherwise unavailable, is no longer permitted for use by the Issuer or its methodology of calculation is materially changed, such replacement rate will be used to calculate the Coupon Rate for the remainder of the life of the Securities, regardless of any change in industry or market practice as to the appropriate replacement for the rate originally anticipated. Due to the uncertainty concerning the availability of replacement rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fall-back provisions may not operate as intended

at the relevant time. All of this could have an adverse effect on the value or liquidity of, and return on, the Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any other relevant international or national reforms and the possible application of any benchmark provisions of Securities as described above in making any investment decision with respect to any Securities linked to or referencing a benchmark.

#### 2.8.1 *The Market Continues to Develop in Relation to SONIA as a Reference Rate*

Where the applicable Issue Terms for a Series of Floating Rate Securities identifies that the Coupon Rate for such Securities will be determined by reference to SONIA, the Coupon Rate will be determined on the basis of Compounded Daily SONIA. Compounded Daily SONIA differs from LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for Securities issued under the Programme.

The use of compounded daily SONIA as a reference rate for Eurobonds is still less established as LIBOR as a reference rate for debt capital markets instruments, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing compounded daily SONIA.

Accordingly, prospective investors in any Securities referencing compounded daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Product Conditions and used in relation to Securities referencing SONIA that are issued under the Programme. Furthermore, the Issuer may in future issue Securities referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Securities issued under the Programme. The nascent development of compounded daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Securities issued under the Programme from time to time.

Furthermore, the Coupon Rate on Securities which reference compounded daily SONIA is only capable of being determined at the end of the relevant Coupon Period prior to the relevant Coupon Payment Date. It may be difficult for investors in Securities which reference compounded daily SONIA to estimate reliably the amount of coupon which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which factors could adversely impact the liquidity of such Securities. Further, in contrast to LIBOR-based Securities, if Securities referencing compounded daily SONIA are redeemed early and accrued coupon is payable on such redemption in respect of a period which is not a Coupon Period, the final Coupon Amount payable in respect of such Securities shall only be determined immediately prior to the due date for redemption.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing compounded daily SONIA.

To the extent the daily SONIA rate is discontinued or is no longer published on the SONIA Screen Page or published by authorised distributors, the applicable rate to be used to calculate the Coupon Rate on

Securities referencing SONIA will be determined using the fall-back provisions set out in the Product Conditions. Any of these fall-back provisions may result in coupon payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Securities if the SONIA rate had been so published in its current form. In addition, use of the fall-back provisions may result in the effective application of a fixed rate of coupon to the Securities.

Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, the Securities.

Investors should carefully consider all of these matters when making their investment decision with respect to any such Securities.

#### 2.8.2 *The Market Continues to Develop in Relation to SOFR as a Reference Rate*

Where the applicable Issue Terms for a Series of Floating Rate Securities identifies that the Coupon Amount for such Securities will be determined by reference to SOFR, the Coupon Amount will be determined on the basis of Compounded Daily SOFR. SOFR is published by the Federal Reserve Bank of New York ("**FRBNY**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. Investors should be aware that USD LIBOR and SOFR may behave materially differently as interest reference rates for Securities issued under the Programme. SOFR is a broad U.S. Treasury repo financing rate that represents overnight secured funding transactions and it differs fundamentally from LIBOR. For example, SOFR is a secured overnight rate, while USD LIBOR is an unsecured rate that represents interbank funding over different maturities. In addition, because SOFR is a transaction-based rate, it is backward-looking, whereas USD LIBOR is forward-looking. There can be no assurance that SOFR will perform in the same way as USD LIBOR would have done at any time, and there is no guarantee that it is a comparable substitute for USD LIBOR.

SOFR was developed for use in certain USD derivatives and other financial contracts as an alternative to USD LIBOR in part because it is considered to be a good representation of general funding conditions in the overnight U.S. Treasury repo market and is less likely to correlate with the unsecured short-term funding costs of banks. Because of this, market participants may not consider SOFR to be a suitable substitute or successor for all of the purposes for which USD LIBOR historically has been used and SOFR may fail to gain market acceptance. SOFR-linked Securities will likely have no established trading market when issued, and an established trading market for SOFR-linked Securities may never develop or may not be very liquid.

SOFR is published by the FRBNY based on data received from other sources and the Issuer has no control over its determination, calculation or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR-linked Securities. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest or coupon payable on the SOFR-linked Securities, which may adversely affect the trading prices of the SOFR-linked Securities.

#### 2.8.3 *The Market Continues to Develop in Relation to €STR as a Reference Rate*

Where the applicable Issue Terms for a Series of Floating Rate Securities identifies that the Coupon Rate for such Securities will be determined by reference to €STR, the Coupon Rate will be determined on the basis of Compounded Daily €STR. €STR is published by the European Central Bank and is intended to reflect the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. The European Central Bank reports that the €STR is published on each TARGET business day based on transactions conducted and settled on the previous TARGET business day (the reporting date "T") with a maturity date of T+1 which are deemed to have been executed at arm's length and thus reflect market rates in an unbiased way. €STR is a backwards-looking, compounded, near risk-free overnight rate.

The Issuer may in future also issue Securities referencing €STR that differ materially in terms of interest determination when compared with any previous Compounded Daily €STR-referenced Securities issued by it under the Programme. The development of Compounded Daily €STR as interest reference rates for the Eurobond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any €STR-referenced Securities issued under the Programme from time to time.

Furthermore, the Coupon Rate on Securities which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Coupon Period prior to the relevant Coupon Payment Date. It may be difficult for investors in Securities which reference Compounded Daily €STR to estimate reliably the amount of coupon which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which factors could adversely impact the liquidity of such Securities. Further, in contrast to EURIBOR-based Securities, if Securities referencing Compounded Daily SONIA are redeemed early and accrued coupon is payable on such redemption in respect of a period which is not a Coupon Period, the final Coupon Rate payable in respect of such Securities shall only be determined immediately prior to the due date for redemption.

In addition, the manner of adoption or application of €STR reference rates in the Eurobond markets may differ materially compared with the application and adoption of €STR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing Compounded Daily €STR.

To the extent the daily €STR rate is discontinued or is no longer published on the €STR Screen Page or published by authorised distributors, the applicable rate to be used to calculate the Coupon Rate on Securities referencing €STR will be determined using the fall-back provisions set out in the Product Conditions. Any of these fall-back provisions may result in coupon payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Securities if the €STR rate had been so published in its current form. In addition, use of the fall-back provisions may result in the effective application of a fixed rate of coupon to the Securities.

Investors should carefully consider all of these matters when making their investment decision with respect to any such Securities

## 2.9 **Taxation**

### 2.9.1 *Risks related to Stamp Taxes*

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 11 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of certain taxes, duties and/or 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 and there is the risk that the applicable tax treatment at the relevant time may have an adverse effect on the value of the Securities.

### 2.9.2 *Risks related to Securities pursuant to which no Tax Gross-Up Is Paid*

The Issuer is not obliged to gross up any payments in respect of the Securities and all amounts payable in respect of the Securities shall be made with such deduction or withholding of taxes duties or governmental charges of any nature whatsoever imposed, levied or collected by way of deduction or withholding, if such deduction or withholding is required by law

### 2.9.3 *Risks related to changes 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 Securities Note 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 their liquidity may decrease and the amounts payable or deliverable to an affected Securityholder may be less than the amount expected by such Securityholder.

## 2.10 **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.

## 2.11 **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 may 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.

## 2.12 **Regulatory Bail-in and other Resolution Measures**

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (commonly referred to as the "Bank Recovery and Resolution Directive" or the "**BRRD**") which was transposed into German law by the Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz, or the "**SAG**") with effect from 1 January 2015. For banks established in the eurozone, such as the Issuer, which are supervised within the framework of the Single Supervisory Mechanism (the "**SSM**"), Regulation (EU) No 806/2014 of the European Parliament and of the Council (the "**SRM Regulation**") provides for a coherent application of the resolution rules across the SSM under responsibility of the European Single Resolution Board, with effect since 1 January 2016 (referred to as the "Single Resolution Mechanism" or the "**SRM**"). Under the SRM, the Single Resolution Board is responsible for adopting resolution decisions in close cooperation with the European Central Bank, the European Commission, and national resolution authorities in the event that a significant bank directly supervised by the European Central Bank, such as the Issuer, is failing or likely to fail and certain other conditions are met. National resolution authorities in the European Union member states concerned would implement such resolution decisions adopted by the Single Resolution Board in accordance with the powers conferred on them under national law transposing the BRRD.

If the competent authority determines that the Issuer is failing or likely to fail and certain other conditions are met (as set forth in the SRM Regulation, the SAG and other applicable rules and regulations), the competent resolution authority has the power to write down, including to write down to zero, claims for payment of the principal and any other claims under the Securities, interest or any other amount in respect of the Securities, to convert the Securities into ordinary shares or other instruments qualifying as common equity tier 1 capital (the write-down and conversion powers are hereinafter referred to as the "**Bail-in tool**"), or to apply any other resolution measure including (but not limited to) a transfer of the Securities to another entity, a variation of the Conditions of the Securities (including, but not limited to, the variation of final redemption of the Securities) or a cancellation of the Securities. The Bail-in tool and each of these other resolution measures are hereinafter referred to as a "**Resolution Measure**". The competent resolution authority may apply Resolution Measures individually or in any combination.

The competent resolution authority will have to exercise the Bail-in tool in a way that results in (i) common equity tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) subsequently, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with their order of priority and (iii) finally, the Issuer's unsecured and unsubordinated liabilities (unless exempted by the SRM Regulation, the BRRD or the SAG) – such as those under the unsubordinated Securities – being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with their order of priority under Section 46f(5)-(7) of the German Banking Act (Kreditwesengesetz, "**KWG**") as set out below.

The holders of Securities are bound by any Resolution Measure. They would have no claim or any other right against the Issuer arising out of any Resolution Measure. Depending on the Resolution Measure, there would be no obligation of the Issuer to make payments under the Securities. The extent to which payment obligations under the Securities may be affected by Resolution Measures would depend on a number of factors that are outside the Issuer's control, and it will be difficult to predict when, if at all, Resolution

Measures will occur. The exercise of any Resolution Measure would not constitute any right to terminate the Securities. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest, if Resolution Measures are initiated, and should be aware that extraordinary public financial support for troubled banks, if any, would only potentially be used as a last resort after having assessed and exploited, to the maximum extent practicable, the Resolution Measures, including the Bail-in tool.

#### 2.12.1 *Risks Arising from the Ranking of Senior Non-Preferred Debt Instruments*

The KWG establishes a category of notes which are not subordinated, but rank below other unsubordinated notes of banks (Section 46f (6) KWG). As a consequence, in the event of insolvency proceedings or Resolution Measures affecting the Issuer, these senior non-preferred debt instruments rank below other unsubordinated (senior preferred) obligations of the Issuer, such as debt instruments that are "structured" as defined in Section 46f (7) KWG, derivatives, money market instruments and deposits, and in priority to subordinated liabilities of the Issuer. Thus, such senior non-preferred debt instruments would bear losses before other unsubordinated liabilities of the Issuer.

Since 21 July 2018, only those unsecured and unsubordinated debt instruments will qualify as senior nonpreferred debt instruments, which are not only "non structured" and have at the time of their issuance a maturity of at least one year, but also explicitly refer to the lower ranking in their Conditions and any related prospectus.

#### 2.13 **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 and in certain circumstances may result in decreases in the Coupon Amounts and/or Redemption Amount, as the case may be.

#### 2.14 **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, which includes any custodian banks appointed by Euroclear Bank S.A./N.V., and Clearstream Banking S.A. for the purpose of holding accounts on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and Clearstream Frankfurt, Aktiengesellschaft. 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.

If Securities are issued in one or more integral multiples of a minimum Nominal Amount (in respect of Notes) or Notional Amount or Reference Amount, as the case may be (in respect of Certificates) plus one or more higher integral multiples of another smaller amount, it is possible that such Securities may be traded in amounts in excess of the minimum Nominal Amount or Notional Amount or Reference Amount (as applicable) that are not integral multiples of such minimum Nominal Amount or Notional Amount or Reference Amount (as applicable). In such a case a holder who, as a result of trading such amounts, holds an amount which is less than such minimum Nominal Amount or Notional Amount or Reference Amount (as applicable) in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Securities at or in excess of the minimum Nominal Amount or Notional Amount or Reference Amount (as applicable) such that its holding amounts to a Nominal Amount or Notional Amount or Reference Amount (as applicable). Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Nominal Amount or Notional Amount or Reference Amount (as applicable) in its account with the relevant clearing system at the relevant time may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities at or in excess of the minimum Nominal Amount or Notional Amount or Reference Amount (as applicable) such that its holding amounts to Nominal Amount or Notional Amount or Reference Amount (as applicable).



### 3. **RISKS RELATED TO MARKET FACTORS, MARKET VALUE, POTENTIAL ILLIQUIDITY OF THE SECURITIES AND OFFERING OF THE SECURITIES**

#### 3.1 **Market factors**

##### 3.1.1 *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.

Any of the above factors could result in the deterioration of the creditworthiness of a Reference Entity, which in turn would have an adverse effect on the trading price of the Securities and could result in a decreased return on the Securities.

##### 3.1.2 *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. A deterioration in the creditworthiness of the Reference Entities will negatively 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.

##### 3.1.3 *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 3.6 and as described above) and this may result in an increased credit risk of the relevant Reference Entities which in turn could negatively affect the value of the Securities.

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 3.6 and as described above) and this may result in an increased credit risk of the relevant Reference Entities which in turn could negatively affect the value of the Securities.

##### 3.1.4 *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. Such fluctuations may adversely affect 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 negatively affect the market value of the Securities and, in turn, the return under the Securities.

##### 3.1.5 *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 Credit 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 could negatively 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 adversely affect the value of the Securities and any amounts payable in respect of the Securities.

### 3.2 **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)). 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.

Furthermore, the initial market value of the Securities is likely to be lower, and may be significantly lower, than the issue or initial purchase price of the Securities as a result of, inter alia, (where permitted by applicable law) amounts with respect to commissions relating to the issue, sale and marketing of the Securities. Accordingly, the issue or purchase price of the Securities is likely to be more than the initial market value of the Securities, and this could result in a loss if you sell the Securities prior to scheduled redemption. Any secondary market prices of the Securities will also likely be lower than the original issue price of the Securities because, among other things, (as above) secondary market prices will likely be reduced by selling commissions and marketing commissions that are accounted for in the original issue price of the Securities. As a result, the price, if any, at which any person would be willing to buy Securities from you in secondary market transactions, if at all, is likely to be lower than the original issue price. Any sale by you prior to their scheduled redemption could result in a substantial loss.

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 which may result in Securityholders receiving a lesser Coupon Amount than if such switch did not occur.

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 final redemption 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 negatively 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, which may result in Securityholders receiving a lesser Coupon Amount than if such change did not take place.

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 final redemption 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 negatively affect the market value of the Securities.

### 3.2.1 *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.

### 3.3 **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 admit to trading on the regulated market or professional segment of the regulated market of the Luxembourg Stock Exchange, to admit Securities to trading on the Luxembourg Stock Exchange's Euro MTF or to admit Securities to trading on the EuroTLX market of Borsa Italiana. 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 or traded on any relevant 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.

### 3.4 **Offering of the Securities**

If the Securities are distributed by means of a public offer, under certain circumstances indicated in the relevant Issue Terms, the Issuer and/or the other entities indicated in the relevant Issue Terms will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the relevant Issue Terms. The Issuer and/or the other entities specified in the relevant Issue Terms may also terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the relevant Issue Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the relevant Issue Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities. Furthermore, under certain circumstances indicated in the relevant Issue Terms, the Issuer and/or the other entities indicated in the relevant Issue Terms will have the right to shorten and/or extend the offer period and/or to postpone the originally designated issue date, and related interest payment dates and the maturity date. For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to this Securities Note in accordance with the provisions of the EU Prospectus Regulation.

If the relevant Issue Terms provide that the Issuer or the placer, as applicable, will apply or has applied for admission to trading of the Securities on the EuroTLX Market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., then the relevant Issue Terms may also provide that the effectiveness of the offer of such Securities will be conditional upon such admission to trading occurring by the Issue Date. In such case, in the event that admission to trading of the Securities does not take place by the Issue Date

for whatever reason, the Issuer will withdraw the offer, the offer will be deemed to be null and void and the relevant Securities will not be issued. As a consequence, you will not receive any Securities, any subscription rights you have for the Securities will be cancelled and you will not be entitled to any compensation thereof.

#### **4. CONFLICTS OF INTEREST IN RESPECT OF THE SECURITIES**

##### **4.1 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.

In performing each of these roles the relevant entities do not act on behalf of, or accept any duty of care or any fiduciary duty to any Securityholder or any other person. Each such entity will pursue actions and take steps that it deems necessary or appropriate to protect its interests without regard to the consequences for Securityholders.

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.

In performing these roles each such entity shall only have the duties and responsibilities expressly agreed to by it in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have any other duties or responsibilities. In addition, such entities shall be entitled to receive fees or other payments and exercise all rights, including rights of termination or resignation, which they may have in such capacities notwithstanding that this may have a detrimental effect on the Securities.

In limited cases as specified in the Product Conditions, the Calculation Agent acts in its sole discretion in carrying out calculations and determinations with respect to the Securities and, in such cases, will act in the interests of the Issuer and not in the interests of the Securityholders.

Any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and Securityholders and may have a negative effect on the value of the Securities.

##### **4.2 Transactions with and through the Reference Entity(ies)**

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. Such transactions may have a negative effect on the credit risk of the Reference Entity(ies) and, in turn, negatively impact the value of the Securities.

##### **4.3 Issuance of other securities linked to the Reference Entity(ies)**

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. The issue of such securities may adversely affect the value of the Securities.

##### **4.4 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). The Issuer may also trade the obligations of the Reference Entity and other financial instruments related to the obligations of the Reference Entity on a regular basis as part of its general businesses. 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's hedging activities may have a material adverse impact on the value of the Securities, in particular, the value of the Securities may be negatively affected by the liquidation of all or a portion of the hedging positions at or about the time of the redemption of the Securities.

#### 4.5 **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), be higher than equivalent premiums included in the issue price for comparable securities issued by other issuers. Moreover, the level of the premium may be higher than premiums the Issuer has included in the issue price for comparable securities under different market conditions.

#### 4.6 **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. Furthermore, prices quoted in the secondary market will be influenced by, amongst other things, any premium included in the Issue Price (see Risk Factor 4.5 (*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 may be substantially less than 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, which in turn may negatively affect the value of the Securities in the secondary market.

#### 4.7 **Other business relationships and conflicts of interest**

Each of the Issuer, the Fiscal Agent 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 Fiscal Agent, 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent, the Calculation Agent, their respective affiliates and the directors, officers, employees and agents of the Issuer, the Fiscal Agent 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 negatively 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, Successors and Sovereign 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 which may potentially negatively affect the value of the Securities 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).

#### 4.8 **Obtaining non-public information**

The Issuer, the Fiscal Agent or the Calculation Agent or any of their respective affiliates may be in possession of information in relation to a Reference Entity 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 Fiscal Agent 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). Such activities could present conflicts of interest and may negatively affect the value of the securities.

### III. COMMONLY ASKED QUESTIONS

This section is intended to answer some of the questions which investors may have when considering an investment in the Securities. However, any decision to invest in the Securities should only be made after careful consideration of all relevant sections of the Base Prospectus and the relevant Issue Terms. This section should be treated as an introduction to the Issuer, the types of Securities which may be issued under the Programme and certain terms of such Securities. Capitalised not otherwise defined herein shall have the same meaning as in the Product Conditions.

#### 1. WHAT DOCUMENTS DO YOU NEED TO READ IN RESPECT OF AN ISSUANCE OF SECURITIES?

There are several legal documents which you must read in respect of any Securities: (i) each applicable section of this Securities Note; (ii) the Registration Document and (iii) the Issue Terms in respect of such Securities (including any issue-specific summary annexed thereto). You may request copies of any such documents the Issuer.

##### 1.1 *What information is included in this Securities Note?*

This Securities Note contains the general terms and conditions of all Securities in the section entitled "*Product Conditions*". The Product Conditions must be read together with the applicable Issue Terms - see Commonly Asked Question 1.2 (*What information is included in the Issue Terms?*) below.

Furthermore, this Securities Note includes risk factors relating to the Securities and discloses restrictions about who can buy such Securities and to whom the Securities may be transferred. It also contains certain tax disclosure, although you should always seek specialist advice which has been tailored to your circumstances.

The Registration Document, which together with this Securities Note constitutes the Base Prospectus, discloses financial and other information about the Issuer and incorporates by reference further information about such entities. It also includes risk factors relating to the Issuer. Therefore, the Registration Document must be read in conjunction with this Securities Note.

This Securities Note and the Registration Document are available in electronic form on the website of the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.xmarkets.db.com](http://www.xmarkets.db.com)).

##### 1.2 *What information is included in the Issue Terms?*

While this Securities Note includes general information about all Securities, the Issue Terms is the document that sets out the specific details of each issuance of Securities. The Issue Terms will contain, for example, the issue date, the maturity date and the methods used to calculate the redemption amount and any coupon payments, if applicable.

The Issue Terms for each issuance of Securities will complete the Product Conditions. Therefore, the Issue Terms for such Securities must be read in conjunction with this Securities Note.

#### 2. WHO IS THE ISSUER UNDER THE PROGRAMME?

Securities may be issued by Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**") through its head office in Frankfurt am Main and acting through its London branch in relation to any Series, as specified in the applicable Issue Terms.

Deutsche Bank AG (commercial name: Deutsche Bank) is a banking institution and a stock corporation incorporated in Germany and accordingly operates under the laws of Germany. Deutsche Bank AG has its registered office in Frankfurt am Main, Germany. It maintains its principal office at Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Deutsche Bank AG is described in the Registration Document and in the section entitled "*General Information*" of this Securities Note.

The Issuer may, at any time, without the consent of the holders of Securities opt to be replaced as principal obligor by a company (the "**Substitute**") which is either a subsidiary or Affiliate of the Issuer provided that (a) the Substitute's obligations are guaranteed by Deutsche Bank AG, (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 holders of the Securities.

### **3. WHAT TYPE OF SECURITIES CAN BE ISSUED UNDER THE PROGRAMME?**

Under this Programme, the Issuer may issue notes and certificates, which together are known as "Securities". Securities may have any maturity. Securities may or may not be rated.

The Securities shall be cleared either through Clearstream Frankfurt, a common depository for Euroclear and Clearstream, Luxembourg or such other Clearing System specified in the applicable Issue Terms.

All Securities will be governed by English law.

### **4. WHAT ARE THE REFERENCE ASSETS TO WHICH SECURITIES MAY BE LINKED?**

The payment of a coupon amount under the Securities may be linked to a reference rate. A reference rate may be any one or more of the following rates, which rate may be applied either directly or as a compounded rate:

- (a) €STR, being the Euro short-term rate published on each TARGET2 Business Day by the European Central Bank;
- (b) SOFR (the US-Dollar Secured Overnight Financing Rate), being a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities which is provided each business day by the Federal Reserve Bank of New York;
- (c) SONIA (the daily Sterling Overnight Index Average), being the average of the interest rates that banks pay to borrow Sterling in unsecured overnight transactions from other financial institutions in the London market;
- (d) a CMS (constant maturity swap) or other swap rate;
- (e) EURIBOR, being the Euro Interbank Offered Rate as provided by the European Money Markets Institute; and
- (f) a rate calculated on the same basis as the floating rate under a notional interest rate swap incorporating the 2006 ISDA Definitions,

(each a "**Reference Rate**").

Furthermore, the payment of the redemption amount and/or any coupon amount under the Securities may be linked to the credit risk of one or more corporate or sovereign entities or their successors (each a "**Reference Entity**").

For the purposes of this "*Commonly Asked Questions*" section, each Reference Rate and Reference Entity shall constitute a "**Reference Asset**".

### **5. IS THE MARKET VALUE AND AMOUNTS PAYABLE IN RESPECT OF YOUR SECURITIES SUBJECT TO THE CREDIT RISK OF THE ISSUER?**

Yes. You will be exposed to the credit risk of the Issuer, and you will have no recourse to the Reference Asset(s) (see Commonly Asked Question 8 (*If your Securities are linked to a Reference Asset, will you have recourse to that asset if the Issuer defaults?*) below). The market value of the Securities will not only be affected by the value of the Reference Asset(s), but will also depend in part on the credit ratings of the relevant Issuer, together with various other factors (see the section of this Securities Note entitled "*Risk Factors*" including, but not limited to, Risk Factor 3.1 "*Market Factors*" and Risk Factor 3.2 "*Market Value*" therein).

The credit ratings of the Issuer are specified in the Registration Document.

### **6. WILL YOU BE ABLE TO SELL YOUR SECURITIES?**

The relevant Issue Terms will specify whether your Securities will be listed on any securities exchange or not listed. There may be little or no secondary market for the Securities. Even if there is a secondary market for the Securities, it may not provide enough liquidity to allow you to trade or sell the Securities easily. See also Risk Factor 3.3 "*Potential Illiquidity of the Securities*" in the section of this Securities Note entitled "*Risk Factors*".

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. See also Risk Factor 4.6 “*Market-making for the Securities*” in the section of this Securities Note entitled “*Risk Factors*”.

Securities are also subject to selling restrictions, purchaser representations and requirements and transfer restrictions that may limit your ability to resell or transfer them (including, but not limited to, those set out in the section of this Securities Note entitled “*Selling and Transfer Restrictions*”).

**7. WHAT WILL BE THE PRICE OF YOUR SECURITIES IF YOU ARE ABLE TO SELL YOUR SECURITIES?**

If it is possible to sell your Securities, they would be sold for the prevailing bid price in the market. The prevailing bid price may be affected by several factors including the performance of the Reference Asset(s), prevailing interest rates at the time of sale, the time remaining until the stated repayment date, transaction costs and the perceived creditworthiness of the Issuer. It is therefore possible that if you sell your Securities in the secondary market you may receive a price which is lower than your initial investment. See also Risk Factor 3.2 “*Market Value*” in the section of this Securities Note entitled “*Risk Factors*”.

**8. IF YOUR SECURITIES ARE LINKED TO A REFERENCE ASSET, WILL YOU HAVE RECOURSE TO THAT ASSET IF THE ISSUER DEFAULTS?**

No. The Securities are linked to the performance of the Reference Asset(s), but there is no obligation on the Issuer to hold such Reference Asset. Even if the Issuer does hold the Reference Asset, it will not be held for the benefit of the holders of Securities.

**9. HOW MUCH OF YOUR INVESTMENT IS AT RISK?**

For all Securities, your investment may be at risk as you may receive a return less than your original investment and may even lose your entire investment. In such circumstances, the value of the Securities can fluctuate and there is no guarantee that the value of the Securities will increase or that they will retain their value. The higher the potential return of your Securities, the greater the risk of loss attached to those Securities will be. You will always be exposed to the credit risk of the Issuer.

See the section of this Securities Note entitled “*Risk Factors*” for more detailed information about the risks relating to the loss of any invested amounts.

**10. WHERE DO THE SECURITIES RANK IN THE LIABILITIES OF THE ISSUER?**

For Securities with a ranking of “preferred” (as specified in the applicable Issue Terms), such Securities constitute unsecured and unsubordinated preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated preferred liabilities of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. In accordance with § 46f(5) of the German Banking Act (Kreditwesengesetz, “**KWG**”), the obligations under such Securities rank in priority of those under debt instruments of the Issuer within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision, including eligible liabilities within the meaning of Articles 72a and 72b(2) of The Capital Requirements Regulation (EU) No. 575/2013 (“**CRR**”).

For Securities with a ranking of “non-preferred” (as specified in the applicable Issue Terms), such Securities constitute unsecured and unsubordinated non-preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated non-preferred liabilities of the Issuer. This is subject to statutory priorities conferred to certain unsecured and unsubordinated non-preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. In accordance with § 46f(5) KWG, in the event of resolution measures being imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the obligations under such Securities shall rank behind the claims of unsubordinated creditors of the Issuer not qualifying as obligations within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision; this includes eligible liabilities within the meaning of Article 72b(2) CRR where point (d) of such Article does not apply.

In any such event, no amounts shall be payable in respect of the Securities until the claims of such other unsubordinated creditors of the Issuer have been satisfied in full.

**11. WHO IS THE “HOLDER” OF THE SECURITIES?**

In respect of Securities, the legal "holder" of the Securities shall mean the persons who are for the time being the bearers of the Securities, provided, however, that for so long as the Securities or any part of them are represented by a Global Security deposited with any clearing system or with any common depository for such clearing system(s), each person (other than the clearing system(s)) who is for the time being shown in the records of the clearing system(s) as the holder of a particular principal amount of the Securities shall be treated by the Issuer, the Fiscal Agent, the Principal Paying Agent and the Calculation Agent (in each case in respect of the Securities) as the “holder” of that principal amount of the Securities for all purposes (other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of the relevant Global Security shall be treated as the “holder” of such principal amount of the Securities in accordance with and subject to the terms of the relevant Global Security).

**12. HOW CAN YOU ENFORCE YOUR RIGHTS AGAINST AN ISSUER IF THE ISSUER HAS FAILED TO MAKE A PAYMENT OF PRINCIPAL ON THE SECURITIES?**

The Issuer has executed a deed of covenant in respect of Securities which is governed by English law, pursuant to which it covenants in favour of the holders of Securities that in certain circumstances each such holder shall automatically acquire against the Issuer those rights that it would have had if it held and beneficially owned authenticated definitive securities. This means that even if the legal "holder" of the Securities is a depository on behalf of a clearing system, the accountholders in the clearing system will still be able to make a direct claim against the Issuer without having to rely on the depository doing so on their behalf.

**13. HOW ARE PAYMENTS MADE TO YOU?**

The Issuer will make payments of coupons and principal or other amounts by paying the total amount payable to the clearing system(s), who will credit the appropriate amount to the account of each accountholder in such clearing system which holds the Securities (which may include your custodian), in each case, in accordance with the rules and policies of the clearing system(s). The Issuer has no obligation to make payments directly to end investors.

**14. WHEN ARE PAYMENTS MADE TO INVESTORS?**

Each type of Security will have a different redemption date or maturity date (as the case may be). Securities that pay a coupon amount (whether accrued at a fixed or floating rate or calculated by reference to a Reference Rate) will also have coupon payment dates.

**15. WHO CALCULATES AMOUNTS PAYABLE TO YOU?**

Unless otherwise specified in the relevant Issue Terms, the Issuer will act as the Calculation Agent in respect of Securities, and in such capacity, will determine the performance levels of the Reference Asset(s) on specified valuation dates and will determine any coupon amounts and the redemption amounts payable by the Issuer in respect of such Securities.

**16. ARE THE CALCULATION AGENT’S DETERMINATIONS BINDING ON YOU?**

All calculations, determinations or adjustments made by the Calculation Agent shall, in the absence of manifest error, be final, conclusive and binding on the holders of the Securities. The Calculation Agent has a discretion to make changes to the terms of your Securities if certain events occur, as set out in the Product Conditions.

However, the Calculation Agent is not required to consult with holder of Securities before making any calculations, determinations or adjustments, and it is expected that it will not do so. You should be aware that the Calculation Agent will likely be either the Issuer or an Affiliate of the Issuer and will act in the interests of the Issuer and not in the interests of the holders of the Securities. Any calculations, determinations or adjustments made by the Calculation Agent may have a negative effect on the value of the Securities. See also Risk Factor 4 “*Conflicts of Interest in respect of the Securities*” in the section of this Securities Note entitled “*Risk Factors*”.

**17. ARE THERE ANY FEES, EXPENSES OR TAXES TO PAY WHEN PURCHASING, HOLDING OR SELLING SECURITIES?**

You may incur fees and expenses in relation to the purchase, holding, transfer and sale of Securities. You should always be aware that stamp duties, financial transaction taxes other taxes may have to be paid in accordance with the current or future laws and practices of any relevant country (potentially including countries where the Securities are issued or transferred or where a counterparty is resident). You should consult your selling agent for details of fees,

expenses, commissions or other costs payable to your selling agent, and your own tax advisors in order to understand fully the tax implications specific to investment in any Security.

## **18. UNDER WHAT CIRCUMSTANCES MAY THE SECURITIES BE REDEEMED OR TERMINATED BEFORE THEIR SCHEDULED FINAL REDEMPTION?**

### **18.1 *Events of Default***

A Security may be redeemed early by the relevant Securityholder following an Event of Default (as further described in Product Condition 18). In such circumstances, the amount payable to the relevant Securityholder will be an amount (which may never be less than zero) calculated by the Calculation Agent equal to the fair market value of the Securities held by the relevant Securityholder together with coupon amount accrued to (but excluding) the day the relevant Event of Default occurred. For such purposes, the fair market value shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. For the purposes of determining the fair market value, no account shall be taken of the financial condition of the Issuer, which shall be presumed to be able to perform fully its obligations in respect of the Securities.

### **18.2 *Illegality or Force Majeure Event***

If the Issuer determines, for reasons beyond its control, that an Illegality Event or Force Majeure Event (as further described in Product Condition 5.11) has occurred, the Issuer may, at its option, redeem the Securities early by giving notice to the holders of the securities.

In such circumstances, the Issuer will, 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 such Security notwithstanding such illegality or impracticality, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner, together with any coupon amount accrued as provided in Product Condition 4.9.

### **18.3 *Merger Event***

The Securities may be redeemed early if the Issuer consolidates, amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or vice versa, or the Issuer and a Reference Entity become Affiliates. In such circumstances, each Security will be redeemed by the Issuer at the redemption amount calculated in accordance with Product Condition 5.10 together with any coupon amount accrued as provided in Product Condition 4.8.

### **18.4 *Issuer Call***

If so specified in the applicable Issue Terms, the Issuer shall have the option to early redeem the Securities by giving notice to the holders of the Securities on not less than the number of business days' notice specified in the applicable Issue Terms, and in such circumstances the holders of the Securities shall receive an early redemption amount calculated in accordance with Product Condition 5.9, together with any coupon amount accrued as provided in Product Condition 4.7.

### **18.5 *Administrator/Benchmark Event***

In respect of Securities which are linked to a Reference Rate which is a "benchmark", the occurrence of an Administrator/Benchmark Event (as further described in Product Condition 8) may cause early redemption of the Securities at their outstanding principal amount.

An Administrator/Benchmark Event may arise if any of the following circumstances occurs or may occur: (1) a benchmark is materially changed or cancelled; or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn; (3) it is not fair and commercially reasonable from the perspective of the Issuer or the Calculation Agent to continue the use of the benchmark or the Issuer or the Calculation Agent suffer increased costs in each case due to licensing restrictions or changes in licence costs; or (4) a relevant supervisor officially announces a benchmark is longer representative of any relevant underlying market(s).

For the purposes hereof, "**benchmark**" means any figure, level, rate or value by reference to which any amount payable or deliverable under the Securities, or the value of the Securities, is determined in whole or in part, including,

without limitation, any benchmark as defined in the EU Benchmark Regulation (*Regulation (EU) 2016/1011*), as amended from time to time, all as determined by the Calculation Agent in a fair and commercially reasonable manner.

#### 18.6 *Early redemption of Reference Obligation Only Securities following a Substitution Event*

If the Securities are “Reference Obligation Only Securities” and the Reference Obligation of a Reference Entity is redeemed in full, then each Security will be redeemed in full (in the case of Single Reference Entity Securities) or in part (in the case of Basket Securities) by the Issuer by payment of the relevant early redemption amount on the fifth business day following the relevant Substitution Event Date in accordance with Product Condition 5.12.

"Reference Obligation Only Securities" means any Securities in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category in the applicable Issue Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Issue Terms.

The early redemption of the Securities in any of the circumstances listed above may result in a holder receiving less than its expected return if the Securities had been redeemed as their scheduled final redemption.

The Securities may also be early redeemed following the occurrence of an Event Determination Date. Please see Commonly Asked Question 21 “*What are Credit Linked Securities*” below.

#### 19. **CAN THE ISSUER AMEND THE CONDITIONS OF SECURITIES ONCE THEY HAVE BEEN ISSUED WITHOUT YOUR CONSENT?**

Yes, under certain circumstances described below.

##### 19.1 *Modifications*

The Issuer may, to the extent permitted by applicable law and subject as provided below, modify the Conditions of the Securities without the consent of the holders in any manner which the Issuer may deem reasonably necessary:

- (a) in order to maintain or preserve the intended commercial purpose of the Securities; or
- (b) if such modification (i) does not materially adversely affect the interests of the holders of the Securities, (ii) is of a formal, minor or technical nature or (iii) is intended to correct a manifest or proven error or to cure, correct or supplement any defective provision contained therein.

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.

##### 19.2 *Administrator/Benchmark Event*

In respect of Securities which are linked to a Reference Rate which is a “benchmark”, in the event of an Administrator/Benchmark Event (as further described in Product Condition 8), the Issuer may, at its option, instruct the Calculation Agent to make such adjustment(s) to the Conditions as it may determine in a fair and commercially reasonable manner appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may (a) consist of one or more amendments and/or be made on one or more dates; (b) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance made in relation to any hedging arrangements in respect of the Securities; and (c) include selecting (a) successor benchmark(s) and making related adjustments to the Conditions of the Securities, including where applicable to reflect any increased costs of the Issuer providing such exposure to the successor benchmark(s), and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks.

##### 19.3 *Replacement Rate*

If the Issuer determines that a Rate Replacement Event has occurred in respect of a Reference Rate on or prior to a Coupon Determination Date (the “**Relevant Coupon Determination Date**”), the Relevant Determining Party shall, provided that it confirms the occurrence of such Rate Replacement Event to the Issuer (where the Relevant Determining Party is not the Issuer), determine in its reasonable discretion (i) a Replacement Rate for the relevant Specified Floating Rate and (ii) Replacement Rate Adjustments and promptly inform the Issuer and the Calculation Agent (in each case if not the Relevant Determining Party) of its determinations.

##### 19.4 *Successors*

The Securities may be amended if a "Successor" determination has been made with respect to a Reference Entity in respect of the Securities, as so provided in Product Condition 3.6. Please also see Commonly Asked Questions 21.17 to 21.19 below for more information on "Successors".

## **20. HOW IS THE COUPON AMOUNT CALCULATED?**

The Securities issued under the Programme may pay either (a) fixed amounts of coupon, (b) variable amounts of coupon or (c) no coupon at all.

### **20.1 Fixed Coupon Rate**

Securities bearing or paying a fixed coupon rate will pay a specified fixed coupon amount on specified coupon payment dates.

The fixed coupon rate may apply to the Securities for the duration of the Securities or for a limited period of time during the life of the Securities. Interest in respect of each coupon period will be calculated on the basis of the day count fraction (if any and as specified in the applicable Issue Terms) and will be payable on specified coupon payment dates.

Investors should be aware that the fixed coupon rate may be less than prevailing interest rates and the prevailing costs of borrowing.

### **20.2 Floating and other variable Coupon Rate**

Securities bearing or paying a floating or other variable coupon rate may either pay a variable coupon amount on specified coupon payment dates or, depending on the fulfilment of certain conditions, pay a variable coupon amount on specified coupon payment dates. The coupon amount payable may be reduced by a fall in the floating or other variable rate.

The floating or other variable coupon rate may apply to the Securities for the duration of the Securities or for a limited period of time during the life of the Securities. Interest in respect of each coupon period will be calculated on the basis of the day count fraction (if any and as specified in the applicable Issue Terms) and will be payable on specified coupon payment dates.

Floating or other variable coupon rates may be determined by reference to a rate determined:

- (a) on the basis of the Reference Rate (as further described in Commonly Asked Question 4 (*What are the Reference Assets to which the Securities may be linked*) above) appearing on the agreed screen page of a (commercial) quotation service or an agreed website. If the Reference Rate for coupon payments is a CMS or other swap rate, the floating rate will be determined by reference to the relevant reference page. The rate is reset periodically. Details of the relevant CMS or other swap rate will be specified in the applicable Issue Terms; or
- (c) in the case of Exempt Securities, on such other basis as may be specified in the applicable Pricing Supplement.

In addition, a margin (if specified in the applicable Issue Terms) may be applied to the floating or other variable coupon rate.

### **20.3 Other**

Coupon bearing Securities may be issued which bear or pay a coupon amount based on any combination of the above, for example bearing or paying coupon based on a combination of fixed and variable rates.

### **20.4 Fixed to floating switch**

The Issuer may (if specified in the applicable Issue Terms) elect on a designated day to switch the rate by reference to which the coupon amount payable in respect of the Securities is calculated from a fixed rate to a floating rate (such switch would take effect from (and including) the designated day). Alternatively, the Securities may instead provide that the switch from a fixed rate to a floating rate happens automatically on the designated date. If the Issuer exercises this right, the return on an investor's investment may be lower than if the Issuer had not switched the rate.

### **20.5 Floating to fixed switch**

The Issuer may (if specified in the applicable Issue Terms) elect on a designated day to switch the rate by reference to which the coupon amount payable in respect of the Securities is calculated from a floating rate to a fixed rate (such switch would take effect from (and including) the designated day). Alternatively, the Securities may instead provide that the switch from a floating rate to a fixed rate happens automatically on the designated date. If the Issuer exercises this right, the return on an investor's investment may be lower than if the Issuer had not switched the rate.

#### 20.6 *Cap/Floor*

If specified in the applicable Issue Terms, the variable coupon rate used to calculate the coupon amount payable in respect of the Securities may be subject to a floor (meaning that regardless of the level of such variable rate, it shall never fall below a certain level (i.e. the floor) for the purposes of calculating the coupon amount payable) and/or a cap (meaning that regardless of the level of such variable rate, it shall never be greater than a certain level (i.e. the cap) for the purposes of calculating the coupon amount payable, even if the actual market level of such variable rate was greater than the cap).

#### 20.7 *Credit Linked*

The coupon amount payable in respect of the Securities may be linked to the credit risk of one or more Reference Entities. Please see Commonly Asked Question 21.13 "*Are the payment of coupon amounts under the Securities effected by the occurrence of an Event Determination Date?*" and Commonly Asked Question 21.14 "*Can payments of coupon amounts under the Securities be suspended by the Calculation Agent if a Potential Credit Event has occurred?*" below.

### 21. **WHAT ARE CREDIT LINKED SECURITIES?**

Securities issued under the Programme are "Credit Linked Securities", being Securities in respect of which the amount payable at redemption and/or the coupon amount (if any) are linked to the credit risk of one or more Reference Entities (as defined in Commonly Asked Question 4 "*What are the Reference Assets to which Securities may be linked?*").

In exchange for a higher coupon or other return on the Securities in the absence of a Credit Event (as described below in Commonly Asked Question 21.7 "*What is a Credit Event?*"), you will take the risk that the amount which you receive at redemption will be less than the face value of the Security and/or that any coupon amounts you expect to receive may be reduced if a Reference Entity has, amongst other similar things, become insolvent or defaulted on its obligations, and in such circumstances you may lose some or all of your investment in the Securities.

#### 21.1 *What is credit risk?*

Credit risk is the risk that a Reference Entity fails to perform its obligations under a transaction or in respect of a debt obligation (including loan agreements entered into or guaranteed by such Reference Entity and securities issued or guaranteed by such Reference Entity), when those obligations are due to be performed. This is generally (but not exclusively) as a result of a deterioration in its financial condition.

By investing in the Securities, you will be a seller of credit protection (and hence a buyer of credit risk), whilst the Issuer will be a buyer of credit protection (and therefore a seller of credit risk).

#### 21.2 *What is the difference between a "Credit Linked Security" and a bond issued by a Reference Entity?*

A "Credit Linked Security" gives you exposure to the credit risk of a Reference Entity without having to own a bond or other type of debt obligation of such Reference Entity. The Reference Entity itself is not a party to and has no direct involvement in the "Credit Linked Security" and you will not be able to claim against the Reference Entity for any losses you suffer as a result of a Credit Event of the Reference Entity. You will have no interest in or rights under any obligation of a Reference Entity. An investment in the Securities is not equivalent to an investment in the obligations of a Reference Entity.

The Issuer is not obliged to hold any obligation of the Reference Entity or otherwise have credit risk exposure to the Reference Entity.

In addition to the credit risk of the relevant Reference Entity to which the Securities are linked, you will also be exposed to the credit risk of the Issuer, so even if the Reference Entity is performing well, you may still suffer a loss if the Issuer's creditworthiness declines or it goes bankrupt (see Commonly Asked Question 5 "*Is the market value and amounts payable in respect of your Securities subject to the credit risk of the Issuer?*" above).

#### 21.3 *What are the types of "Credit Linked Securities" issued under the Programme?*

The following types of “Credit Linked Securities” may be issued under the Programme:

- (a) *Single Reference Entity Securities*: Securities linked to the creditworthiness of a single Reference Entity under which the amount of principal and coupon (if any) payable by the Issuer is dependent on whether a Credit Event has occurred in respect of such Reference Entity; and
- (b) *Basket Securities*: Securities linked to the creditworthiness of a portfolio of Reference Entities. Under Basket Securities the amount of principal and coupon (if any) payable by the Issuer is dependent on whether a Credit Event in respect of one or more of Reference Entities has occurred. The portfolio of Reference Entities may in some cases be determined in relation to the portfolio of Reference Entities comprising a credit default swap index.

#### 21.4 *What is ISDA?*

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) is a trade organisation of participants in the market for over-the-counter derivatives. It is headquartered in New York, and is responsible for creating standardised contracts such as the ISDA Master Agreement and the 2014 ISDA Definitions and a wide range of related documentation, that are used to enter into derivatives transactions. Definitions, confirmations and other documents and information published by ISDA are available on ISDA’s website: [www.isda.org](http://www.isda.org). Certain publications are available free of charge while others are available to subscribers of the website only.

#### 21.5 *What is a Credit Event?*

A Credit Event is, broadly speaking, an event which is regarded as being indicative of a default or material decline in the creditworthiness of a Reference Entity.

The Product Conditions specify seven “Credit Events” which may apply to a Reference Entity. Such Credit Events are:

- (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 relevant Reference Entity fails to pay any amounts due on any of its borrowings (including its bonds or loans) or guarantees;
- (c) *Obligation Acceleration*: the relevant 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 relevant 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 relevant 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);
- (f) *Repudiation/Moratorium*: (i) the relevant 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; and
- (g) *Governmental Intervention*: as a result of the action taken or announcement made by a governmental authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulations) applicable to the relevant Reference Entity, certain binding changes are made to the relevant obligations of the relevant Reference Entity. The changes include, without limitation, a reduction in the rate or amount (as applicable) of interest, principal or premium payable when due, a postponement or other deferral of the date or dates for payment of interest, principal or premium, a change in the ranking in priority of payment of any obligation, or a mandatory cancellation, conversion or exchange,

in each case, subject to and as more fully described in the Product Conditions.

Note that a Credit Event will occur regardless of whether it occurs due to (for example) the relevant Reference Entity not being authorised to incur the relevant obligation, the illegality or unenforceability of any obligation, applicable law or regulation or an order of a court or tribunal or any exchange controls or capital requirements being imposed.

#### 21.6 *What Credit Events apply to the Securities?*

In respect of each issue of Securities, the types of Credit Events which may apply in relation to a specified Reference Entity will vary depending on the identity of each Reference Entity and will be determined either by reference to market standards that relate to credit default swaps, as described below, or will be specified in the relevant Issue Terms.

Credit default swaps are transactions in which settlement is triggered by the occurrence of a Credit Event of a particular Reference Entity or Reference Entities referenced in the terms of such transaction. A buyer of credit protection will make one or more payments of premium to the seller of credit protection. In exchange, the seller of credit protection agrees to make payment to the buyer of credit protection following the occurrence of a Credit Event and subject to satisfaction of certain conditions.

Credit default swaps are typically entered into on the basis of standard definitions and provisions published by ISDA. Certain terms of credit default swaps are subject to negotiation between the parties, for example the maturity of each transaction and the price of credit protection purchased. However, many key terms of credit default swaps - for example, the applicable Credit Events - are typically determined by reference to a matrix of market standard terms published by ISDA (the "**Physical Settlement Matrix**"), which recognises a variety of standard terms based on the nature of the relevant Reference Entity (corporate, sovereign, etc.) and its location (Europe, North America etc.). As at the date of this Securities Note, the current version of the Physical Settlement Matrix is available free of charge on ISDA's website at [www.isda.org](http://www.isda.org).

The Issue Terms will specify a "Transaction Type" with respect to the relevant Reference Entity. Certain terms of the Securities will be determined for such "Transaction Type" by reference to the most recent version of the Physical Settlement Matrix published by ISDA as at the Trade Date of such Securities. Such terms may vary between particular series of Securities depending on the relevant "Transaction Type" which applies. Furthermore the Physical Settlement Matrix is updated regularly by ISDA and accordingly different Series of Securities may refer to different versions of the Physical Settlement Matrix.

#### 21.7 *When can an Event Determination Event occur?*

An Event Determination Date may occur at any time during the period from, and including, the Credit Event Backstop Date to, and including, the Credit Period End Date (as specified in the applicable Issue Terms and subject to extension in certain circumstances). You should be aware that Credit Events occurring prior to the Trade Date may, depending on the Conditions of the Securities, be taken into account for the purposes of the Securities.

The Credit Event Backstop Date may fall as early as:

- (a) if "Lookback" is specified as "Applicable" in the relevant Issue Terms (or "Lookback" is not specified as "Not Applicable" in the relevant Issue Terms), and (i) if a Credit Derivatives Determinations Committee (a "CDDC") (see Commonly Asked Question 21.16 (*What are the Credit Derivatives Determinations Committees and how do they affect the Securities?*)) below) receives a request to resolve whether or not a Credit Event has occurred in relation to a Reference Entity, 60 calendar days prior to the date of such request; or (ii) otherwise, the date that is 60 calendar days prior to the Trade Date in respect of the relevant Securities; or
- (b) if "Lookback" is specified as "Not Applicable" in the relevant Issue Terms, the Trade Date in respect of the relevant Securities.

Subject as more fully described in the Product Conditions, an Event Determination Date may occur:

- (i) as a result of the publication by ISDA of a resolution by a CDDC that a Credit Event has occurred in relation to that Reference Entity (in which case the Event Determination Date will be the date of the relevant request for a resolution); or
- (ii) in the absence of a resolution of a CDDC, if the Calculation Agent delivers to the Issuer a notice and, if applicable, supporting information derived from specified sources (that is, public news or information sources, the Reference Entity itself, court or other public filings or paying agents, trustees or other



intermediaries appointed in respect of obligations of the Reference Entity), in order to trigger settlement of the Securities following a Credit Event.

#### 21.8 *What are the consequences for the Securities if an Event Determination Date occurs?*

Subject as noted in Commonly Asked Questions 21.9, 21.10 and 21.11 below, following the occurrence of a Credit Event and an Event Determination Date with respect to a Reference Entity:

- (a) Securities which are “Single Reference Entity Securities” will be subject to redemption in whole by payment to the holders of the Redemption Amount; and
- (b) Securities which are “Basket Securities” will be subject to redemption in part by payment to the holders of the Partial Redemption Amount.

In addition, if the relevant Event Determination Date relates to a M(M)R Restructuring Credit Event, if the Calculation Agent so elects, the Securities will be partially redeemed (see Commonly Asked Question 21.12 “*How much will holders receive if the Securities are partially redeemed following a M(M)R Restructuring?*”) below.

#### 21.9 *How is the Redemption Amount or Partial Redemption Amount calculated?*

The Redemption Amount or Partial Redemption Amount is the cash amount which is payable to each holder on redemption or partial redemption (as the case may be) of the Securities. If an Event Determination Date has occurred in respect of a Reference Entity and where “Auction Settlement” applies to the Securities (as described further at Commonly Asked Question 21.10 “*How is the Final Redemption Amount determined if auction settlement applies?*” below), unless the Securities are “Fixed Recovery Securities”, “Final Redemption Capital Protected Securities” or “Zero Recovery Principal Amount Reduction Securities”, the Redemption Amount or Partial Redemption Amount will be determined based on the price of certain eligible obligations of such Reference Entity (“**Deliverable Obligations**”), which may be loans, bonds or other obligations issued directly by such Reference Entity or obligations in respect of which such Reference Entity acts as guarantor (or in certain cases a related asset package), on a specified date following the occurrence of a Credit Event with respect to such Reference Entity. The price of such Deliverable Obligations will be determined by an Auction (as defined below).

Where there is no Auction (as defined below), or where “Cash Settlement” applies in respect of the Securities, the Redemption Amount or Partial Redemption Amount will be determined on a valuation date selected by the Calculation Agent following the occurrence of a Credit Event with respect to such Reference Entity based on bid quotations received by the Calculation Agent from third party dealers for certain eligible obligations of such Reference Entity (“**Valuation Obligations**”) that are selected by the Calculation Agent in accordance with the terms of the Securities.

#### *Fixed Recovery Securities*

If an Event Determination Date has occurred in respect of a Reference Entity and the Securities are “Fixed Recovery Securities” and:

- (a) “Single Reference Entity Securities”, the Securities will be redeemed in full and a holder of a Security will receive on the tenth business day following the occurrence of the Event Determination Date the Redemption Amount equal to the product of (i) a fixed percentage (as specified in the applicable Issue Terms) and (ii) the denomination of such Security; or
- (b) “Basket Securities”, the Securities will be redeemed in part and a holder of a Security will receive on the tenth business day following the occurrence of the Event Determination Date the Partial Redemption Amount equal to the product of (i) a fixed percentage (as specified in the applicable Issue Terms) and (ii) the portion of the denomination of such Security calculated in accordance with the Product Conditions in relation to such Reference Entity’s weighting in the portfolio.

#### *Final Redemption Capital Protected Securities*

If an Event Determination Date has occurred in respect of a Reference Entity and the Securities are “Final Redemption Capital Protected Securities”, the Securities will be redeemed in full and a holder of a Security will receive on the Maturity Date (in the case of Notes) or the Redemption Date (in the case of Certificates) (such dates subject to any postponement in accordance with the Product Conditions) the Redemption Amount equal to:

- (a) where the Securities are “Single Reference Entity Securities”, the product of (i) the “Capital Protection Percentage” (as specified in the applicable Issue Terms) and (ii) the denomination of such Security; or
- (b) where the Securities are “Basket Securities”, the sum of:

- (i) if an Event Determination has occurred in respect to a Reference Entity in the portfolio, the product of (1) the “Capital Protection Percentage” (as specified in the applicable Issue Terms) and (2) the portion of the denomination of such Security calculated in accordance with the Product Conditions in relation to the Reference Entity’s weighting in the portfolio; and
- (ii) if an Event Determination has not occurred in respect of a Reference Entity in the portfolio, an amount equal to the portion of the denomination of such Security calculated in accordance with the Product Conditions in relation to such Reference Entity’s weighting in the portfolio.

If an Event Determination Date has occurred in respect of a Reference Entity and the Securities are “Zero Recovery Principal Amount Reduction Securities” and:

- (i) “Single Reference Entity Securities”, the Securities will cease to pay interest and will be cancelled on the relevant Event Determination Date at zero and the holders of the Securities will lose their entire investment; or
- (ii) “Basket Securities”, the Securities will be partially cancelled on the relevant Event Determination Date in respect of a portion of the outstanding nominal amount (in the case of Notes) or outstanding notional amount (in the case of Certificates) of such Security calculated in accordance with the Product Conditions in relation to such Reference Entity’s weighting in the portfolio. In such circumstances, the loss suffered by investors on a Credit Event occurring in respect of a Reference Entity will be equal to the entire weighting of that Reference Entity in the portfolio.

21.10 ***How is the Redemption Amount or Partial Redemption Amount determined if “Auction Settlement” applies?***

If "Auction Settlement" applies to the Securities, the Redemption Amount or Partial Redemption Amount (as the case may be) will be determined by reference to a price determined by way of a credit derivatives auction sponsored by ISDA (an "**Auction**"). The Auction will involve a bidding process by institutions participating in the relevant Auction, pursuant to a bidding procedure set by ISDA, to establish the value of Deliverable Obligations of the relevant Reference Entity (or, in certain cases, a related asset package; see below). The Issuer, the Calculation Agent or its affiliates may act as a participating bidder in any such Auction and may submit bids and offers with respect to the Deliverable Obligations of the Reference Entity or the components of the relevant asset package.

Deliverable Obligations will include obligations of the relevant Reference Entity which satisfy (or, in certain cases, which satisfied, prior to the occurrence of particular Credit Events) certain specified "Deliverable Obligation Categories" and "Deliverable Obligation Characteristics" and may include a wide variety of obligations of the relevant Reference Entity, including bonds, loans, guarantees, payments due under derivatives and repos, trade debts and deposits. The applicable Deliverable Obligation Category and Deliverable Obligation Characteristics are specified in the Standard and will vary from one Reference Entity to another depending on the "Transaction Type" specified in the relevant Issue Terms.

The outcome of any Auction is likely to reflect the prevailing price of the cheapest relevant obligation of the Reference Entity.

In certain circumstances, an Auction may occur in relation to a package of assets received by a holder of one or more obligations of the relevant Reference Entity in connection with the occurrence of a particular Credit Event. An asset package may be comprised of one or a combination of financial or non-financial instruments. Where any component of an asset package is a non-financial instrument, a value may be determined and published by ISDA in respect of that instrument without the need for an auction.

Where "Auction Settlement" applies to the Securities and an Auction occurs, the Redemption Amount or Partial Redemption Amount payable in respect of a Security will be an amount equal to the product of:

- (a) the denomination of the Security (or, in the case of Basket Securities, a portion thereof calculated in accordance with the Product Conditions in relation to the weighting of such Reference Entity in the portfolio); and
- (b) the price (expressed as a percentage) determined through the Auction for certain obligations of such Reference Entity.

In such a case, the Redemption Amount or Partial Redemption Amount will be payable on (i) the day falling the second business day after the date on which such price is determined by the Calculation Agent (or such other date as specified in the applicable Issue Terms) or (ii) if the Securities are “Loss at Final Redemption Securities”, the later of

(1) the date at (i) above or (2) the Maturity Date (in the case of Notes) or the Redemption Date (in the case of Certificates) (such dates subject to any postponement in accordance with the Product Conditions).

The Redemption Amount or Partial Redemption Amount in such circumstances is likely to be lower than the par value of the Deliverable Obligations of the Reference Entity and will be reflective of a loss experienced by the holder of such Deliverable Obligations. Moreover, the price is likely to reflect the lowest prevailing market value of any Deliverable Obligation.

See further the Appendix (*Auction Settlement Terms*) to the Product Conditions a more detailed description of the auction process.

For the avoidance of doubt, "Auction Settlement" shall not apply to Securities which are "Fixed Recovery Securities", "Final Redemption Capital Protected Securities" or "Zero Recovery Principal Amount Reduction Securities".

**21.11 *How is the Redemption Amount or Partial Redemption Amount determined if "Auction Settlement" does not apply?***

If there is not and will not be a relevant Auction for the purposes of the Securities in relation to a particular Event Determination Date or if "Cash Settlement" is specified to apply in respect of the Securities and unless the Securities are "Fixed Recovery Securities", "Final Redemption Capital Protected Securities" or "Zero Recovery Principal Amount Reduction Securities", then the Redemption Amount or Partial Redemption Amount will be determined on a valuation date selected by the Calculation Agent on the basis of the bid quotations sought by the Calculation Agent from third party dealers for the Valuation Obligations of the relevant Reference Entity selected in accordance with the terms of the Securities (including, as applicable, a related asset package). The Calculation Agent will be entitled to select the cheapest Valuation Obligation(s) for valuation. This will reduce the Redemption Amount or Partial Redemption Amount payable to the holders of the Securities.

In such case, the Redemption Amount or Partial Redemption Amount payable in respect of a Security will be equal to the product of:

- (a) the denomination of the Security (or, in the case of Basket Securities, a portion thereof calculated in accordance with the Product Conditions in respect the weighting of such Reference Entity in the portfolio); and
- (b) the price (expressed as a percentage) determined on the basis of bid quotations sought by the Calculation Agent from third party dealers for the Valuation Obligations of the relevant Reference Entity selected by the Calculation Agent in accordance with the Product Conditions.

In such a case, the Redemption Amount or Partial Redemption Amount will be payable on (i) the day falling the second business day after the date on which such price is determined by the Calculation Agent (or such other date as specified in the applicable Issue Terms) or (ii) if the Securities are "Loss at Final Redemption Securities", the later of (1) the date at (i) above or (2) the Maturity Date (in the case of Notes) or the Redemption Date (in the case of Certificates) (such dates subject to any postponement in accordance with the Product Conditions).

For the avoidance of doubt, "Cash Settlement" as described in this section shall not apply to Securities which are "Fixed Recovery Securities", "Final Redemption Capital Protected Securities" or "Zero Recovery Principal Amount Reduction Securities".

**21.12 *How much will holders receive if the Securities are partially redeemed following a M(M)R Restructuring?***

If an M(M)R Restructuring Credit Event occurs with respect to the Securities, then, in certain cases, the Calculation Agent may elect to trigger a partial redemption of the Securities.

If the Issuer exercises such right to partially redeem the Securities, each Security will be redeemed in part by an amount that is less than the entire credit protection purchased and sold under the Securities in relation to the Reference Entity (the "Credit Position") with respect to which the M(M)R Restructuring Credit Event occurred (such partial amount the "Exercise Amount"). The relevant redemption amount payable is then determined only in respect of such Exercise Amount. The Credit Position is reduced by such Exercise Amount and subsequent determinations of interest and principal under the Securities are determined only in respect of the remaining Credit Position following such reduction.

**21.13 *Are the payment of coupon amounts under the Securities effected by the occurrence of an Event Determination Date?***

If an Event Determination Date occurs and the Securities are not “Non Credit Linked Coupon Securities”, coupon amounts may cease to accrue, either in whole or in part, from (and including) the start of the coupon period in which such Event Determination Date occurs or, if “Credit Event Accrued Coupon Securities” is specified in the applicable Issue Terms, from (and including) such Event Determination Date, and investors will receive no or a reduced 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 respect of Notes) or Redemption Date (in respect of Certificates).

In a worst case scenario, in respect of Single Reference Entity Securities, provided that the Securities are not Credit Event Accrued Coupon Securities, if an Event Determination Date has occurred prior to the first coupon amount, no coupon amount will be payable in respect of the Securities and investors will receive no return on their investment.

21.14 *Can payments of coupon amounts under the Securities be suspended by the Calculation Agent if a Potential Credit Event has occurred?*

If, in the determination of the Calculation Agent, on the last day of a coupon period (other than the last coupon period) a Potential Credit Event has occurred but an Event Determination Date has not occurred with respect to a Reference Entity, the payment of any coupon amount in respect of such coupon period may be suspended, notwithstanding that an Event Determination Date has not occurred. In such circumstances, if an Event Determination Date has not occurred on or prior to the relevant coupon payment date for the following coupon period, the coupon amount that would otherwise have been payable in respect of the earlier coupon period may be payable on that next coupon payment date or, if later and applicable, 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 such coupon amount shall be payable and no additional amount shall be payable in respect of such delay.

21.15 *In what circumstances might the maturity of the Securities be extended?*

In certain circumstances, redemption of the Securities may be extended beyond the Scheduled Maturity Date (in the case of Notes) or the Scheduled Redemption Date (in the case of Certificates) even where no Event Determination Date is ultimately deemed to have occurred. If, for example, a resolution of a CDDC as to the occurrence of a Credit Event is pending as at the Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates) or pending determination of whether a potential Credit Event which occurred on or prior to the Credit Period End Date will become an actual Credit Event within a specified period of time after the Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates).

For example, where Grace Period Extension is applicable in respect of the Reference Entity, if a potential Failure to Pay Credit Event occurs prior to the Credit Period End Date and a grace period applies so that the relevant Reference Entity has a period of time in which to try and cure such potential “Failure to Pay” (the end of such period is referred to as the “**Grace Period Extension Date**”), the Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates) of the Securities may be extended beyond its Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates) pending a potential cure of such failure to pay within the applicable grace period.

Similarly, where Repudiation/Moratorium is applicable in respect of the Reference Entity, the Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates) of the Securities may be extended pending an evaluation as to whether a potential Repudiation/Moratorium Credit Event (the end of such evaluation period is referred to as the “**Repudiation/Moratorium Evaluation Date**”) which has occurred prior to the Credit Period End Date will become an actual Repudiation/Moratorium Credit Event.

In such cases the Calculation Agent may extend the final redemption of the Securities beyond their Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates) until the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date (as applicable). In addition, the Calculation Agent may extend the period during which the relevant Credit Event may occur to end on the later of (i) the Credit Period End Date, (ii) the Grace Period Extension Date and (iii) the Repudiation/Moratorium Evaluation Date (the “**Extension Date**”).

If on (a) the Scheduled Maturity Date, (b) the Repudiation/Moratorium Evaluation Date or (c) the Grace Period Extension Date (as applicable), an Event Determination Date has not occurred but in the determination of the Calculation Agent a Credit Event, a potential Failure to Pay Credit Event or (if applicable) a potential Repudiation/Moratorium Credit Event may have occurred, the Calculation Agent may extend the Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates) to the “**Postponed Maturity Date**” or “**Postponed Redemption Date**” (as applicable) of the Securities. If no Event Determination Date ultimately occurs, the “**Postponed Maturity Date**” (in the case of Notes) or the “**Postponed Redemption Date**” (in the case of Certificates) will be a date falling no later than two Business Days after the day that is 90 days after the Scheduled Maturity Date (in the case of Notes) or Scheduled Redemption Date (in the case of Certificates), the Repudiation/Moratorium

Evaluation Date or the Grace Period Extension Date (as applicable). If this occurs, the Notification Period will end on the date falling 90 calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day.

In each case, the period of such deferral may be substantial and no interest will accrue in respect of any such deferral if an Event Determination Date occurs. Even if no Event Determination Date occurs, if "Extension Period Interest" is not specified as applicable in the relevant Issue Terms, no interest will accrue in respect of any such deferral

#### 21.16 ***What are the Credit Derivatives Determinations Committees and how do they affect the Securities?***

The CDDCs were established by ISDA in March 2009 to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency.

You should note that a CDDC has the power to make binding decisions for the purposes of the Securities on critical issues, including:

- (a) the occurrence of a Credit Event and Event Determination Date;
- (b) whether one or more Auctions will be held in respect of any Reference Entity for which a Credit Event has occurred and the price determined in such Auction;
- (c) if one or more Auctions is to be held, what Deliverable Obligations of the Reference Entity will be used for the purposes of determining the price for each such Auction; and
- (d) the determination of the occurrence of an event, including the occurrence of a "Sovereign Succession Event" and the identity of any "Successors" (whether in connection with a Sovereign Succession Event or otherwise) (see Commonly Asked Question 21.17 "*Is it possible to change a Reference Entity?*" below).

Consequently, holders of the Securities will be bound by any such relevant decisions and the payments on the Securities and the timing of any such payments may be affected by such decisions or determinations. Questions referred to the CDDC and the results of binding votes will be published on [www.isda.org](http://www.isda.org).

The CDDCs are regional and there is a CDDC for each of the following five regions: the Americas, Asia (excluding Japan), Australia and New Zealand, Europe, the Middle East and Africa and Japan. The CDDC which is relevant for a particular series of Securities will be the one constituted for the region applicable to the relevant Reference Entity to which a given determination relates.

The proceedings of each CDDC will be governed by rules published from time to time by ISDA. A copy of such rules is available as at the date of this Base Prospectus free of charge at [www.isda.org](http://www.isda.org).

Each CDDC is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region

As at the date of this Securities Note, the Issuer is a member of the regional Credit Derivatives Determinations Committee responsible for determining Credit Events, Successors and Sovereign 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.

#### 21.17 ***Is it possible to change a Reference Entity?***

The Reference Entity may be changed if a "Successor" determination has been made with respect to the Reference Entity (and, in the case of a Reference Entity that is a sovereign, following the occurrence of a "Sovereign Succession Event") on or after the "Successor Backstop Date" (or, in the case of a "Universal Successor", on or after 1 January 2014), as further described at Product Condition 3.6.

#### 21.18 ***What is a "Successor" to a Reference Entity and how can succession affect the Securities?***

If ISDA publicly announces that a CDDC has resolved that a different entity or entities has or have become successor(s) to the original Reference Entity or the Calculation Agent identifies a Successor to the original Reference Entity, for example where such successor assumes obligations of the original Reference Entity under the latter's bonds

or loan, or issues bonds or incurs loans in exchange for bonds or loans of the original Reference Entity, including in certain circumstances as part of a pre-determined series of steps, to which the Securities are linked, then such entity will be deemed to be a "Successor" to the original Reference Entity

The identity of the original Reference Entity will be treated as having been amended accordingly for the purposes of the Securities so that, following the determination or announcement of a "Successor", the Securities will be linked to the credit risk of the Successor. Where "Financial Reference Entity Terms" applies to the Securities and either "Senior Level" or "Subordinated Level" has been specified as applicable, the successor in respect of the Securities in respect of which "Subordinated Level" is specified will follow the subordinated debt of the Reference Entity and the successor in respect of the Securities in respect of which "Senior Level" is specified will follow the senior debt (as applicable). The credit risk associated with a Successor or Successors may be different from and could be greater than the credit risk associated with the original Reference Entity.

The events which may lead to the determination or announcement of a Successor may occur at any time from and including the "Successor Backstop Date" (or, in the case of a "Universal Successor" on or after 1 January 2014).

The "**Successor Backstop Date**" is defined in the Product Conditions.

#### 21.19 *Can a succession occur prior to the Trade Date of the Securities?*

Yes. The Successor Backstop Date may be prior to the Trade Date of the Securities and therefore a succession may occur prior to such Trade Date.

Holders of the Securities should conduct their own review of any recent developments with respect to a Reference Entity by consulting publicly available information. If a request has been delivered to convene a CDDC prior to the Trade Date to determine whether a succession has occurred with respect to a Reference Entity, details of such request may be found on the ISDA website <http://www.isda.org/credit>.

#### 21.20 *What is the role of the Calculation Agent in deciding certain issues or exercising certain rights or options in respect of the Securities?*

The Calculation Agent may make certain determinations relating to the Securities, including (but not limited to) the following:

- (a) in the absence of a determination by the CDDC, whether an Event Determination Date or succession has occurred with respect to a Reference Entity;
- (b) for Securities in respect of which "Cash Settlement" applies, the calculation of the Redemption Amount on the basis of bid quotations from third party dealers;
- (c) following the occurrence of a M(M)R Restructuring Credit Event, to trigger redemption of the Securities in relation to a part or all of the Credit Position in respect of such Reference Entity; and
- (d) where there are multiple Auctions held concurrently, determining the Auction which will apply to the Securities.

Holders should note that any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the holders of the Securities.

However, holders should note that where a determination by the Calculation Agent is overruled by a decision of the CDDC within 90 calendar days of such Calculation Agent's determination, the Calculation Agent shall defer to such CDDC determination for the purposes of the Securities provided that such CDDC determination is made at least five business day before the relevant Maturity Date (in the case of Notes) or Redemption Date (in the case of Certificates).

#### **IV. CONSENT TO USE THIS SECURITIES NOTE**

Any Distributor and/or any financial intermediary subsequently reselling or finally placing Non-Exempt Securities is – if and to the extent stated in the applicable Final Terms of a particular issue of Non-Exempt Securities (the Issuer may give a general consent or consent to one or more specified Distributors and/or financial intermediaries) – entitled to use this Securities Note only together with the Registration Document for the subsequent resale or final placement of the Non-Exempt Securities in the offer jurisdictions (which may be Italy) during the offer period, and whose competent authorities have been notified of the approval of the Base Prospectus of which this Securities Note forms part, provided however, that (i) the Base Prospectus is still valid in accordance with Article 12 (1) of the EU Prospectus Regulation and (ii) any Distributor and/or a further financial intermediary are licensed credit institutions in accordance with Article 3 (1) no. 1 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013.

The relevant offer period and offer jurisdictions will be specified in the relevant Final Terms. The Issuer accepts responsibility for the information given in this Securities Note and the Final Terms for each tranche of Non-Exempt Securities also with respect to such subsequent resale or final placement of the relevant Non-Exempt Securities.

Subject to the conditions specified in the relevant Final Terms, the consent referred to above relates to offer periods occurring within 12 months from the date of this Base Prospectus.

This Securities Note may only be delivered to potential investors together with the Registration Document and all supplements published before such delivery. Any supplements to this Securities Note are available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.xmarkets.db.com](http://www.xmarkets.db.com)).

When using this Securities Note (which may be used only together with the Registration Document), any Distributor and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by any Distributor and/or any further financial intermediary, the relevant Distributor and/or the further financial intermediary shall provide information to investors on the terms and conditions of the Non-Exempt Securities at the time of that offer.**

**Any Distributor and/or further financial intermediary using this Securities Note shall state on its website that it uses this Securities Note in accordance with this consent and the conditions attached to this consent, and only together with the Registration Document.**

The Issuer may at its sole discretion revoke any such consent. Any new information in connection with the consent to use this Securities Note (including the revocation of any such consent) will be published on the website of the Issuer ([www.xmarkets.db.com](http://www.xmarkets.db.com)).

## V. 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.

### 2. Responsibility Statement

Deutsche Bank Aktiengesellschaft (the "**Responsible Person**" and together with its subsidiaries and affiliates "**Deutsche Bank**") with its registered office at Taunusanlage 12, 60325 Frankfurt am Main, Germany accepts responsibility for the information contained in this Securities Note and the Final Terms (or the Pricing Supplement in the case of Exempt Notes) for each Tranche of Securities issued under the Programme and 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, or incorporated by reference into, this Securities Note is in accordance with the facts and that this Securities Note makes no omission likely to affect its import.

### 3. 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 Issue Terms.

### 4. Use of Proceeds

The net proceeds from the issue of any 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. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Issue Terms.

### 5. Clearing Systems

The relevant Issue Terms will specify which clearing system or systems (including Euroclear, Clearstream, Luxembourg, Clearstream Frankfurt or any clearing system through which Securities are cleared) has/have accepted the relevant Securities for clearance and provide any further appropriate information.

### 6. Yield

In respect of Securities which are Fixed Rate Securities, the yield is calculated at the applicable Issue Date on the basis of the applicable Issue Price and will be specified in the applicable Issue Terms. It is not an indication of future yield.

### 7. Listing and Admission to Trading Information

Application has also been made by the Issuer to the Luxembourg Stock Exchange for Securities issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading (i) (in the case of Non-Exempt Securities (as defined in the Section entitled "General Description of the Programme")) on the Luxembourg Stock Exchange's regulated market or the professional segment of the regulated market of the Luxembourg Stock Exchange or (ii) (in the case of Non-Exempt Securities



and Exempt Securities) on the "Euro MTF" market of the Luxembourg Stock Exchange or on the professional segment of the "Euro MTF" market of the Luxembourg Stock Exchange.

Securities issued under the Programme may also be admitted to trading or listed on the EuroTLX Market (a multilateral trading facility organised and managed by Borsa Italiana S.p.A ("Borsa Italiana"), which is not a regulated market for the purposes of MiFID II.

## VI. PRODUCT 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 Issue Terms, constitute the conditions (the "**Conditions**") of Securities issued under the Programme. The Appendix (*Auction Settlement Terms*) to these Product Conditions do not form part of these Product Conditions.

Securities issued under the Programme are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Securities. Each Tranche is the subject of either (i) a set of final terms (each, a "**Final Terms**"), in the case of Non-Exempt Securities, or (ii) a pricing supplement (each, a "**Pricing Supplement**"), in the case of Exempt Securities.

The applicable Issue Terms will specify whether the Securities are Notes or Certificates.

### 1. Definitions

"**2006 ISDA Definitions**" means the 2006 ISDA Definitions as published by ISDA, as amended or supplemented from time to time.

"**2014 ISDA Definitions**" means the 2014 ISDA Credit Derivatives Definitions as published by ISDA.

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Securityholders pursuant to Product Condition 14.1 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 Spread**" means a spread (which may be positive or negative), or the formula or methodology for calculating a spread, which the Relevant Determining Party determines is required to be applied to the relevant Replacement Rate to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value between the Issuer and the Securityholders that would otherwise arise as a result of the replacement of the relevant Floating Rate with the Replacement Rate.

"**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.

"**Agent**" means, subject as provided in Product Condition 9, each of the Fiscal Agents and each of the Principal Paying Agents.

"**Aggregate Nominal Amount**" means, in relation to Securities, the amount specified as such in the relevant Issue Terms, subject as provided in Product Condition 5.13.

"**Asset**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

"**Asset Market Value**" means the market value of an Asset, as the Calculation Agent shall acting in good faith and a commercially reasonable manner determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Valuation Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

"**Asset Package Delivery**" will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

"**Asset Package Credit Event**" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the Issue Terms:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the Issue Terms and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the Issue Terms, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

"**Asset Package Valuation**" will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

"**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 Cancellation Date**" has the meaning given in any Credit Derivatives Auction Settlement Terms published in relation to obligations of appropriate seniority of the Reference Entity and applicable to credit derivatives transactions with a "Scheduled Termination Date" of the Credit Period End Date.

"**Auction Covered Transaction**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Auction Cut-Off Date**" means the ninetieth (90th) calendar day following (a) the Scheduled Maturity Date or, (b) if Product Condition 5.7(b) applies, the Repudiation/Moratorium Evaluation Date or, if later and if Product Condition 5.5(d)(ii) applies, the Maturity Cut-Off Date, or (c) if Product Condition 5.6(b)(ii) applies, the Grace Period Extension Date or, (d) if Product Condition 5.5(d)(i) applies, the Maturity Cut-Off Date.

"**Auction Final Price**" means:

- (a) if the relevant Credit Derivatives Determinations Committee determines that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which the Event Determination Date has occurred, the relevant Auction Final Price determined in accordance with such Auction; or
- (b) if the relevant Credit Derivatives Determinations Committee determines that more than one Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which the Event Determination Date has occurred:
- (c) 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 Credit Period End Date falls;

- (d) 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 falling next earliest to the Scheduled Maturity Date;
- (e) 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 Buyer Credit Derivatives Transactions with scheduled termination dates falling next following the Scheduled Maturity Date; or
- (f) if no Auction is held applicable to Buyer Credit Derivatives Transactions with scheduled termination dates falling next following 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.

Following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, the Calculation Agent shall notify the Issuer, as soon as practicable after the publication of the Auction Final Price in respect of an Auction with respect to such M(M)R Restructuring, of the related Auction Final Price after determining the same in good faith and a commercially reasonable manner.

**"Auction Final Price Determination Date"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Bankruptcy"** means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g).

**"Basket Securities"** means Securities specified as such in the relevant Issue Terms (being Securities linked to a basket of Reference Entities), which shall be either Index Basket Securities or Non-Index Basket Securities (as specified in the relevant Issue Terms).

**"Bearer Securities"** means Securities which are in bearer form.

**"Benchmark Replacement"** means the first alternative set forth in the order presented in clause (b) of Product Condition 4.14.1 that can be determined by the Issuer as of the Benchmark Replacement Date. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time.

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (a) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or
- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the SOFR ISDA Fallback Rate, then the ISDA Fallback Adjustment.

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions of "Coupon Period", "Coupon Determination Date" and "Observation Period", timing and frequency of determining rates and making payments of coupon and other administrative matters) that the Issuer determines in its reasonable discretion may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer determines in its reasonable discretion that (i) adoption of any portion of such market practice is not administratively feasible or (ii) no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary).

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current SOFR Benchmark:

- (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or
- (b) in the case of clause (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current SOFR Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark announcing that such administrator has ceased or will cease to provide the SOFR Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark or, failing which, the central bank for the currency of the SOFR Benchmark or, failing which, an insolvency official with jurisdiction over the administrator for the SOFR Benchmark or, failing which, a resolution authority with jurisdiction over the administrator for the SOFR Benchmark or, failing which, a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the

SOFR Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark; or

- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative.

**"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 Issue 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 7.4.

**"CAD"** means Canadian Dollar the lawful currency of Canada.

**"Calculation Agent"** means, subject as provided in Product Condition 9.2, such entity as specified in the applicable Issue Terms or, if not such entity is specified, the Issuer.

**"Callable Securities"** means securities specified as such in the relevant Issue Terms (being Securities subject to early redemption at the option of the Issuer in accordance with Product Condition 5.9).

**"Capital Protection Percentage"** means the percentage specified as such in the relevant Issue Terms.

**"Certificates"** means the credit linked certificates issued by the Issuer under this Programme and specified as either "Certificates Trading in Notional" or "Certificates Trading in Units" in the relevant Issue Terms.

**"CHF"** means Swiss Franc the lawful currency of Switzerland.

**"Clearing Agent"** means each Clearing System specified as such in the relevant Issue 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 10 (together the **"Clearing Agents"**, which term will include any depositary holding the Global Security on behalf of the Clearing Agent(s)).

**"Clearing System"** means the clearing system(s) in which a Global Security for a Series or Tranche of Securities has been deposited as specified in the relevant Issue Terms, which may be Euroclear, Clearstream, Luxembourg, Clearstream Frankfurt or any clearing system through which Securities are cleared.

**"Clearstream Frankfurt"** means Clearstream Banking AG, Eschborn.

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.

**"Common Depositary"** has the meaning given to it in Product Condition 2.1.2.

**"Compounded Daily SOFR"** means, in relation to any Coupon Accrual Period and subject as provided in Product Condition 4.14, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) over the Observation Period corresponding to that Coupon Accrual Period as calculated by the Calculation Agent on the relevant Coupon Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

Where:

**"d"** means the number of calendar days in the relevant Observation Period.

"**d**<sub>0</sub>" means the number of U.S. Government Securities Business Days in the relevant Observation Period.

"**i**" means a series of whole numbers from one to **d**<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Observation Period.

"**n**<sub>**i**</sub>" for any U.S. Government Securities Business Day "**i**", means the number of calendar days in the relevant Observation Period from (and including) such U.S. Government Securities Business Day "**i**" up to (but excluding) the following U.S. Government Securities Business Day "**i**+1".

"**SOFRI**" means, in relation to any U.S. Government Securities Business Day "**i**" in the relevant Observation Period, a reference rate equal to SOFR in respect of such day.

"**Compounded Daily €STR**" means, with respect to a Coupon Accrual Period and subject as provided in Product Condition 4.13, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Coupon Accrual Period (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Coupon Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_{i-pTBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"**d**" means the number of calendar days in the relevant Coupon Accrual Period.

"**d**<sub>0</sub>" means the number of TARGET2 Business Days in the relevant Coupon Accrual Period.

"**i**" means a series of whole numbers from one to **d**<sub>0</sub>, each representing the relevant TARGET2 Business Day in chronological order from (and including) the first TARGET2 Business Day in the relevant Coupon Accrual Period.

"**p**" means the number of TARGET2 Business Days specified in the applicable Issue Terms or, if none, five TARGET2 Business Days.

"**n**<sub>**i**</sub>" for any TARGET2 Business Day "**i**", means the number of calendar days in the relevant Coupon Accrual Period from (and including) such TARGET2 Business Day "**i**" up to (but excluding) the following TARGET2 Business Day.

"**€STR**<sub>**i-pTBD**</sub>" means the €STR Reference Rate for any TARGET2 Business Day (being a TARGET2 Business Day falling in the relevant Observation Period) falling "**p**" TARGET2 Business Days prior to the relevant TARGET2 Business Day "**i**".

"**Compounded Daily SONIA**" means, with respect to a Coupon Period and subject as provided in Product Condition 4.15, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as of the Coupon Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"**d**" means the number of calendar days in the relevant Coupon Period.

"**d**<sub>0</sub>" means the number of London Business Days in the relevant Coupon Period.

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in the relevant Coupon Period.

"**n<sub>i</sub>**" means, in respect of a London Business Day "**i**", the number of calendar days from (and including) such London Business Day "**i**" up to (but excluding) the following London Business Day.

"**p**" means the number of London Business Days specified in the applicable Issue Terms or, if none, five London Business Days.

"**SONIA<sub>i-pLBD</sub>**" means, in respect of any London Business Day "**i**" falling in the relevant Coupon Period, the SONIA Reference Rate for the London Business Day falling "**p**" London Business Days prior to the relevant London Business Day "**i**".

"**Compounded €STR**" means, as specified in the relevant Issue Terms:

- (a) Compounded Daily €STR; or
- (b) Compounded €STR Index, provided that if any relevant €STR Index value does not appear on the €STR Screen Page at the relevant time, Compounded €STR shall mean Compounded Daily €STR.

"**Compounded €STR Index**" means, with respect to any Coupon Accrual Period, the rate of return of a daily compounded interest investment during the Observation Period corresponding to such Coupon Accrual Period (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Coupon Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left( \frac{\text{€STR Index}_{\text{End}}}{\text{€STR Index}_{\text{Start}}} - 1 \right) \times \frac{360}{d}$$

Where:

"**d**" means the number of calendar days in the relevant Observation Period.

"**€STR Index<sub>start</sub>**" means in respect of any Coupon Accrual Period the €STR Index value on the first day of the Observation Period.

"**€STR Index<sub>End</sub>**" means in respect of any Coupon Accrual Period the €STR Index value on the corresponding Observation Period End Date.

"**€STR Index**" means, for purposes of determining Compounded €STR Index with respect to any TARGET2 Business Day, the €STR Index value as published by the European Central Bank on the €STR Screen Page at 9.00 a.m. Brussels time on such TARGET2 Business Day.

"**Compounded SOFR**" means, as specified in the relevant Issue Terms:

- (a) Compounded Daily SOFR; or
- (b) Compounded SOFR Index, provided that, if any relevant SOFR Index value does not appear on the SOFR Screen Page at the SOFR Index Determination Time, Compounded SOFR shall mean Compounded Daily SOFR.

"**Compounded SOFR Index**" means, in relation to any Coupon Accrual Period, the rate of return of a daily compounded interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the Coupon Determination Date, in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left( \frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \frac{360}{d}$$



Where:

"**d**" means the number of calendar days in the relevant Observation Period.

"**SOFR Index<sub>Start</sub>**" means in respect of any Coupon Accrual Period the SOFR Index value on the first day of the Observation Period.

"**SOFR Index<sub>End</sub>**" means in respect of any Coupon Accrual Period the SOFR Index value on the corresponding Observation Period End Date.

"**SOFR Index**" means, for purposes of determining Compounded SOFR Index with respect to any U.S. Government Securities Business Day, the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Screen Page at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day or such other time as specified in the Issue Terms (the "**SOFR Index Determination Time**").

"**Conditionally Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case, as of the Valuation Date, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation.

"**Conforming Reference Obligation**" means a Reference Obligation which is a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of Valuation Obligation.

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

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding any business day adjustment) as the applicable tenor for the then-current SOFR Benchmark.

"**Coupon Accrual Date**" means each date specified as such in the relevant Issue Terms.

"**Coupon Accrual Period**" means (i) each Coupon Period and (ii) any other period (if any) in respect of which coupon is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of coupon falls due.

"**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 Condition 4 an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) in the case of Basket Securities other than Basket Securities which are also non Credit Linked Coupon Securities, the Nominal Amount minus the sum of the Reference Entity Nominal Amounts for each Reference Entity with respect to which an Event Determination Date has occurred on or prior to such day; and
- (b) in the case of any other Securities including Basket Securities which are also non Credit Linked Coupon Securities, the Nominal Amount.

The Coupon Calculation Amount will not be increased notwithstanding that the Credit Event relevant to the occurrence of an Event Determination Date may be subsequently cured.

"**Coupon Commencement Date**" means the date specified as such in the relevant Issue Terms.

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

- (a) EUR CMS or EURIBOR, the day falling two TARGET2 Settlement Days prior to the first day of such Coupon Period;
- (b) USD CMS, the day falling two U.S. Government Securities Business Days prior to the first day of such Coupon Period;
- (c) Compounded Daily SOFR or Compounded SOFR Index, the second U.S. Government Securities Business Day prior to (i) (in the case of a Coupon Period) the Coupon Payment Date for such Coupon Period or (ii) (in the case of any other Coupon Accrual Period) the day on which the relevant payment of coupon falls due;
- (d) Compounded Daily €STR or Compounded €STR Index, the second TARGET2 Business Day prior to (i) (in the case of a Coupon Period) the Coupon Payment Date for such Coupon Period or (ii) (in the case of any other Coupon Accrual Period) the day on which the relevant payment of coupon falls due;
- (e) Compounded Daily SONIA, the second London Business Day prior to (i) (in the case of a Coupon Period) the Coupon Payment Date for such Coupon Period or (ii) (in the case of any other Coupon Accrual Period) the day on which the relevant payment of coupon falls due; and
- (f) in respect of any Exempt Securities, any rate other than as specified in sub-paragraphs (a) to (e) above, as specified in the relevant Pricing Supplement.

**"Coupon Payment Date"** means each date specified as such in the relevant Issue Terms.

**"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 4.1.6:

- (a) where the Securities are Fixed Rate Securities, the Coupon Rate specified as such in the relevant Issue 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 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; and
- (d) 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 Reference Rate for such Coupon Period; and
  - (ii) in respect of each Coupon Period commencing on or after the Floating/Fixed Switch Option Date, the Floating to Fixed Rate for such Coupon Period.

**"Credit Default Swap"** means, in relation to a Credit Event, a hypothetical credit default swap:

- (a) referencing the relevant Reference Entity and assuming that Standard Reference Obligation is specified as applicable or the relevant Non-Standard Reference Obligation is specified (in each case, if so specified in the Issue Terms);
- (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 (including any applicable Additional Provisions);
- (c) incorporating the 2014 ISDA Definitions, as published by ISDA and as amended as set out below;
- (d) the "Scheduled Termination Date" (as such term is used in the 2014 ISDA Definitions) is deemed to be the same as the Credit Period End Date in respect of the Securities;
- (e) an "Event Determination Date" (as such term is used in the 2014 ISDA Definitions) in relation to the relevant Credit Event is deemed to have occurred on the same date as the Event Determination Date applicable in respect of the Securities;
- (f) the "Deliverable Obligation Category" (as such term is used in the 2014 ISDA Definitions) is the same as the Valuation Obligation Category relating to such Reference Entity with respect to the Securities;
- (g) the "Deliverable Obligation Characteristics" (as such term is used in the 2014 ISDA Definitions) are the same as the Valuation Obligation Characteristics relating to such Reference Entity with respect to the Securities; and
- (h) and the term "Credit Derivatives Transaction" as used in the relevant Credit Derivatives Auction Settlement Terms shall be deemed to refer to the relevant Credit Default Swap.

For purposes of ascertaining whether the Credit Default Swap would be an Auction Covered Transaction, the Credit Default Swap shall not be considered: (1) to be a transaction linked to any index or to a portfolio of entities, (2) to provide for a fixed recovery of final settlement amount, and (3) to provide that the Credit Derivatives Auction Settlement Terms would not apply.

In determining whether a Credit Default Swap would be an Auction Covered Transaction, the Calculation Agent may (acting in good faith and a commercially reasonable manner) interpret the above provisions and resolve any ambiguity, having regard to market practice and interpretation.

**"Credit Derivatives Auction Settlement Terms"** means the relevant set of Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the DC Rules, as may be amended from time to time in accordance with the DC 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](http://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 "**DC Rules**").

**"Credit Event"** means the occurrence in respect of any Reference Entity or any Obligation of any Reference Entity of any of the events specified as being Credit Events applicable to such Reference Entity in the relevant Issue Terms. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Once an Event Determination Date has occurred with respect to a Reference Entity, no further Event Determination Date, Potential Failure to Pay or Potential Repudiation/Moratorium may occur with respect to such Reference Entity except:

- (i) to the extent that such Reference Entity is the Successor to one or more other Reference Entities (or Successor thereof) in respect of which no Event Determination Date has previously occurred;
- (ii) in the case of a Reference Entity in respect of which an M(M)R Restructuring is specified in the Issue Terms and in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, to the extent of its Remaining Credit Position; and
- (iii) to the extent, if any, that additional credit protection on such Reference Entity is subsequently obtained as may be permitted in accordance with the terms of the Securities.

**"Credit Event Accrued Coupon Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which interest accrues in accordance with Product Condition 4.2).

**"Credit Event Backstop Date"** means, if:

- (a) "Lookback" is specified as "Applicable" in the relevant Issue Terms (or "Lookback" is not specified as "Not Applicable" in the relevant Issue Terms):
  - (i) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
  - (ii) otherwise, the date that is 60 calendar days prior to the Trade Date; or
- (b) "Lookback" is specified as "Not Applicable" in the relevant Issue Terms, the Trade Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Credit Event Notice"** means a notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Trade Date or, if earlier and if specified as applicable in the applicable Issue Terms, the Credit Event Backstop Date and on or prior to the Extension Date, provided that:

- (a) if a DC No Credit Event Announcement has occurred with respect to such event and the relevant Reference Entity or Obligation thereof, the Calculation Agent may not deliver a Credit Event Notice in relation thereto; and
- (b) if subsequently a DC No Credit Event Announcement occurs with respect to such event and the relevant Reference Entity or Obligation thereof, the Credit Event Notice shall be deemed to be revoked and the relevant Event Determination Date shall be deemed not to have occurred.

For the avoidance of doubt, any deemed revocation of the Credit Event Notice as provided above shall not prevent the Calculation Agent from delivering a further Credit Event Notice subsequently in relation to a new Credit Event.

Any Credit Event Notice that describes a Credit Event that occurred after the Credit Period End Date must relate to an applicable Potential Failure to Pay or Potential Repudiation/Moratorium.

A Credit Event Notice that describes a Credit Event other than a Restructuring must be in respect of the full principal amount outstanding of each Security.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**Credit Event Redemption Date**" means, in respect of:

- (a) Fixed Recovery Securities, the tenth Business Day following the occurrence of the Event Determination Date;
- (b) Zero Recovery Principal Amount Reduction Securities, the Event Determination Date; and
- (c) Securities other than Fixed Recovery Securities or Zero Principal Amount Reduction Securities, the second Business Day following the determination of the Settlement Price,

in each case, unless otherwise specified in the applicable Issue Terms.

"**Credit Event Resolution Request Date**" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"**Credit Exposure Period**" means the period from (and including) the Credit Event Backstop Date to (and including) the Extension Date.

"**Credit Period End Date**" means the date specified in the applicable Issue Terms or, if no such date is specified, the Scheduled Maturity Date.

"**Credit Position**" means, subject to the other provisions hereof, in respect of each Reference Entity, the nominal amount outstanding of the Securities, provided that if further Securities are issued which form a single Series with the Securities, the Credit Position in respect of each Reference Entity will be increased *pro rata* to the aggregate nominal amount of such further Securities and if Securities are repurchased and cancelled, the Credit Position in respect of each Reference Entity will be reduced *pro rata*.

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

- (a) if "Actual/360" is specified in the relevant Issue Terms, the actual number of days in the Coupon Period divided by 360;
- (b) if "30/360" is specified in the relevant Issue 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 Issue 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 Issue Terms, the actual number of days in the Coupon Period divided by 365; and
- (e) if "**1/1**" is specified in the relevant Issue Terms, one;

"**DC Credit Event Announcement**" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event with respect to the Reference Entity or Obligation thereof has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Credit Period End Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of Repudiation/Moratorium Date, as applicable.

"**DC Credit Event Question**" means a notice to the DC Secretary requesting that a relevant Credit Derivatives Determinations Committee be convened to Resolve whether an event that would constitute a Credit Event with respect to the Reference Entity or Obligation thereof has occurred.

"**DC Credit Event Question Dismissal**" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

"**DC No Credit Event Announcement**" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event in respect of such Reference Entity (or Obligation thereof).

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

"**DC Rules**" has the meaning set forth in the definition of "Credit Derivatives Determinations Committee" above.

"**DC Secretary**" has the meaning given to that term in the DC Rules.

"**Default Requirement**" means the amount specified as such in the applicable Issue Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Issue Terms, USD 10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"**Defaulted Credit**" means, on any day, each Reference Entity in respect of which an Event Determination Date has occurred (save for where a Reference Entity is a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, in which case that Reference Entity shall, in relation to the Remaining Credit Position, be treated as a non-Defaulted Credit).

"**Deferred Redemption Amount**" has the meaning set forth in Product Condition 5.8.3.

"**Deliverable Obligation Provisions**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Deliverable Obligation Terms"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Determined Currency"** means the currency in which the Securities are denominated.

**"Domestic Currency"** means the currency specified as such in the Issue Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (i) the Reference Entity, if the Reference Entity is a Sovereign, or (ii) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign).

**"Domestic Law"** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if such Reference Entity is not a Sovereign.

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent-owned, directly or indirectly, by the Reference Entity.

**"Due and Payable Amount"** means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the Valuation Date.

**"Early Redemption Date"** means the date for early redemption of the Securities specified in Notice of Early Redemption.

**"ECB Recommended Rate"** means the rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by (i) the European Central Bank (or, failing which, any successor administrator of €STR) or, failing which, (ii) a committee officially endorsed or convened by the European Central Bank (or, failing which, any successor administrator of €STR) for the purpose of recommending a replacement for €STR (such replacement being produced by the European Central Bank or another administrator), all as determined by the Issuer and notified by the Issuer to the Calculation Agent.

**"ECB Recommended Rate<sub>i-pTBD</sub>"** means the ECB Recommended Rate for any TARGET2 Business Day (being a TARGET2 Business Day falling in the relevant Observation Period) falling "p" (as defined in the definition of "Compounded Daily €STR") TARGET2 Business Days prior to the relevant TARGET2 Business Day "i", as published or provided by the administrator thereof.

**"ECB Recommended Rate Index Cessation Effective Date"** means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Issuer and notified by the Issuer to the Calculation Agent.

**"ECB Recommended Rate Index Cessation Event"** means, in relation to any Observation Period, the occurrence of one or more of the following events, all as determined by the Issuer and notified by the Issuer to the Calculation Agent:

- (a) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- (b) public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, or, failing which, the central bank for the currency underlying the ECB Recommended Rate, or, failing which, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, or, failing which, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or, failing which, a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely,

provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate.

**"EDFR Spread"** means:

- (a) if no ECB Recommended Rate is recommended before the end of the first TARGET2 Business Day following the day on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between €STR and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET2 Business Days starting 30 TARGET2 Business Days prior to the day on which the €STR Index Cessation Event occurs and ending on the TARGET2 Business Day immediately preceding the day on which the €STR Index Cessation Event occurs; or
- (b) if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET2 Business Days starting 30 TARGET2 Business Days prior to the day on which the ECB Recommended Rate Index Cessation Event occurs and ending on the TARGET2 Business Day immediately preceding the day on which the ECB Recommended Rate Index Cessation Event occurs.

**"Eligible Information"** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Eligible Transferee"** means:

- (a) any
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
  - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship), provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; or
  - (ii) that has total assets of at least USD 500,000,000; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); and
- (d)
  - (i) any Sovereign; or
  - (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.



All references in this definition to USD include equivalent amounts in other currencies, as determined by the Calculation Agent.

**"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.

**"€STR Index Cessation Effective Date"** means, in respect of a €STR Index Cessation Event, the first date on which €STR is no longer provided, as determined by the Issuer and notified by the Issuer to the Calculation Agent.

**"€STR Index Cessation Event"** means in relation to any Observation Period the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

- (a) a public statement or publication of information by or on behalf of the European Central Bank (or a successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR; or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, or, failing which, the central bank for the currency underlying €STR, or, failing which, an insolvency official with jurisdiction over the administrator of €STR, or, failing which, a resolution authority with jurisdiction over the administrator of €STR or, failing which, a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR.

**"€STR Reference Rate"** means, in respect of any TARGET2 Business Day ("**TBDx**"), a reference rate equal to the daily €STR rate for such TBDx as published by the European Central Bank on the Website of the European Central Bank at or around 9:00 a.m. (CET) on the TARGET2 Business Day immediately following TBDx.

**"€STR Screen Page"** means the Website of the European Central Bank.

**"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 with a maturity of the Specified Period, expressed as a percentage, which appears on the Reuters Screen ISDAFIX2 Page (or any Successor Source as determined by the Calculation Agent) under the heading "EURIBOR BASIS -EUR" and above the caption "11:00 AM FRANKFURT" as of 11.00 a.m. Frankfurt 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 and subject as provided in Product Condition 4.12, the rate shall be a percentage determined on the basis of the mid-market annual swap rate quotations provided by five leading swap dealers in the Euro-zone interbank market selected by the Calculation Agent (the "**Reference Banks**") at approximately 11.00 a.m., Frankfurt 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 first day of the related Coupon Period 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 a Specified Period of 6 months. 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 Period 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 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, subject as provided in Product Condition 4.12, in respect of any relevant day (the "**Relevant Day**") the rate for deposits in EUR for the Specified Period which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source as determined by the Calculation Agent) (the "**Relevant Screen Page**") as of 11.00 a.m., Brussels time (the "**Relevant Time**"), on the relevant Coupon Determination Date for such Relevant Day. If such rate does not appear on the Relevant Screen Page at the Relevant Time on the Coupon Determination Date for such Relevant Day and subject as provided in Product Condition 4.12, the rate for such Relevant Day 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 the Relevant Time on the Coupon Determination Date for such Relevant Day to prime banks in the Euro- zone interbank market for the Specified Period commencing on commencing on such Relevant Day 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 rate for the Relevant Day will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for such Relevant Day 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 such Relevant Day for loans in EUR to leading European banks for the Specified Period commencing on such Relevant Day and in a Representative Amount. If no such rates are quoted, the rate for such Relevant Day will be the rate determined by the Calculation Agent on the Coupon Determination Date for such Relevant Day by reference to such source(s) and at such time as it deems appropriate.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Eurosystem Deposit Facility Rate**" or "**EDFR**" means the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem and which is published on the Website of the European Central Bank.

"**EuroTLX Securities**" means Securities for which an application has been made to trading, or which have been admitted to trading, on Borsa Italiana's EuroTLX market.

"**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 set forth in Product Condition 3.3.1.

"**Exclude Accrued Interest**" means that the Outstanding Principal Balance of the Valuation Obligation shall not include accrued but unpaid interest.

"**Excluded Obligation**" means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Issue Terms;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the applicable Issue Terms and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Issue Terms and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"**Excluded Valuation Obligation**" means, with respect to a Reference Entity:

- (a) any obligation of such Reference Entity specified as such or of a type described in the relevant Issue Terms;

- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Valuation is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Exempt Securities"** means Securities which are neither to be admitted to trading on the regulated market of a stock exchange located in an EEA Member State nor offered to the public in an EEA Member State in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

**"Extension Date"** means the latest of:

- (a) the Credit Period End Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable to that Reference Entity in the Issue Terms, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Credit Period End Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as are specified as applicable to that Reference Entity in the Issue Terms.

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure. If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of principal, interest or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Settlement Method"** means, if Auction Settlement is specified as the Settlement Method in the relevant Issue Terms, Cash Settlement.

**"Final Coupon Period"** means the Coupon Period for which the relevant Coupon Amount is scheduled to be paid on the Scheduled Maturity Date.

**"Final List"** means, in respect of an Auction, the final list of Deliverable Obligations for such Auctions as determined in accordance with Section 3.3(c) of the DC Rules.

**"Final Price"** means the price of the Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method specified in the applicable Issue Terms. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, deliver a notice to Securityholders in accordance with Product Condition 10 specifying (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price. For such purpose, the relevant Valuation Obligation shall be a Valuation Obligation selected by the Calculation Agent (in its sole discretion) on or before the relevant Valuation Date.

If Asset Package Valuation applies:

- (a) selection of a Prior Valuation Obligation or a Package Observable Bond may be substituted with the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Valuation Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event;
- (b) the Calculation Agent may substitute the Prior Valuation Obligation or Package Observable Bond in part for each Asset in the Asset Package in the correct proportion; and

- (c) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

For the avoidance of doubt, if the Asset Package is deemed to be zero, the Final Price shall be zero.

**"Final Redemption Capital Protected Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the provisions of Product Condition 5.3 apply).

**"Fiscal Agent"** means, subject as provided in Product Condition 9 and in respect of a Series, where the Issuer is (1) Deutsche Bank Aktiengesellschaft acting through its head office in Frankfurt am Main, Deutsche Bank Aktiengesellschaft (of Taunusanlage 12, 60325 Frankfurt am Main, Germany) and (2) Deutsche Bank AG, London Branch, Deutsche Bank AG, London Branch (of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom).

**"Fixed Cap"** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**"Fixed Recovery Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the Redemption Amount will be determined by reference to a fixed recovery percentage following the occurrence of an Event Determination Date with respect to any Reference Entity).

**"Fixed/Floating Switch Option Business Days"** means the number of Business Days specified as such in the relevant Issue Terms.

**"Fixed/Floating Switch Option Date"** has the meaning set forth in Product Condition 4.1.4 or the relevant Issue Terms (as applicable).

**"Fixed/Floating Switch Option Period Start Date"** means the date specified as such in the relevant Issue Terms.

**"Fixed/Floating Switch Option Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the provisions of Product Condition 4.1.4 apply).

**"Fixed Rate Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which any Coupon Amount is determined by reference to a fixed rate).

**"Fixed to Floating Fixed Rate"** means the rate specified as such in the relevant Issue Terms.

**"Floating/Fixed Switch Option Business Days"** means the number of Business Days specified as such in the relevant Issue Terms.

**"Floating/Fixed Switch Option Date"** has the meaning set forth in Product Condition 4.1.5 or the relevant Issue Terms (as applicable).

**"Floating/Fixed Switch Option Period Start Date"** means the date specified as such in the relevant Issue Terms.

**"Floating/Fixed Switch Option Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the provisions of Product Condition 4.1.5 apply).

**"Floating Rate Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which any Coupon Amount is determined by reference to a floating rate).

**"Floating to Fixed Rate"** means the rate specified as such in the relevant Issue Terms.

**"Force Majeure Event"** has the meaning set forth in Product Condition 5.11.

**"FOMC Target Rate"** means the short-term interest rate target set by the U.S. Federal Open Market Committee and published on the Website of the Federal Reserve, or if the U.S. Federal Open Market

Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the U.S. Federal Open Market Committee and published on the Website of the Federal Reserve (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards).

**"Full Quotation"** means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**"Fully Transferable Obligation"** means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case, as of the Valuation Date. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of Fully Transferable Obligation.

**"Further Subordinated Obligation"** means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

**"GBP"** means Pounds Sterling the lawful currency of the United Kingdom.

**"Global Security"** means a Permanent Bearer Global Security.

**"Governmental Authority"** means:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in sub-paragraphs (a) to (c) above.

For purposes of this definition of "Governmental Intervention", the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**"Grace Period"** means:

- (a) subject to sub-paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applying with respect to a Reference Entity in the Issue Terms, then with respect to such a Reference Entity in respect of which a Potential Failure to Pay applies, a Potential Failure to Pay has occurred on or prior to the Credit Period End Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Period End Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the Issue Terms or, if no such period is specified, 30 thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless the Reference Entity is one in respect of which "Grace Period Extension" is specified as applicable in the Issue Terms and Potential Failure to pay applies, such deemed Grace Period shall expire no later than the Credit Period End Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET2 Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"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.

**"Grace Period Extension Date"** means, if:

- (a) "Grace Period Extension" is applicable to the Reference Entity in the Issue Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Credit Period End Date,

the day that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

**"Guarantee"** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**"holder of Securities"** has the meaning set forth in Product Condition 2.

**"Illegality Event"** has the meaning set forth in Product Condition 5.11.

**"Include Accrued Interest"** means that the Outstanding Principal Balance of the Valuation Obligation shall include accrued but unpaid interest.

"**Independent Adviser**" means an independent financial institution of international repute or an independent adviser otherwise of recognised standing and with appropriate expertise appointed by the Issuer.

"**Index**" means the index specified in the applicable Issue Terms.

"**Index Basket Securities**" means Basket Securities in respect of which "Index Basket Securities" is specified as "Applicable" in the relevant Issue Terms (being Securities linked to a basket of Reference Entities which is determined in relation to a credit default swap index).

"**Instalment Amount**" means the amount or amounts specified as such in the relevant Issue Terms.

"**Instalment Date**" means each date specified as such in the relevant Issue Terms.

"**Instalment Securities**" means any Securities specified as such in the relevant Issue Terms.

"**ISDA**" means the International Swaps and Derivatives Association, Inc. and any successors.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the SOFR Benchmark for the applicable tenor.

"**Issue Date**" means the date specified as such in the relevant Issue Terms.

"**Issue Price**" means the issue price specified as such in the relevant Issue Terms.

"**Issuer**" means Deutsche Bank AG, Frankfurt or Deutsche Bank AG, London Branch, as specified in the relevant Issue Terms.

"**Issuer Early Redemption Date**" means each date specified as such in the relevant Issue Terms or, if none, each Business Day falling in the period from (but excluding) the Issue Date to (but excluding) the Scheduled Maturity Date.

"**Issuer Early Redemption Notice Requirement**" means the greater of (i) five Business Days and (ii) the number of Business Days' notice specified as such in the relevant Issue Terms.

"**JPY**" means Japanese Yen the lawful currency of Japan.

"**Largest Asset Package**" means, in respect of a Prior Valuation Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

"**Limitation Date**" means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years, 7.5 years, 10 years (the "**10-year Limitation Date**"), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

"**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 Final Redemption Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the provisions of Product Condition 5.4 apply).

**"M(M)R Restructuring"** means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the Issue Terms.

**"Margin"** means the percentage specified as such in the relevant Issue Terms.

**"Market Value"** means, with respect to the Valuation Obligation and a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained on the same Valuation Business Day in accordance with the definition of Quotation, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained on the same Valuation Business Day in accordance with the definition of Quotation, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained on the same Valuation Business Day in accordance with the definition of Quotation, such Weighted Average Quotation; and
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on the same Valuation Business Day in accordance with the definition of Quotation, the Market Value shall be determined as provided in sub-paragraph (b) of the definition of Quotation.

**"Maturity Cut-Off Date"** means the date falling 90 calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day.

**"Maturity Date"** means the date specified as the Scheduled Maturity Date in the relevant Issue Terms, subject as provided in Product Condition 5.5, 5.6 and 5.7, as applicable.

**"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 Issue Terms.

**"Maximum Quotation Amount"** means (i) where the Credit Position is not specified to be a percentage, the Credit Position of the relevant Reference Entity, save that in the case of a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, the Maximum Quotation Amount shall be equal to the relevant Exercise Amount and (ii) where the Credit Position is specified to be a percentage, the amount specified in the Issue Terms or, if no such amount is specified in the Issue Terms, USD 100,000,000, save that in the case of a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, the Maximum Quotation Amount shall be equal to the amount determined in accordance with the foregoing multiplied by the quotient of the relevant Exercise Amount (as numerator) and the Credit Position (as denominator).

**"Merger Event"** has the meaning set forth in Product Condition 5.10.

**"Merger Event Redemption Amount"** has the meaning set forth in Product Condition 5.10.

**"Merger Event Redemption Date"** has the meaning set forth in Product Condition 5.10.

**"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 Redemption Amount"** means in respect of any Final Redemption Capital Protected Securities, an amount equal to the product of (a) the Nominal Amount and (b) the Capital Protection Percentage.

**"Minimum Coupon Rate"** means the rate specified as such in the relevant Issue Terms.

**"Minimum Quotation Amount"** means the amount specified as such in the relevant Issue Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount).

**"Modified EDFR (€STR)<sub>i-TBD</sub>"** means the Eurosystem Deposit Facility Rate for the TARGET2 Business Day (being a TARGET2 Business Day falling in the relevant Observation Period) falling "p" (as defined in the definition of "Compounded Daily €STR") TARGET2 Business Days prior to the relevant TARGET2 Business Day "i" plus the EDFR Spread.

**"Modified Eligible Transferee"** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**"Modified Restructuring Maturity Limitation Date"** means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Credit Period End Date. Subject to the foregoing, if the Credit Period End Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Credit Period End Date.

**"Movement Option"** means, with respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to sub-paragraphs (ii) or (iii)(b) of the definition of No Auction Announcement Date, the option of the Calculation Agent, exercisable by delivery of an effective Notice to Exercise Movement Option to the Issuer, to apply the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the "Deliverable Obligations" that the "Buyer" in respect of a Credit Default Swap could specify in any "Notice of Physical Settlement" under such Credit Default Swap (where the foregoing terms, which appear in quotes, have the meanings given to them in such Credit Default Swap) (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply).

If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, such Credit Event will be subject to redemption in accordance with the Cash Settlement provisions.

**"Movement Option Cut-off Date"** means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**"Multiple Holder Obligation"** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii).

**"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.

**"New York City Banking Day"** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

**"No Auction Announcement Date"** means, with respect to a Reference Entity and a Credit Event, the date on which the DC Secretary first publicly announces that (i) no Credit Derivatives Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (ii) following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, no Credit Derivatives Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published, or (iii) the relevant

Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (a) no Parallel Auction will be held, or (b) one or more Parallel Auctions will be held. For the avoidance of doubt, the No Auction Announcement Date shall be the date of the relevant announcement by the DC Secretary and not the date of any related determination by the Calculation Agent that such announcement relates to Credit Derivatives Auction Settlement Terms, Parallel Auction Settlement Terms or an Auction.

**"Non-Conforming Reference Obligation"** means a Reference Obligation which is not a Conforming Reference Obligation.

**"Non-Conforming Substitute Reference Obligation"** means an obligation which would be a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of Valuation Obligation on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**"Non-Financial Instrument"** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**"Non-Index Basket Securities"** means Basket Securities in respect of which "Non-Index Basket Securities" is specified as "Applicable" in the relevant Issue Terms (being Securities which are linked to a basket of Reference Entities which is not determined in relation to a credit default swap index).

**"NOK"** means Norwegian Krone the lawful currency of the Kingdom of Norway.

**"Nominal Amount"** means the amount specified as such in the relevant Issue Terms.

**"Non Credit Linked Coupon Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the Coupon Amount is not credit linked).

**"Non-Exempt Securities"** means Securities which are to be admitted to trading on a regulated market of a stock exchange located in an EEA Member State and/or are offered to the public in an EEA Member State in circumstances where no exemption is available under Article 1(4) of the EU Prospectus Regulation and where therefore a prospectus is required to be published thereunder.

**"Non-Standard Reference Obligation"** means the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**"Non-Transferable Instrument"** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**"Notes"** means the credit linked notes issued by the Issuer under this Programme.

**"Notice Delivery Date"** means, with respect to a Reference Entity, the first date on which an effective Credit Event Notice has been delivered by the Calculation Agent to the Issuer.

**"Notice to Exercise Movement Option"** means, with respect to a Reference Entity for which (i) an M(M)R Restructuring is applicable and (ii) the Cash Settlement provisions apply in accordance with Product Condition 3.4, an irrevocable notice from the Calculation Agent to the Issuer that (a) specifies the Parallel Auction Settlement Terms applicable with respect to such Reference Entity in accordance with the definition of Movement Option and (b) is effective on or prior to the Movement Option Cut-off Date. A Notice to Exercise Movement Option shall be subject to the requirement regarding notices set forth in Product Condition 10.

**"Notice of Publicly Available Information"** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applying in the applicable Issue Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such

Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**"Notification Period"** means, with respect to a Reference Entity, the period from and including the Trade Date to and including (i) the Extension Date or (ii) the Maturity Cut-Off Date if redemption of the Securities is postponed pursuant to Product Condition 5.5.

**"OBFR"** means the daily overnight bank funding rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) (the **"OBFR Successor Administrator"**), on the Website of the Federal Reserve Bank of New York at or around 9:00 a.m. (New York City time) on each New York City Banking Day in respect of the New York City Banking Day immediately preceding such day.

**"OBFR Index Cessation Effective Date"** means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the OBFR), ceases to publish the OBFR, or the date as of which the OBFR may no longer be used.

**"OBFR Index Cessation Event"** means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased or will cease to publish or provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the OBFR;
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the OBFR) has ceased or will cease to provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the OBFR; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the OBFR that applies to, but need not be limited to, the Securities.

**"Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below;
- (b) the Reference Obligation specified in the applicable Issue Terms; and
- (c) any "Additional Obligation" specified as such in the applicable Issue Terms,

in each case unless it is an Excluded Obligation.

**Method for Determining Obligations.** For the purposes of sub-paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified as being applicable in the relevant Standard, and having each of the Obligation Characteristics (if any) specified in the relevant Standard, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified as being applicable in the relevant Issue Terms, the relevant Issue Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Obligation Category"** means, in respect of a Reference Entity and an Obligation thereof, Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Issue Terms, and:

- (a) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (b) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
- (c) **"Reference Obligation Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
- (d) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
- (e) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
- (f) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**"Obligation Characteristics"** means, in respect of a Reference Entity and an Obligation thereof, any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:

- (a) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
- (b) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of such Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against such Reference Entity at any time that such Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **"Subordinated"** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is specified as applicable in the applicable Issue Terms, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and
- (c) **"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation is applicable to a Reference Entity, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Issue Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

- (d) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the relevant Issue Terms (or, if "Specified Currency" is specified in the relevant Issue Terms and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (e) **"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (f) **"Not Domestic Currency"** means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (g) **"Not Domestic Law"** means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (h) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (i) **"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Obligation Default"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**"Observation Period"** means, in respect of a rate referencing:

- (a) the daily euro short-term rate, the period from (and including) the date falling "p" (as defined in the definition of "Compounded Daily €STR") TARGET2 Business Days prior to the first day of the relevant Coupon Accrual Period to (but excluding) the date falling "p" (as defined in the definition of "Compounded Daily €STR") TARGET2 Business Days prior to (i) (in the case of a Coupon Period) the Coupon Accrual Date on which such Coupon Period ends (but excludes) or (ii) (in the case of any other Coupon Accrual Period) the day on which the relevant accrual of coupon ends (each such day, an **"Observation Period End Date"**); and
- (b) the Secured Overnight Financing Rate, the period from (and including) the date falling five U.S. Government Securities Business Days preceding the first day of such Coupon Accrual Period to (but excluding) the day falling five, or such other number specified in the Issue Terms, U.S. Government Securities Business Days prior to (i) (in the case of a Coupon Period) the Coupon Accrual Date on which such Coupon Accrual Period ends (but excludes) or (ii) (in the case of any other Coupon Accrual Period) the day on which the relevant accrual of coupon ends (each such day, an **"Observation Period End Date"**).

**"Original Non-Standard Reference Obligation"** means the obligation of a Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the applicable Issue Terms (if any is so specified) provided that if an obligation is not an obligation of such Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic) unless the intention to amend or override this provision is expressed, in writing, in the Issue Terms.

**"Outstanding Nominal Amount"** means, in respect of a day and subject as provided in Product Condition 5.13, 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 an Event Determination Date has occurred on or prior to such day;
- (b) subject to (c), in respect of Single Reference Entity Securities, the Nominal Amount or, if an Event Determination Date has occurred with respect to the Reference Entity on or prior to such date, zero; and
- (c) in respect of Single Reference Entity Securities which are Final Redemption Capital Protected Securities, the Nominal Amount or, if an Event Determination Date has occurred with respect to the Reference Entity on or prior to such date, the product of (A) the Nominal Amount and (B) the Capital Protection Percentage.

The Outstanding Nominal Amount will not be increased notwithstanding that the Credit Event relevant to the occurrence of an Event Determination Date may be subsequently cured.

**"Outstanding Principal Balance"** of an obligation will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, subject as provided below, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in sub-paragraph (a) less any amounts subtracted in accordance with this sub-paragraph (b), the **"Non-Contingent Amount"**); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance, in each case, determined:
  - (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and
  - (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

Where Cash Settlement is specified to be the Settlement Method (or if the Cash Settlement provisions apply in accordance with Product Condition 3.4), Exclude Accrued Interest shall, unless otherwise specified in the relevant Issue Terms, be applicable.

**"Package Observable Bond"** means, in respect of a Reference Entity which is a Sovereign, any obligation (i) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or

any successor website thereto) or by a third party designated by ISDA on its website from time to time and (ii) which fell within sub-paragraph (a) or (b) of the definition of Valuation Obligation, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to the Credit Default Swap and for which such Credit Default Swap would not be an Auction Covered Transaction.

**"Partial Redemption Date"** has the meaning set forth in Product Condition 5.2.2.

**"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 locations specified under 'Payment Day' in the relevant Issue Terms, a day on which each Clearing Agent is open for business and, in relation to any sum payable in euros, a TARGET2 Settlement Day.

**"Payment Requirement"** means the amount specified as being applicable to the Reference Entity in the relevant Issue Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**"Permanent Bearer Global Security"** means a Bearer Security represented by a permanent global security.

**"Permissible Deliverable Obligations"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

**"Permitted Contingency"** means, with respect to an obligation, any reduction to a Reference Entity's payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of such Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the relevant Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) any Solvency Capital Provisions, if "**Subordinated European Insurance Terms**" is specified as applicable in the relevant Issue Terms; or
  - (v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "**Financial Reference Entity Terms**" is specified as applicable in the relevant Issue Terms; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of a Reference Entity to the same single transferee.

**"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](http://www.isda.org) (or any successor website thereto), Provided That the following amendments shall be deemed to have been made for the purposes of the Standard with respect to a Reference Entity:

- (a) the provisions relevant to 2014 Definitions Transactions (as defined in the Credit Derivatives Physical Settlement Matrix) specified as applicable and, if applicable, as amended in each case as set out in Product Condition 3.14, in respect of the applicable Transaction Type(s) set out in the Credit Derivatives Physical Settlement Matrix, shall apply;
- (b) all references to Deliverable Obligation Category shall instead be deemed to be to Valuation Obligation Category and all references to Deliverable Obligation Characteristics shall instead be deemed to be to Valuation Obligation Characteristics;
- (c) the Calculation Agent can deem such amendments to be made to the Credit Derivatives Physical Settlement Matrix and/or to any additional provisions or supplements referred to in paragraph (a) above as it determines necessary in order that the terminology and defined terms used therein correspond with those used in these Product Conditions;
- (d) all references to Business Day shall be deemed to be to Valuation Business Day, as the context so requires, provided that, where the Credit Derivatives Physical Settlement Matrix specifies a definition of Business Day, any locations therein not included in the definition of Valuation Business Day shall be added to the definition of Valuation Business Day as additional locations and the definition of Business Day shall not be affected; and
- (e) references to the relevant Confirmation shall be construed as references to the relevant Issue Terms in respect of the Securities.

Notwithstanding anything to the contrary in the relevant Issue Terms and the Physical Settlement Matrix, the "Fallback Settlement Method" will be Cash Settlement.

**"Postponed Maturity Date"** means the second Business Day following the Maturity Cut-Off Date.

**"Potential Credit Event"** means, in respect of a Reference Entity:

- (a) an Event Determination Date has not occurred but:
  - (i) in the good faith opinion of the Calculation Agent, a Credit Event may have occurred;
  - (ii) a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable; and/or
  - (iii) the Repudiation/Moratorium Extension Condition has been satisfied; and/or
- (b) in the good faith opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred.

**"Potential Failure to Pay"** means, with respect to a Reference Entity, the failure by such Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in sub-paragraph (a) of the definition of Repudiation/Moratorium.

**"Principal Paying Agent"** means, subject as provided in Product Condition 9 and in respect of a Series, the Fiscal Agent in respect of the Issuer of such Series.



**"Prior Valuation Obligation"** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of a Reference Entity which (a) existed immediately prior to such Governmental Intervention, (b) was the subject of such Governmental Intervention and (c) fell within the definition of Valuation Obligation set out in sub-paragraph (a) or (b) of the definition of Valuation Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of a Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**"Private-side Loan"** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Prohibited Action"** means any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in sub-paragraphs (a) to (d) of the definition of Credit Event) or right of set-off by or of a Reference Entity or any applicable Underlying Obligor.

**"Public Source"** means each source of Publicly Available Information specified as such in the applicable Issue Terms and each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

**"Publicly Available Information"**:

- (a) means information that, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner, reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:
  - (i) has been published in or on not less than two Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
  - (ii) is information received from or published by (A) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign), or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
  - (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in sub-paragraphs (a)(ii) or (iii) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

- (b) In relation to any information of the type described in sub-paragraphs (a)(ii) or (iii) above, the Calculation Agent party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or

any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the Calculation Agent.

- (c) Without limitation, Publicly Available Information need not state (i) in relation to the definition of Downstream Affiliate, the percentage of Voting Shares owned by the Reference Entity and (ii) that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period, or (C) has met the subjective criteria specified in certain Credit Events.
- (d) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both sub-paragraphs (a) and (b) of the definition of Repudiation/Moratorium.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which a Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the relevant Issue Terms; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the relevant Issue Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (a) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and

- (b) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in the relevant Issue Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against a Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of the relevant Valuation Date, then on the next following Valuation Business Day (and, if necessary, on each Valuation Business Day thereafter until the fifteenth Valuation Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Valuation Business Day on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, then the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Valuation Business Day or, if no Full Quotation is obtained, then the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such fifteenth Valuation Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Quotation Amount"** means the amount specified as such in the applicable Issue Terms (which may be specified by reference to an amount in a currency or by reference to an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount the Calculation Agent shall determine acting in good faith and a commercially reasonable manner) or, if no amount is so specified, the aggregate outstanding principal amount of the Securities of the Securities or, if the Securities were on the Issue Date linked to a portfolio of Reference Entities, the proportion of the aggregate principal amount of the Securities that the Calculation Agent determines acting in good faith and a commercially reasonable manner is referable to the credit protection purchased by the Issuer under the Securities in relation to the relevant Reference Entity (or, in any case, its equivalent in the relevant Obligation Currency, which shall be converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

**"Quotation Dealer"** means a dealer (other than Deutsche Bank AG, London Branch) in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Issue Terms. If no Quotation Dealers are specified in the applicable Issue Terms, the Calculation Agent shall select the Quotation Dealers acting in good faith and a commercially reasonable manner. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s) acting in good faith and a commercially reasonable manner.

**"Quotation Method"** means the applicable Quotation Method specified in the applicable Issue Terms by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or

- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Issue Terms, Bid shall apply.

**"Rate Replacement Early Redemption Amount"** means, in respect of a Security, any one of the following:

- (a) if "Nominal Amount" is specified in the relevant Issue Terms, the Nominal Amount;
- (b) if "Percentage of the Nominal Amount" is specified in the relevant Issue Terms, the relevant percentage of the Nominal Amount so specified in the Issue Terms; and
- (c) if "Fair Market Value" is specified in the relevant Issue Terms, the fair market value of the Security determined by the Calculation Agent in good faith and its reasonable discretion. For the purposes of determining the fair market value no account shall be taken of the financial condition of the Issuer, which shall be presumed to be able to perform fully its obligations in respect of the Securities.

**"Rate Replacement Event"** means, with respect to any Reference Rate (each such rate, a **"Specified Floating Rate"**):

- (a) a public statement or publication of information by the administrator of the Specified Floating Rate that it has ceased or will within a specified period of time cease to provide the Specified Floating Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that at the time of cessation there is no successor administrator that will continue to provide the Specified Floating Rate;
- (b) a public statement or publication of information by the administrator of the Specified Floating Rate that a material change in the methodology of calculating the Specified Floating Rate has occurred or will within a specified period occur, provided that, where applicable, such period of time has lapsed;
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Specified Floating Rate, the central bank for the Relevant Rate Currency, an insolvency official with jurisdiction over the administrator for the Specified Floating Rate, a resolution authority with jurisdiction over the administrator for the Specified Floating Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Specified Floating Rate, which states that the administrator of the Specified Floating Rate has ceased or will within a specified period of time cease to provide the Specified Floating Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that at the time of cessation there is no successor administrator that will continue to provide the Specified Floating Rate;
- (d) a notice by the Issuer to the Securityholders in accordance with Product Condition 10 that it is no longer permitted under applicable laws, regulations or supervisory requirements to use the Specified Floating Rate in the performance of its obligations under the Securities (including, without limitation, under the BMR, if applicable); or
- (e) a public statement or publication of information by the regulatory supervisor for the administrator of the Specified Floating Rate that the Specified Floating Rate is no longer representative, or will no longer be representative of the underlying market it purports to measure as of a certain date, and that such representativeness will not be restored.

**"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, as applicable.

**"Reference Entity"** means any entity specified as such in the relevant Issue Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of "Successor" in Product Condition 3.6 on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or

following the Trade Date shall, in each case, with effect from the Succession Date be the Reference Entity for the purposes of the relevant Securities.

**"Reference Entity Nominal Amount"** means, in respect of a Reference Entity and unless otherwise specified in the Issue Terms:

- (a) if an amount is specified as such in relation to such Reference Entity in the relevant Issue 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) if a Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue 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 Issue Terms and no Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue 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 Issue Terms (subject to the provisions relating to Successors).

**"Reference Obligation"** means, in respect of a Reference Entity:

- (a) the Standard Reference Obligation, if any, unless:
  - (i) Standard Reference Obligation is specified as not applicable in respect of such Reference Entity in the relevant Issue Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
  - (ii) Standard Reference Obligation is specified as applicable in respect of such Reference Entity in the relevant Issue Terms (or no election is specified), (ii) there is no Standard Reference Obligation, and (iii) a Non-Standard Reference Obligation is specified in respect of such Reference Entity in the relevant Issue Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.
- (b) If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of such Reference Entity shall constitute the Reference Obligation.

**"Reference Obligation Only Securities"** means any Securities in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category in the applicable Issue Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Issue Terms.

**"Reference Rate"** means, in respect of (i) a Coupon Period; or (ii) an Accrual Day, as applicable, and the relevant Coupon Determination Date:

- (a) where the Securities are Floating Rate Securities, EURIBOR, 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)), the ISDA Rate, SOFR, SONIA, €STR, Compounded Daily SOFR, Compounded SOFR Index, Compounded Daily €STR, Compounded €STR Index or Compounded Daily SONIA or, in the case of any Exempt Securities, such other rate, in each case, as specified in the relevant Issue Terms; and
- (b) where the Securities are Fixed/Floating Switch Option Securities or Floating/Fixed Switch Option Securities, the ISDA Rate, EURIBOR, SOFR, SONIA, €STR, Compounded Daily SOFR, Compounded SOFR Index, Compounded Daily €STR, Compounded €STR Index or

Compounded Daily SONIA or, in the case of Exempt Securities, such other rate, in each case, as specified in the relevant Issue Terms.

**"Reference Time"** with respect to any determination of the SOFR Benchmark means the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

**"Regulation S"** means Regulation S under the Securities Act.

**"Relevant City Business Day"** has the meaning given to that term in the DC Rules.

**"Relevant Determining Party"** means, with respect to confirming the occurrence of a Rate Replacement Event (as applicable) and determining a Replacement Rate and relevant Replacement Rate Adjustments, the Calculation Agent or an Independent Adviser, which in either case the Issuer appoints as its agent after a Rate Replacement Event has been determined to make such determinations; provided that if, using reasonable endeavours, neither the Calculation Agent nor, failing which, an Independent Adviser can be so appointed on commercially reasonable terms, the Relevant Determining Party will be the Issuer; and provided further that if the Issuer has appointed an Independent Adviser to determine an equivalent rate to the Replacement Rate and equivalent adjustments to the Replacement Rate Adjustments for any other securities of the Issuer and the Issuer determines in its reasonable discretion such determinations would be appropriate to apply as the Replacement Rate and Replacement Rate Adjustments under the Securities, the Issuer may elect to be the Relevant Determining Party.

**"Relevant Governmental Body"** means the Federal Reserve Board or, failing which, the Federal Reserve Bank of New York, or, failing which, a committee officially endorsed or convened by the Federal Reserve Board or, failing which, the Federal Reserve Bank of New York or any successor thereto.

**"Relevant Guarantee"** means, with respect to a Reference Entity, a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as being applicable in the relevant Issue Terms, a Qualifying Guarantee.

**"Relevant Guidance"** means (i) any legal or supervisory requirement applicable to the Securities or the Issuer or, if none, (ii) any applicable requirement, recommendation or guidance of a Relevant Nominating Body or, if none, (iii) any relevant recommendation or guidance by industry bodies (including by the International Swaps and Derivatives Association, Inc.) or, if none, (iv) any relevant market practice.

**"Relevant Holder"** means a holder of the Prior Valuation Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Quotation Amount determined by the Calculation Agent.

**"Relevant Nominating Body"** means, in respect of a Floating Rate:

- (a) the central bank for the Relevant Rate Currency, or any central bank or other supervisor which is responsible for supervising either the Specified Floating Rate or the administrator of the Specified Floating Rate; or
- (b) any working group or committee officially endorsed, sponsored or convened by or chaired or co-chaired by (i) the central bank for the Relevant Rate Currency, (ii) any central bank or other supervisor which is responsible for supervising either the Specified Floating Rate or the administrator of the Specified Floating Rate, (iii) a group of the aforementioned central banks or other supervisors or (iv) the Financial Stability Board or any part thereof.

**"Relevant Obligations"** means the Obligations of a Reference Entity which fall within the Obligation Category "**Bond or Loan**" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between such Reference Entity and any of its Affiliates, or held by such Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**" that are issued, incurred, redeemed, repurchased or

cancelled from and including the legally effective date of the first succession to and including the Succession Date;

- (c) if "**Financial Reference Entity Terms**" is specified as applicable with respect to such Reference Entity in the relevant Issue Terms and (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**"; and
- (d) if "**Financial Reference Entity Terms**" is specified as applicable with respect to such Reference Entity in the relevant Issue Terms and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**", provided that if no such Relevant Obligations exist, "**Relevant Obligations**" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

"**Relevant Rate Currency**" means the currency to which the relevant Specified Floating Rate relates.

"**Replacement Rate**" means, in respect of a Specified Floating Rate, a substitute, alternative, or successor rate (which may be, without limitation, the Specified Floating Rate following a material change in its methodology of calculation), which in its function in the international capital markets constitutes an appropriate replacement for the Specified Floating Rate. In determining a Replacement Rate the Relevant Determining Party shall, preferentially but without limitation, take into account any Relevant Guidance.

"**Replacement Rate Adjustments**" means (a) such adjustments to the Conditions as the Relevant Determining Party determines in its reasonable discretion appropriate to reflect the operation of the relevant Replacement Rate (which may include, without limitation, adjustments to the applicable Business Day Convention, the definition of Business Day, the Coupon Determination Date (to any day before, during or after the Coupon Period), the Day Count Fraction (if any), any methodology or definition for obtaining or calculating the Replacement Rate) and (b) any Adjustment Spread to apply to the relevant Replacement Rate. In determining any Replacement Rate Adjustments the Relevant Determining Party shall, preferentially but without limitation, take into account any Relevant Guidance.

"**Replacement Rate Determination Date**" means the first day as of which both the relevant Replacement Rate and any relevant Replacement Rate Adjustments have been determined by the Relevant Determining Party.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

- (a) an authorised officer of the Reference Entity or a Governmental Authority:
  - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Credit Period End Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 10 Business Days after the day that is six calendar months after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is six calendar months after the date of such Potential Repudiation/Moratorium.

**"Repudiation/Moratorium Extension Condition"** means:

- (a) the public announcement by the DC Secretary, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the Credit Period End Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity has occurred on or prior to the Credit Period End Date, or
- (b) otherwise, the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Issue Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective, in each case, on or prior to the Credit Period End Date or, if Product Condition 5.5(b) applies, the Maturity Cut-Off Date.

The Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Credit Period End Date. If the Repudiation/Moratorium Extension Condition is subsequently deemed not to have been satisfied in accordance with the foregoing, the Securities shall continue in accordance with their terms as if the Repudiation/Moratorium Extension Condition had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate acting in good faith and a commercially reasonable manner to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for redemption and/or payment of any amount due under the Securities as applicable).

**"Repudiation/Moratorium Extension Notice"** means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Credit Period End Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**"Resolve"** and **"Resolved"** means a convened Credit Derivatives Determinations Committee making a determination in accordance with the DC Rules (and each such determination, a **"DC Resolution"**).

**"Restructured Bond or Loan"** means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**"Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by such Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest, or (b) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or



- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (iii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that, in respect of (v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring, the term Obligation shall be deemed to include Underlying Obligations for which a Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to such Reference Entity in the initial paragraph of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition shall continue to refer to such Reference Entity.

Unless Multiple Holder Obligation is specified as not applicable to any Reference Entity in the relevant Issue Terms then, notwithstanding anything to the contrary in this definition of Restructuring, the occurrence of, or agreement to or announcement of any of the events described in sub-paragraph (a) to (e) of the definition of Restructuring shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

If an exchange has occurred, the determination as to whether one of the events described under (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Restructuring Date"** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Restructuring Maturity Limitation Date"** means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Credit Period End Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Credit Period End Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

**"Rule 144A"** means Rule 144A under the Securities Act.

"**Scheduled Maturity Date**" has the meaning set forth in the applicable Issue Terms.

"**Secured Overnight Financing Rate**" or "**SOFR**" means in relation to any U.S. Government Securities Business Day, the daily secured overnight financing rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any SOFR Successor Administrator) at or around 5:00 p.m. (New York City time) on the Website of the Federal Reserve Bank of New York on the immediately following U.S. Government Securities Business Day.

"**Securities**" means Notes or Certificates, as specified in the applicable Issue Terms.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**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.

"**Senior Obligation**" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Seniority Level**" means, with respect to an obligation of the Reference Entity, (i) "Senior Level" or "Subordinated Level" as specified in the applicable Issue Terms, or (ii) if no such seniority level is specified in the applicable Issue Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (iii) "Senior Level".

"**Settlement Method**" means the Settlement Method specified in the relevant Issue Terms or, if no Settlement Method is specified in the relevant Issue Terms, Auction Settlement.

"**Settlement Price**" means, where the Securities are:

- (a) Fixed Recovery Securities, the percentage specified as such in the relevant Issue Terms;
- (b) Securities that are not Fixed Recovery Securities, Final Redemption Capital Protected Securities nor Zero Recovery Principal Amount Reduction Securities and unless otherwise specified in the Issue Terms, the Auction Final Price or the Final Price, determined in accordance with Product Condition 3.4 (*Auction Settlement*) or Product Condition 3.5 (*Cash Settlement*), as applicable.

"**SIFMA**" means the Securities Industry and Financial Markets Association.

"**Single Reference Entity Securities**" means Securities specified as such in the relevant Issue Terms (being Securities which are credit linked to a single Reference Entity).

"**SOFR Administrator**" means the Federal Reserve Bank of New York.

"**SOFR Benchmark**" has the meaning given to it in Product Condition 4.14.1.

"**SOFR ISDA Fallback Rate**" means the rate determined pursuant to Product Condition 4.14.2.

"**SOFR Screen Page**" means the Website of the Federal Reserve Bank of New York.

"**SOFR Index Cessation Effective Date**" means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any SOFR Successor Administrator) ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"**SOFR Index Cessation Event**" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or the SOFR Successor Administrator) announcing that it has ceased or will cease to publish or provide the Secured

Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily secured overnight financing rate;

- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or the SOFR Successor Administrator) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of Secured Overnight Financing Rate that applies to, but need not be limited to, the Securities.

**"Solvency Capital Provisions"** means any terms in an obligation which permit a Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**"SONIA Fallback Period"** means, in respect of a London Business Day, the previous five London Business Days in respect of which a SONIA rate has been published.

**"SONIA Reference Rate"** means, in respect of a London Business Day ("**LBDx**"), a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such LBDx as provided by the administrator of SONIA to authorised distributors and as then published on the SONIA Screen Page (or, if the SONIA Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Business Day immediately following LBDx.

**"SONIA Screen Page"** means Reuters page SONIA.

**"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

**"Sovereign Restructured Valuation Obligation"** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Valuation Obligation set out in sub-paragraph (a) of the definition of Valuation Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Sovereign Succession Event"** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

**"SP1"** means the Specified Period specified as such in the relevant Issue Terms.

**"SP2"** means the Specified Period specified as such in the relevant Issue Terms.

**"Specified Period"** means the period specified as such in the relevant Issue Terms.

**"SRO List"** means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**"Standard"** means, in respect of a Reference Entity and the "Transaction Type" identified as being applicable in that Reference Entity, the terms set out in the Physical Settlement Matrix with respect to such Transaction Type, subject to amendment in accordance with the definition of "Physical Settlement Matrix" Provided That the relevant Issue Terms do not specify any inconsistent terms, in which case the terms specified in the Issue Terms shall prevail.

**"Standard Reference Obligation"** means the obligation of a Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**"Standard Specified Currency"** means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

**"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**"Structured Floating Rate (Aggregate Reference Rate)"** means that the Reference Rate will be the sum of EURIBOR, EUR CMS and USD CMS as specified in the relevant Issue 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.

**"Subordinated Obligation"** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

**"Substitute Reference Obligation"** means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall (acting in good faith and a commercially reasonable manner) identify the Substitute Reference Obligation in accordance with sub-paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution .
- (b) If any of the events set forth under sub-paragraphs (a) or (c) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and sub-paragraph (c)(ii) below). If the event set forth in sub-paragraph (b) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under sub-paragraphs (a) or (c) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the "Not Subordinated" Valuation Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii)
    - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - (I) is a Valuation Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,

- (II) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation;
  - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (II) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
    - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation; or
  - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
    - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (III) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
    - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in sub-paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations under the Securities, as determined by the Calculation Agent (acting in good faith and a commercially reasonable manner). The Calculation Agent will notify the Issuer of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with sub-paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines (acting in good faith and a commercially reasonable manner) that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to sub-paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with sub-paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitute" has the meaning set forth in Product Condition 13.1.

**"Substitution Date"** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies (which notification may be by telephone) the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation.

**"Substitution Event"** means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraph (a) or (b) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraph (a) or (b), as the case may be, on the Trade Date.

**"Substitution Event Date"** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** has the meaning set forth in Product Condition 3.6.1.

**"Successor Backstop Date"** means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Successor Notice"** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined. A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"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"**, **"TARGET2 Business Day"** or **"TBD"** 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.

**"Trade Date"** means the date specified as such in the relevant Issue Terms.

**"Transaction Type"** means in respect of a Reference Entity, the "Transaction Type" specified in the relevant Issue Terms, being one of the Transaction Types specified in the most recent version of the 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.

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

**"Undeferred Redemption Amount"** has the meaning set forth in Product Conditions 5.8.3.

**"Underlying Obligation"** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**"Underlying Obligor"** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**"U.S. Government Securities Business Day"** means any calendar day except for a Saturday, Sunday or a calendar day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire calendar day for purposes of trading in U.S. government securities.

**"USD"** means United States Dollars the lawful currency of the United States of America.

**"USD CMS"** means, subject as provided in Product Condition 4.12, the USD SOFR ICE Swap Rate with a maturity of the Specified Period, expressed as a percentage, provided by the administrator of the USD SOFR ICE Swap Rate as of 11:00 a.m., New York City time (or any amended publication time specified by the administrator of the USD SOFR ICE Swap Rate in the benchmark methodology) on the Coupon Determination Date, as determined by the Calculation Agent. If the USD SOFR ICE Swap Rate for a period of the Specified Period in respect of the first day of the relevant Coupon Period is not published by the administrator of the USD SOFR ICE Swap Rate or an authorized distributor and is not otherwise provided by the administrator of the USD SOFR ICE Swap Rate by either (A) the first day of the relevant Coupon Period or (B) such other date on which the USD SOFR ICE Swap Rate is required, then the rate for that Reset Date will be determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate.

**"USD SOFR ICE Swap Rate"** means the benchmark for the mid-price for the fixed leg of a fixed-for-floating U.S. Dollar swap transaction where the floating leg references the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor administrator) (SOFR) and both the fixed leg and floating leg are paid annually, as provided by ICE Benchmark Administration Limited as the administrator of the benchmark (or a successor administrator).

**"Valuation Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London and New York and any additional location that is specified in the applicable Standard and a TARGET2 Settlement Day.

**"Valuation Date"** means, where "Cash Settlement" is specified as applicable in the applicable Issue Terms or the Cash Settlement provisions apply in accordance with Product Condition 3.4, (A) if "Single Valuation Date" is specified in the applicable Issue Terms, the date that is (i), if "Maximum Number of Business

Days” is specified as not applicable in the applicable Issue Terms (or if “Maximum Number of Business Days” is not specified in the applicable Issue Terms), the number of Business Days specified in the Issue Terms, (ii), if “Maximum Number of Business Days” is specified as applicable in the applicable Issue Terms, a Business Day selected by the Calculation Agent in its sole and absolute discretion falling on or before the number of Business Days specified in the Issue Terms, or (iii), if the number of Business Days is not so specified, five Business Days, in each case after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, (1) if sub-paragraph (a) of the Auction Settlement provisions in Product Condition 3.4 applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date, the Calculation Agent No Auction Determination Date or the Auction Cancellation Date or (2) if sub-paragraph (b) of the Auction Settlement provisions in Product Condition 3.4 applies, the Event Determination Date, and (B) if "Multiple Valuation Dates" is specified in the applicable Issue Terms, each of the following dates:

- (a) the date that is the number of Business Days specified in the applicable Issue Terms after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, if sub-paragraph (a) of the Auction Settlement provisions in Product Condition 3.4 applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date, the Calculation Agent No Auction Determination Date or the Auction Cancellation Date or (2) if sub-paragraph (b) of the Auction Settlement provisions in Product Condition 3.4 applies, the Event Determination Date (or in either case if the number of Business Days is not specified, five Business Days); and
- (b) each successive date that is the number of Business Days specified in the applicable Issue Terms (or if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Issue Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Issue Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither "Single Valuation Date" nor "Multiple Valuation Dates" is specified in the applicable Issue Terms, Single Valuation Date shall apply.

**"Valuation Method":**

- (a) The following Valuation Methods may be specified in the applicable Issue Terms for Securities with only one Valuation Date:
  - (i) "**Market**" means the Market Value determined by the Calculation Agent acting in good faith and a commercially reasonable manner with respect to the Valuation Date; or
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Issue Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Issue Terms for Securities with more than one Valuation Date:
  - (i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent acting in good faith and a commercially reasonable manner with respect to each Valuation Date; or
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.



If no such Valuation Method is specified in the applicable Issue Terms, the Valuation Method shall be Average Highest.

- (c) Notwithstanding sub-paragraphs (a) and (b) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.

**"Valuation Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in Product Condition 3.8 below;
- (b) each Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Valuation Obligation;
- (d) if Asset Package Delivery is applicable, any Prior Valuation Obligation (if "Financial Reference Entity Terms" is specified as applicable in the applicable Issue Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign); and
- (e) any "Additional Valuation Obligation" of the Reference Entity specified as such in the applicable Issue Terms,

in each case unless it is an Excluded Valuation Obligation and provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d), immediately prior to the relevant Asset Package Credit Event).

Where Auction Settlement applies for the purposes of determining the Settlement Price, "Valuation Obligation" means any obligation that is capable of constituting a deliverable obligation in accordance with the relevant Credit Derivatives Auction Settlement Terms or, as the case may be, the Parallel Auction Settlement Terms.

**"Valuation Obligation Category"** means one of Payment, Borrowed Money, Bond, Loan, or Bond or Loan (each as defined in the definition of Obligation Category).

**"Valuation Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:

- (a) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent;
- (b) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if such Reference Entity is guaranteeing such Loan) or any agent;
- (c) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of a notional protection seller that provides such notional protection seller with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between (i) such notional protection seller and (ii) either (A) the Issuer (to the extent the Issuer was then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

- (d) **"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - (iii) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (e) **"Maximum Maturity"** means an obligation that has a remaining maturity of not greater than the period specified in the relevant Issue Terms (or if no such period is specified, thirty years);
- (f) **"Accelerated or Matured"** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (g) **"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

**"Valuation Time"** means the time specified as such in the applicable Issue Terms (or, if no such time is specified, 11:00 a.m. in the principal trading market for the Reference Obligation).

**"Voting Shares"** means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**"Website of the European Central Bank"** means (i) the website of the European Central Bank currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the European Central Bank or the relevant successor administrator, as the case may be, or (ii) any other screen page as may be nominated by the European Central Bank or the relevant successor administrator, as the case may be, for the purposes of displaying €STR or EDFR. Any such successor website or any such other screen page will be notified by the Issuer to the Securityholders in accordance with Product Condition 10.

**"Website of the Federal Reserve"** means the website of the Board of Governors of the Federal Reserve System (currently at <http://www.federalreserve.gov>) or any successor website of the Board of Governors of the Federal Reserve System or other screen page as may be nominated for the purposes of displaying the FOMC Target Rate, as notified by the Issuer to the Securityholders in accordance with Product Condition 10.

**"Website of the Federal Reserve Bank of New York"** means the website of the Federal Reserve Bank of New York (currently at <http://www.newyorkfed.org>) or any successor website of the Federal Reserve Bank of New York or other screen page as may be nominated for the purposes of displaying OBFR and SOFR, as notified by the Issuer to the Securityholders in accordance with Product Condition 10.

**"Weighted Average Quotation"** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**"Zero Recovery Principal Amount Reduction Securities"** means Securities specified as such in the relevant Issue Terms (being Securities in respect of which the recovery will be zero following the occurrence of an Event Determination Date with respect to any Reference Entity).

## 2. **Form and Status of the Securities**

### 2.1 **Form of Securities**

#### 2.1.1 *Form of Securities*

The Securities shall be in the form of Bearer Securities. The Securities will be represented by a Global Security which shall be a Permanent Bearer Global Security.

#### 2.1.2 *Deposit of the Global Security*

The Global Security will be deposited with a common depository (the “**Common Depository**”) for the relevant Clearing Systems (as specified in the relevant Issue Terms).

#### 2.1.3 *Securityholders*

Without prejudice to Product Condition 7.1 (*Method of Payment*), the term “**Securityholder**” (and “**holder of Securities**” and related expressions shall be construed accordingly) for all purposes shall mean the persons who are for the time being the bearers of the Securities provided that for so long as the Securities or any part of them are represented by a Global Security deposited with any Clearing System or with any Common Depository for such Clearing System(s) each person (other than the Clearing System(s)) who is for the time being shown in the records of the Clearing System(s) as the holder of a particular principal amount of the Securities (in which regard any certificate or other document issued by the Clearing System(s) as to the principal amount of the Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent, the Principal Paying Agent and the Calculation Agent (in each case in respect of the Securities) as the holder of that principal amount of the Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of the relevant Global Security shall be treated by the Issuer, the Fiscal Agent, the Principal Paying Agent and the Calculation Agent (in each case in respect of the Securities) as the holder of such principal amount of the Securities in accordance with and subject to the terms of the relevant Global Security.

### 2.2 **Status of the Securities**

In case of Securities the ranking of which is specified in the relevant Issue Terms as preferred, such Securities constitute unsecured and unsubordinated preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated preferred liabilities of the Issuer. This is subject to statutory priorities conferred to certain unsecured and unsubordinated preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. In accordance with § 46f(5) of the KWG, the obligations under such Securities rank in priority of those under debt instruments of the Issuer within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision, including eligible liabilities within the meaning of Articles 72a and 72b(2) CRR.

In case of Securities the ranking of which is specified in the relevant Issue Terms as non-preferred, such Securities constitute unsecured and unsubordinated non-preferred liabilities of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated non-preferred liabilities of the Issuer. This is subject to statutory priorities conferred to certain unsecured and unsubordinated non-preferred liabilities in the event of Resolution Measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. In accordance with § 46f(5) KWG, in the event of resolution measures being imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the obligations under such Securities shall rank behind the claims of unsubordinated creditors of the Issuer not qualifying as obligations within the meaning of § 46f(6) sentence 1 KWG (also in conjunction with § 46f(9) KWG) or any successor provision; this includes eligible liabilities within the meaning of Article 72b(2) CRR where point (d) of such Article does not apply. In any such event, no amounts shall be payable in respect of the Securities until the claims of such other unsubordinated creditors of the Issuer have been satisfied in full.

If the ranking of the Securities is not specified in the relevant Issue Terms either as preferred or as non-preferred, the ranking of the Securities will be preferred (in this case the Securities should be understood as specified in the relevant Issue Terms as preferred).

### 2.3 **Credit linked securities**

The Securities are credit linked securities. Securities may be Single Reference Entity Securities or Basket Securities (which may be Index Basket Securities or Non-Index 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.

#### 2.3.1 *Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 2.3.1 shall apply.

If an Event Determination Date has occurred with respect to the Reference Entity, the amounts (if any) payable in respect of the Securities will be reduced and (unless the Securities are Final Redemption 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 an Event Determination Date has occurred with respect to the Reference Entity, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be the percentage specified as such in the relevant Issue Terms; or
- (b) Final Redemption Capital Protected Securities, in which case, if an Event Determination Date has occurred with respect to the Reference Entity, the Redemption Amount shall be determined in accordance with Product Condition 5.3 taking into account the Capital Protection Percentage (being such percentage as may be specified in the Issue Terms); or
- (c) Zero Recovery Principal Amount Reduction Securities, in which case, if an Event Determination Date has occurred with respect to the Reference Entity, the Securities will be cancelled with respect to the entire Nominal Amount in accordance with Product Condition 5.2.1; or
- (d) neither Fixed Recovery Securities, Zero Recovery Principal Amount Reduction Securities nor Final Redemption Capital Protected Securities, in which case and unless otherwise specified in the relevant Issue Terms, if an Event Determination Date has occurred with respect to the Reference Entity, for the purpose of determining the Redemption Amount in respect thereof, the Settlement Price shall be 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, Fixed/Floating Switch Option Securities or Floating/Fixed Switch Option Securities in each case as specified in the relevant Issue Terms. In addition, Single Reference Entity Securities may be:

- (a) 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
- (b) 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 an Event Determination Date not having occurred with respect thereto in relation to the Reference Entity,

in each case as specified in the applicable Issue Terms.

#### 2.3.2 *Basket Securities*

If the Securities are Basket Securities, this Product Condition 2.3.2 shall apply.

If an Event Determination Date has occurred with respect to one or more Reference Entities, the amounts (if any) payable in respect of the Securities will be reduced, and (unless the Securities are Final Redemption 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 (save where the Securities are Final Redemption Capital

Protected Securities and the Capital Protection Percentage is 100%) 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, an Event Determination Date has occurred with respect to a Reference Entity, for the purpose of determining the Redemption Amount in respect of the related Partial Redemption Date, the Settlement Price in respect of such Reference Entity shall be the percentage specified as such in the relevant Issue Terms; or
- (b) Final Redemption Capital Protected Securities, in which case, if an Event Determination Date has occurred with respect to a Reference Entity, 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 relevant Issue Terms); or
- (c) Zero Recovery Principal Amount Reduction Securities, in which case, if an Event Determination Date has occurred with respect to a Reference Entity, 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 5.2.2; or
- (d) neither Fixed Recovery Securities, Final Redemption Capital Protected Securities nor Zero Recovery Principal Amount Reduction Securities and unless otherwise specified in the Issue Terms, in which case, if an Event Determination Date has occurred with respect to a Reference Entity, 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, Fixed/Floating Switch Option Securities or Floating/Fixed Switch Option Securities, in each case as specified in the relevant Issue Terms. In addition, Basket Securities may be:

- (a) 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 and related Event Determination Date; or
- (b) 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 an Event Determination Date not having occurred with respect thereto in relation to all Reference Entities.

### 3. **Credit Terms**

#### 3.1 **Interpretation**

Any references herein to an Auction, Convened DC Voting Members, Credit Derivatives Auction Settlement Terms, Credit Derivatives Determinations Committee, DC Resolution, DC Rules, DC Secretary Announcement or Resolution (in each case howsoever described) shall be deemed to be only to that which would be relevant or applicable under or in relation to credit derivatives transactions incorporating the 2014 ISDA Definitions.

In the case of Securities for which more than one Reference Entity is specified in the applicable Issue Terms, all references to "the Reference Entity" herein shall be construed to refer to the Reference Entity in respect of which of the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.

For the avoidance of doubt no Securities will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (b) Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

Any references to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto and the Calculation Agent may make such adjustments to this Product Condition 3 and the applicable Issue Terms as it determines appropriate to account for the application of these provisions.

### 3.2 **Inconsistency With Determinations Of The Credit Derivatives Determinations Committees**

If any determination by the Calculation Agent in respect of the Securities is overruled by a decision of the Credit Derivatives Determinations Committees (a "**Committee Determination**") within 90 calendar days of such Calculation Agent's determination, provided that such Committee Determination is made at least five Business Days before the Maturity Date, the Calculation Agent's determination shall be substituted by the Committee Determination on and from the date of such determination and the Calculation Agent shall, within a reasonable time period, make all necessary amendments to the terms of the Securities or undertake all necessary actions to give effect to the adoption of the Committee Determination.

### 3.3 **Credit Events**

#### 3.3.1 *Event Determination Date*

In respect of a Reference Entity, an "**Event Determination Date**" means either:

- (a) a Credit Event Resolution Request Date occurs on or following the Trade Date and a DC Credit Event Announcement occurs with respect thereto during the Notification Period, the date on which such DC Credit Event Announcement occurred; or
- (b) if the Calculation Agent delivers a Credit Event Notice to the Issuer that is effective and if "Notice of Publicly Available Information" is specified as applying in the applicable Issue Terms, a Notice of Publicly Available Information, that is effective, in each case, during the Notification Period, the Notice Delivery Date,

provided that,

- (i) in the case of sub-paragraph (a) above, no Event Determination Date will occur with respect to an event and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred if a DC No Credit Event Announcement occurs with respect to such event prior to the Auction Final Price Determination Date, Valuation Date or Maturity Date, as applicable; and
- (ii) unless the Securities are Zero Recovery Principal Amount Reduction Securities, if following the delivery of the Credit Event Notice by the Calculation Agent, a Credit Event Resolution Request Date occurs in relation to the event referred to in the Credit Event Notice and prior to the Valuation Date or Maturity Date, as applicable:
  - (A) the Credit Event Notice is deemed to be revoked in accordance with its definition, the relevant Event Determination Date shall be deemed not to have occurred; or
  - (B) a DC Credit Event Announcement occurs with respect to such event and the relevant Reference Entity or Obligation thereof, the Calculation Agent shall revoke the Credit Event Notice by giving notice to the Issuer, in which case the relevant Event Determination Date shall be deemed not to have occurred in accordance with sub-paragraph (b) above but shall be deemed to have occurred in accordance with sub-paragraph (a) above.

If, in accordance with the provisions above, (i) following the determination of an Event Determination Date, such Event Determination Date is deemed (a) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (b) not to have occurred or (ii) an Event Determination Date is deemed to have occurred prior to a preceding Coupon Payment Date, if any, the Calculation Agent will determine, acting in good faith and a commercially reasonable manner, (A) such adjustment(s) to these Product Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Securityholders as would have prevailed had an Event Determination Date not occurred on such deemed date of occurrence and (B) the

effective date of such adjustment(s), including any reductions to the Redemption Amount necessary to reflect the fact that an Event Determination Date may have occurred prior to a preceding Coupon Payment Date, if any.

### 3.4 Auction Settlement

If an Event Determination Date occurs and "Auction Settlement" is specified in the applicable Issue Terms, and the Securities are being redeemed in accordance with the relevant provisions of Product Condition 5.2, the Settlement Price in respect of a Reference Entity, subject as provided in Product Condition 5.2, will be equal to the Auction Final Price in respect of such Reference Entity, provided that if the relevant Event Determination Date is subsequently deemed not to have occurred in accordance with the definition thereof, the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Event Determination Date had not occurred, subject to such adjustments as the Calculation Agent determines appropriate acting in good faith and a commercially reasonable manner to reflect the retrospective effect of this proviso (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with Product Condition 10 that the relevant Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

If:

- (a) unless settlement has occurred in accordance with the relevant provision of Product Condition 5.2, an Event Determination Date occurs pursuant to sub-paragraph (a) of the definition thereof and on or prior to the Auction Cut-Off Date:
  - (i) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraphs (ii) or (iii) of the definition of No Auction Announcement Date), the Calculation Agent has not exercised the Movement Option);
  - (ii) no No Auction Announcement Date has occurred but the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity;
  - (iii) an Auction Cancellation Date occurs; or
  - (iv) the Calculation Agent determines that it is not reasonably likely that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the "**Calculation Agent No Auction Determination Date**"); or
- (b) an Event Determination Date occurs pursuant to sub-paragraph (b) of the definition thereof and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date,

then, the Issuer shall determine the Settlement Price in accordance with the Cash Settlement provisions set out in Product Condition 3.5.

### 3.5 Cash Settlement

If an Event Determination Date occurs and "Cash Settlement" is specified in the applicable Issue Terms or if the Cash Settlement provisions apply in accordance with Product Condition 3.4, and the Securities are being redeemed in accordance with the relevant provisions of Product Condition 5.2, the Settlement Price in respect of a Reference Entity will be equal to the Final Price in respect of such Reference Entity, provided that if the relevant Event Determination Date is subsequently deemed not to have occurred in accordance with the definition thereof, the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Event Determination Date had not occurred, subject to such adjustments as the Calculation Agent determines appropriate acting in good faith and a commercially reasonable manner to reflect the retrospective effect of this proviso (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall

give notice to the Securityholders in accordance with Product Condition 10 that the relevant Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

### 3.6 **Successors**

#### 3.6.1 *Successors*

A "**Successor**" means, in respect of a Reference Entity and subject to paragraph (c) below:

- (a) the entity or entities, if any, determined as set forth below:
  - (i) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Product Conditions and/or the applicable Issue Terms will be adjusted as provided below;
  - (iv) if one or more entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Product Conditions and/or the applicable Issue Terms will be adjusted as provided below;
  - (v) if one or more entities succeeds, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
  - (vi) if one or more entities succeeds, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and these Product Conditions and/or the applicable Issue Terms will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor.
- (b) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above; provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the



relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor acting in good faith and a commercially reasonable manner on the basis of Eligible Information and as soon as practicable after any such calculation or determination will notify (which notification may be by telephone) the Issuer of such calculation or determination and make such calculation or determination available for inspection by Securityholder(s) at the specified office of the Agent.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

- (c) An entity may only be a Successor if:
  - (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For purposes of this definition of Successor, "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of Successor, "**succeeded**" and "**succession**" shall be construed accordingly.
- (e) In the case of an exchange offer, the determination required pursuant to paragraph (a) above shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.
- (f) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

### 3.6.2 *Adjustment to the conditions following Multiple Successors*

Where more than one Successor has been determined in accordance with this Product Condition 3.6 in respect of a Reference Entity, the Calculation Agent shall adjust such of the Product Conditions and/or the applicable Issue Terms as it acting in good faith and a commercially reasonable manner 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 9.2 if it

adjusts 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 2014 ISDA 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 10, stating the adjustment to the Product Conditions and giving brief details of the relevant event.

### 3.7 **Substitute Reference Obligations**

A "**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee), the Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraph (a) or (c) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (b) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraph (a) or (c) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Valuation Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii)
    - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - (I) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
      - (II) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation;
    - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference

Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

- (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (II) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
  - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation; or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (III) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and/or payment obligations of the Issuer under the Securities, as determined by the Calculation Agent acting in good faith and a commercially reasonable manner. The Calculation Agent will notify (which notification may be by telephone) the Issuer of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.
- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Securities that are Reference Obligation Only Securities.

The Issuer shall give notice to Securityholders in accordance with Product Condition 10 of any determination of a Substitute Reference Obligation as soon as reasonably practicable thereafter.

### 3.8 Method for Determining Valuation Obligations

- (a) For the purposes of sub-paragraph (a) of the definition of Valuation Obligation, the term "Valuation Obligation" may be defined as each obligation of a Reference Entity described by the Valuation Obligation Category as being applicable in the relevant Issue Terms and subject to below, having each of the Valuation Obligation Characteristics, if any, specified as being applicable in the relevant Issue Terms, in each case, as of the Valuation Date.
- (b) If (a) any of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" are specified as being applicable in the relevant Issue Terms, the applicable Issue Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds, (b) the Valuation Obligation Characteristic "Transferable" is specified as being applicable in the relevant Issue Terms, the applicable Issue Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans, or (c) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified as being applicable in the relevant Issue Terms, the relevant Issue Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.
- (c) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in the relevant Issue Terms, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (d) If an Obligation or a Valuation Obligation is a Relevant Guarantee, the following will apply:
  - (i) For purposes of the application of the "Obligation Category" or the "Valuation Obligation Category", the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (ii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the relevant Issue Terms from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (iii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the relevant Issue Terms from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured", and "Not Bearer"; and
  - (iv) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (e) For purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.
- (f) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as being applicable in the relevant Issue Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the

Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Valuation Obligation Characteristic.

- (g) For purposes of determining the applicability of Valuation Obligation Characteristics and the requirements specified in sub-paragraphs (i) and (j) below in respect of a Prior Valuation Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (h) If "Subordinated European Insurance Terms" is specified as being applicable in the relevant Issue Terms, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.
- (i) If, for the purpose of a Reference Entity in respect of which a Restructuring has occurred, "Mod R" is specified as being applicable in the relevant Issue Terms, and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Valuation Obligation and Asset Package Valuation applies due to a Governmental Intervention, the Valuation Obligation may only be an obligation which, as determined by the Calculation Agent (acting in good faith and a commercially reasonable manner), (A) is a Fully Transferable Obligation and (B) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of the Valuation Date.
- (j) If, for the purpose of a Reference Entity in respect of which a Restructuring has occurred, "Mod Mod R" is specified as being applicable in the relevant Issue Terms, and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Valuation Obligation and Asset Package Valuation applies due to a Governmental Intervention, a Valuation Obligation may only be an obligation which, as determined by the Calculation Agent (acting in good faith and a commercially reasonable manner), (A) is a Conditionally Transferable Obligation and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of the Valuation Date. Notwithstanding the foregoing, for purposes of this sub-paragraph (j), in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.
- (k) For the purposes of making a determination pursuant to sub-paragraphs (i) and (j) above, the final maturity date shall, subject to sub-paragraph (j) above, be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.
- (l) In selecting any Valuation Obligations hereunder, the Calculation Agent is under no obligation to the Holders or any other person and, provided that the obligation selected meets the criteria in the definition of "Valuation Obligation", is entitled, and indeed will endeavour, to select obligations with the lowest price of any obligations which meet such criteria, but will not be liable to any person if a lower price is obtained as a result of that selection than would have been obtained if a different selection had been made, or for any other consequence of the relevant selection. In making any selection, the Calculation Agent will not be liable to account to the Holders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

### 3.9 Credit Event Notice after M(M)R Restructuring

- (a) Upon the occurrence of an M(M)R Restructuring with respect to a Reference Entity (other than where, following the associated Event Determination Date, the Remaining Credit Position of such Reference Entity is greater than zero) and subject as provided in the definition of "Credit

Event", no further Event Determination Date, Potential Failure to Pay or Potential Repudiation/Moratorium may occur with respect to such Reference Entity.

- (b) Upon the occurrence of an Event Determination Date relating only to an M(M)R Restructuring with respect to a Reference Entity, the Calculation Agent may deliver multiple Credit Event Notices with respect to a Reference Entity that has been subject to an Event Determination Date relating only to an M(M)R Restructuring, each such Credit Event Notice that relates only to an M(M)R Restructuring specifying the relevant portion (as determined by the Calculation Agent acting in good faith and a commercially reasonable manner) of the Credit Position of the Reference Entity to which such Credit Event Notice applies (the "**Exercise Amount**").
- (c) Where the Credit Event Notice does not specify an Exercise Amount, the entire Credit Position (or, as the case may be, Remaining Credit Position) will be deemed to have been specified as the Exercise Amount.
- (d) Such Reference Entity shall be treated as a separate Defaulted Credit in respect of each relevant Exercise Amount and all provisions related to the calculation of principal and interest payable under the Securities shall be construed accordingly.
- (e) Notwithstanding the provisions of these Product Conditions:
  - (i) where the Securities provide that following the occurrence of an Event Determination Date (and satisfaction of any conditions related thereto) the Redemption Amount shall become due, the Redemption Amount shall not become due following the occurrence of an Event Determination Date relating only to an M(M)R Restructuring except for in respect of any Exercise Amount(s) specified; and
  - (ii) once a Credit Event Notice relating only to an M(M)R Restructuring has been given in respect of a Reference Entity, any determination relating to any change or potential change in the amount(s) or timing(s) of interest and/or principal payable in respect of the Securities, in relation to any Credit Event for which any Exercise Amount has been specified, shall only be in respect of any relevant Exercise Amount(s) specified as of the relevant date of determination, and otherwise shall be in respect of the entire Remaining Credit Position. For any Defaulted Credit in respect of which an Exercise Amount was not specified as of the relevant date of determination of such Defaulted Credit, after any relevant Exercise Amount is specified, the Remaining Credit Position shall be reduced accordingly and the provisions otherwise applicable in respect of such Defaulted Credit shall continue to apply to the extent of any Remaining Credit Position following such reduction,

and, the principal amount of each such Security not so redeemed in part shall remain outstanding and coupon shall accrue on the principal amount outstanding of such Security as provided in Product Condition 4 (adjusted in such manner as the Calculation Agent acting in good faith and a commercially reasonable manner determines to be appropriate) and (ii) the provisions Product Condition 5 shall apply to such principal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring

- (f) As used herein, "Remaining Credit Position" means, in respect of each Reference Entity in respect of which M(M)R Restructuring is specified as being applicable, at any time, the initial Credit Position of such Reference Entity, less the aggregate of all Exercise Amounts (if any) in respect of such Reference Entity. For all the purposes hereof, insofar as the Remaining Credit Position of any Reference Entity in respect of which M(M)R Restructuring is specified as being



applicable is, at any time, greater than zero, such Reference Entity shall be treated as a non-Defaulted Credit.

- (g) If the provisions of this Product Condition 3.9 apply in respect of the Securities, on redemption of part of each such Security, the relevant Global Security, shall be endorsed to reflect such part redemption.

### 3.10 **Timings**

The Calculation Agent will determine the day on which an event occurs for purposes of these Product Conditions on the basis the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

Certain determinations made by the Calculation Agent hereunder relate to the applicability of certain ISDA or ISDA committee determinations, announcements, resolutions or other actions (each an "**ISDA Determination**") to the Securities. Unless otherwise expressly stated herein, any dates and timings hereunder that are determined on the basis of the relevant dates and timings of any applicable ISDA Determination shall not be affected by any delay in the determination by the Calculation Agent that such ISDA Determination is applicable, but shall be determined on the basis of the relevant dates and timings of such applicable ISDA Determination without regard to any such delay. Unless the context otherwise requires, any capitalised term that is used and defined herein that is also defined for purposes of an applicable ISDA Determination shall, where used in connection with such ISDA Determination, have the meaning given to such term for purposes of such ISDA Determination but shall also relate to the corresponding term as defined herein.

### 3.11 **2019 Narrowly Tailored Credit Event Supplement**

In respect of each Reference Entity that is not a Sovereign, unless "NTCE Supplement" is stated to be not applicable in the relevant Issue Terms, from (and including) (A) the Implementation Date (as defined in the ISDA 2019 NTCE Protocol published by ISDA on August 27, 2019 on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto)); or (B) in the case of Securities referencing Reference Entities comprising a third party credit index (whether tranching or untranching) which has an index annex date (or analogous date) that is prior to such Implementation Date, the Trade Date:

- (a) in respect of each such Reference Entity, each of "Fallback Discounting" and "Credit Deterioration Requirement" shall be deemed to be applicable in the related Issue Terms; and
- (b) the Product Conditions shall be amended as follows:
- (i) the definition of Outstanding Principal Balance in Product Condition 1 above shall be deleted and the following substituted therefor:

**"Outstanding Principal Balance"** of an obligation will be calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, subject as provided below, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or

(B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in sub-paragraph (i) less any amounts subtracted in accordance with this sub-paragraph (ii), the "**Non-Contingent Amount**"); and

(iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

(A) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and

(B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of sub-paragraph (B) above, "applicable laws" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

If "Fallback Discounting" is specified as applicable in the related Issue Terms, then notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under sub-paragraph (B) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by the Calculation Agent by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

(A) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and

(B) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the relevant Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee.



Where Cash Settlement is specified to be the Settlement Method (or if the Cash Settlement provisions apply in accordance with Product Condition 3.4), Exclude Accrued Interest shall, unless otherwise specified in the relevant Issue Terms, be applicable."; and

- (ii) the definition of Failure to Pay in Product Condition 1 above shall be deleted and the following substituted therefor:

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If "Credit Deterioration Requirement" is specified as applicable in the related Issue Terms, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity.

If an occurrence that would constitute a Failure to Pay (i) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination."

### 3.12 **Additional Provisions for Senior Non-Preferred Reference Obligations**

In respect of any Reference Entity in respect of which the Transaction Type is "European Senior Non Preferred Financial Corporate" or "Standard European Senior Non Preferred Financial Corporate" the following provisions shall be applicable only in respect of such Reference Entity (and where there is any conflict between this Product Condition 3.12 and any other provisions of these Product Conditions, this Product Condition 3.12 shall apply).

- (a) **"Senior Non-Preferred Credit Position"** means a Credit Position attributable to a Reference Entity in respect of which this Product Condition 3.12 is specified as applicable. A Senior Non-Preferred Transaction shall constitute a Subordinated Credit Position for the purposes of such definition.
- (b) **"Senior Non-Preferred Obligation"** means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed. A Senior Non-Preferred Obligation shall constitute a Subordinated Obligation for the purposes of such definition.
- (c) **"Traditional Subordinated Obligation"** means (a) Tier 2 Subordinated Obligations of the Reference Entity; (b) any obligations of the Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the Reference Entity; and (c) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (a) and (b) above shall each (without limitation) constitute a "Traditional Subordinated Obligation" in respect of a Senior Non Preferred Obligation. A Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation for the purposes of such definition.
- (d) **"Tier 2 Subordinated Obligation"** means any obligation of the Reference Entity which meets the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the

"CRR") or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

(e) "**Subordination**" shall have the meaning ascribed to that term in Product Condition 1 above and such term shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction.

(f) The definition of "**Reference Obligation**" in Product Condition 1 above is hereby amended by adding the following proviso to the end of paragraph (a)(i) of such definition immediately following the words "if any":

"Provided That, irrespective of any Original Non-Standard Reference Obligation specified in the Issue Terms, if (1) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (2) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation".

(g) "**Seniority Level**" means Senior Non-Preferred Level.

### 3.13 Amendments in accordance with Market Convention

The Calculation Agent may from time to time amend any provision of these Product Conditions and the applicable Issue Terms in any manner which the Calculation Agent determines acting in good faith and in a commercially reasonable manner is necessary or desirable from the perspective of the Issuer, the Calculation Agent or any Affiliate of the Issuer hedging the Issuer's obligations in respect of the Securities (i) to incorporate and/or reflect (x) further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions and/or (y) the operation or application of determinations by the Credit Derivatives Determinations Committees and/or (ii) to reflect or account for market practice for credit derivative transactions. Any amendment made in accordance with this Product Condition 3.13 shall be notified to Securityholders in accordance with Product Condition 10.

### 3.14 Physical Settlement Matrix

The follow amendments shall be made to the Credit Derivatives Physical Settlement Matrix.

Provision	Applicable / Not Applicable	Amendments to Credit Derivatives Physical Settlement Matrix
Business Days	Not Applicable	Not Applicable
Calculation Agent City	Not Applicable	Not Applicable
All Guarantees	Applicable	None
Credit Events	Applicable	References to "Floating Rate Payer Calculation Amount" shall be deemed to be references to "Nominal Amount".
Obligation Category	Applicable	None
Obligation Characteristics	Applicable	None
Settlement Method	Not Applicable	Not Applicable

Fallback Settlement Method	Not Applicable	Not Applicable
Deliverable Obligation Category	Applicable	None
Deliverable Obligation Characteristics	Applicable	None
Financial Reference Entity Terms	Applicable	None
Subordinated European Insurance Terms	Applicable	None
60 Business Day Cap on Settlement	Not Applicable	Not Applicable
Additional Provisions for Certain Venezuelan Entities: Excluded Obligations and Excluded Deliverable Obligations (September 19, 2017)	Not Applicable	Not Applicable
Secured Deliverable Obligation Characteristic Additional Provisions	Not Applicable	Not Applicable
Additional Provisions for Reference Entities with Delivery Restrictions (February 1, 2007)	Not Applicable	Not Applicable
Additional Provisions for STMicroelectronics NV (December 6, 2007)	Not Applicable	Not Applicable
Fixed Recovery CDS Additional Provisions	Not Applicable	Not Applicable
Recovery Lock Additional Provisions	Not Applicable	Not Applicable
2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions (March 5, 2012)	Not Applicable	Not Applicable
Additional Provisions for the Hellenic Republic (May 29, 2012)	Not Applicable	Not Applicable
Additional Provisions for Senior Non-Preferred Reference Obligations (published on December 8, 2017)	Not Applicable	Not Applicable
2019 NTCE Supplement to the 2014 ISDA Definitions (July 15, 2019)	Applicable	References to "2019 NTCE Supplement to the 2014 ISDA Definitions (July 15, 2019)" shall be deemed to be references to "Product Condition 3.11 -

		2019 Narrowly Tailored Credit Event Supplement ".
Earliest Exercise Time	Not Applicable	Not Applicable
Expiration Time	Not Applicable	Not Applicable
Fixed Rate Payer Payment Dates frequency	Not Applicable	Not Applicable

#### 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 an Event Determination Date has occurred 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 this Product Condition 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; and
- (c) the Day Count Fraction for such Coupon Period (if any),

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 – Basket Securities*

If the Securities are Basket Securities which are not Non Credit Linked Coupon Securities, this Product Condition 4.1.2 shall apply.

Unless an Event Determination Date has occurred 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 this Product Condition 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 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; and
- (c) the Day Count Fraction for such Coupon Period (if any),

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 *Non Credit Linked Coupon Securities*

If the Securities are Non Credit Linked Coupon Securities, this Product Condition 4.1.3 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 this Product Condition 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; and
- (c) the Day Count Fraction for such Coupon Period (if any),

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 *Fixed/Floating Switch Option*

If the Securities are Fixed/Floating Switch Option Securities, this Product Condition 4.1.4 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 10, 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, or if a Fixed/Floating Switch Option Date is specified in the relevant Issue Terms, the Coupon Rate in respect of each Coupon Period commencing on or after such date specified shall automatically (without any notice from the Issuer) be the Reference Rate for such Coupon Period plus any Margin.

#### 4.1.5 *Floating/Fixed Switch Option*

If the Securities are Floating/Fixed Switch Option Securities, this Product Condition 4.1.5 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 10, 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 Floating to Fixed Rate 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, or if a Floating/Fixed Switch Option Date is specified in the relevant Issue Terms, the Coupon Rate in respect of each Coupon Period commencing on or after such date specified shall automatically (without any notice from the Issuer) be the Floating to Fixed Rate.

#### 4.1.6 *Minimum Coupon Rate and Maximum Coupon Rate*

Where the relevant Issue 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 4.1 is less than the Minimum Coupon Rate, the Coupon Rate for such Coupon Period shall be such Minimum Coupon Rate.

Where the relevant Issue 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 4.1 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 occurrence of an Event Determination Date**

##### 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 or 5.4, as applicable:

- (a) where the Securities are not Credit Event Accrued Coupon 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 Event Determination Date, and for the avoidance of doubt, if an Event Determination Date occurs 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 Coupon Securities, an amount equal to the additional Coupon Amount that would have accrued (had no Event Determination Date occurred) between the Coupon Payment Date immediately prior to the Event Determination Date and the Event Determination Date shall be payable on the Maturity Date. Aside from the foregoing, no further Coupon Amount shall (to the extent not already paid) be payable in respect of the Securities.

##### 4.2.2 *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 4.2.2 shall apply.

In the event that the Securities are partially redeemed in part pursuant to Product Condition 5.2, 5.3 or 5.4, as applicable, following the occurrence of an Event Determination Date with respect to a Reference Entity:

- (a) where the Securities are not Credit Event Accrued Coupon Securities, no Coupon Amount will be payable under the Securities in respect of the Reference Entity Nominal Amount attributable to the relevant Reference Entity in respect of which the relevant Coupon Payment Date has not occurred on or prior to the related Event Determination Date, and for the avoidance of doubt, if the related Event Determination Date occurs prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of such Reference Entity and the related Reference Entity Nominal Amount under the Securities; and
- (b) where the Securities are Credit Event Accrued Coupon Securities, an amount equal to the additional Coupon Amount that would have accrued on the Reference Entity Nominal Amount attributable to the relevant Reference Entity (had no related Event Determination Date occurred) between the Coupon Payment Date immediately prior to the related Event Determination Date and the related Event Determination Date, shall be payable on the related Partial Redemption Date. Aside from the foregoing, no further Coupon Amount shall be payable in respect of the relevant Reference Entity and the related Reference Entity Nominal Amount under the Securities.

#### 4.2.3 *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 4.2.3 shall apply.

In the event that an Event Determination Date occurs with respect to a Reference Entity where:

- (a) the Securities are not Credit Event Accrued Coupon Securities, no Coupon Amount will be payable in respect of the Reference Entity Nominal Amount attributable to the relevant Reference Entity in respect of which the relevant Coupon Payment Date has not occurred on or prior to the related Event Determination Date, and for the avoidance of doubt, if the related Event Determination Date occurs prior to the first Coupon Payment Date, no Coupon Amount will be payable in respect of such Reference Entity and the related Reference Entity Nominal Amount under Securities; and
- (b) the Securities are Credit Event Accrued Coupon Securities, an amount equal to the additional Coupon Amount that would have accrued on the Reference Entity Nominal Amount attributable to the relevant Reference Entity (had no related Event Determination Date occurred) between the Coupon Payment Date immediately prior to the last Event Determination Date and the related Event Determination Date (as applicable) shall be payable on the following Coupon Payment Date or if none the Maturity Date (as applicable). Aside from the foregoing, no further Coupon Amount shall be payable in respect of the relevant Reference Entity and the related Reference Entity Nominal Amount under the Securities.

#### 4.2.4 *Non Credit Linked Coupon Securities*

If the Securities are Non Credit Linked Coupon Securities, this Product Condition 4.2.4 shall apply.

In the event that the Securities are redeemed in full pursuant to Product Condition 5.2, 5.3, 5.4 or 5.5, as applicable, following the occurrence of an Event Determination Date with respect to the Reference Entity or all of the Reference Entities, as the case may be, the final Coupon Amount will be payable in respect of the Securities on the date on which the Securities are redeemed in full pursuant to Product Condition 5.2, 5.3 or 5.4, 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, in the determination of the Calculation Agent, on the last day of a Coupon Period (other than the Final Coupon Period) a Potential Credit Event has occurred but an Event Determination Date has not occurred with respect to the Reference Entity, 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 an Event Determination Date has not occurred.

If an Event Determination Date has not occurred 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:

- (a) on the Coupon Payment Date for that next Coupon Period; or
- (b) if a notice has been delivered to ISDA in accordance with the DC 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 but 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 – Basket Securities*

If the Securities are Basket Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.3.2 shall apply.

If, in the determination of the Calculation Agent, on the last day of a Coupon Period (other than the Final Coupon Period) a Potential Credit Event has occurred in respect of a Reference Entity but an Event Determination Date has not occurred with respect to such Reference Entity, 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 (or, there is more than one such Reference Entity, each such Reference Entity), notwithstanding that an Event Determination Date has not occurred with respect thereto.

If an Event Determination Date has not occurred 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:

- (a) on the Coupon Payment Date for that next Coupon Period; or
- (b) if a notice has been delivered to ISDA in accordance with the DC 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 but 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.

#### 4.4 **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 redemption of the Securities is postponed in accordance with Product Condition 5.5, 5.6 or 5.7, 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 an Event Determination Date has not occurred.

If an Event Determination Date has not subsequently occurred 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 or relevant date of redemption, as applicable, and determined in accordance with Product Condition 5.5(c)(ii), 5.6(c)(ii) or 5.7(c)(ii), as applicable.

##### 4.4.2 *Postponement of final Coupon Amount - Basket Securities*

If the Securities are Basket Securities and are not Non Credit Linked Coupon Securities, this Product Condition 4.4.2 shall apply.

If the redemption of the Securities is postponed in accordance with Product Condition 5.5, 5.6 or 5.7, 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 Credit Event has occurred thereunder, notwithstanding that an Event Determination Date has not occurred with respect thereto.

If an Event Determination Date has not subsequently occurred with respect to any such Reference Entity 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 in respect of the relevant Reference Entity Nominal Amount for the Final Coupon Period shall be payable on the Postponed Maturity Date or relevant date of



redemption, as applicable, and determined in accordance with Product Condition 5.5(c)(ii), 5.6(c)(ii) or 5.7(c)(ii), 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 4.1.4 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](http://www.xmarkets.de). The Issuer shall also notify Securityholders in accordance with Product Condition 10.

#### **4.7 Coupon Amount payable following exercise of Issuer early redemption option**

In the event that the Securities are redeemed pursuant to Product Condition 5.9, the final Coupon Amount payable in respect of each Security will be calculated as provided in the relevant 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 an Event Determination Date has occurred 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 5.10, the final Coupon Amount payable in respect of each Security will be calculated as provided in the relevant 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 an Event Determination Date has occurred 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 5.11, the final Coupon Amount payable in respect of each Security will be calculated as provided in the relevant 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 an Event Determination Date has occurred 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 (before as well as after 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 Fiscal Agent and notice to that effect has been given to the Securityholders in accordance with Product Condition 10. 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 4.1.4 or Floating/Fixed Switch Option Securities in respect of which the Issuer has not given notice in accordance with Product Condition 4.1.5, 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.

#### 4.11 **ISDA Rate**

If "ISDA Rate" is specified to be applicable in the applicable Issue Terms, the "**ISDA Rate**" for a Coupon Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as "Calculation Agent" for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by ISDA and as amended and updated as at the Issue Date of the Securities (the "**ISDA Definitions**") and under which:

- (a) the Floating Rate Option is as specified in the applicable Issue Terms;
- (b) the Designated Maturity is as specified in the applicable Issue Terms; and
- (c) the relevant Reset Date is as specified in the applicable Issue Terms.

For the purposes of this Product Condition 4.11, "Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

#### 4.12 **Rate Replacement**

If the Issuer determines that a Rate Replacement Event has occurred in respect of a Specified Floating Rate on or prior to a Coupon Determination Date (the "**Relevant Coupon Determination Date**"), the Relevant Determining Party shall, provided that it confirms the occurrence of such Rate Replacement Event to the Issuer (where the Relevant Determining Party is not the Issuer), determine in its reasonable discretion (i) a Replacement Rate for the relevant Specified Floating Rate and (ii) Replacement Rate Adjustments and promptly inform the Issuer and the Calculation Agent (in each case if not the Relevant Determining Party) of its determinations.

The Replacement Rate (if any) so determined, subject to the application of the Adjustment Spread as set out herein, shall replace the relevant Specified Floating Rate and these Conditions shall be furthermore modified by the Replacement Rate Adjustments so determined for the purposes of determining the Coupon Rate in each case for the Coupon Period related to the Coupon Determination Date falling on or, if none, immediately following the Replacement Rate Determination Date and each Coupon Period thereafter (subject to the subsequent occurrence of a Rate Replacement Event in respect of the Replacement Rate). The Issuer shall give notice to the Securityholders in accordance with Product Condition 10 of the Replacement Rate and the Replacement Rate Adjustments as soon as practicable after the Replacement Rate Determination Date.

If a Replacement Rate, any necessary Adjustment Spread and all other relevant Replacement Rate Adjustments are not determined in accordance with the foregoing, the Issuer may, on giving at least 15 Business Days' notice to the Securityholders in accordance with Product Condition 10 up until (but excluding) the Coupon Determination Date immediately following the Relevant Coupon Determination Date, redeem all but not some only of the Securities at the Rate Replacement Early Redemption Amount together with coupon accrued to (but excluding) the date of redemption. If the Securities are not redeemed

in accordance with the foregoing, the provisions of this Product Condition 4.12 shall apply again in respect of such immediately following Coupon Determination Date.

#### 4.13 **€STR Fallbacks**

If €STR is the relevant Reference Rate specified in the applicable Issue Terms and, in respect of any relevant TARGET2 Business Day, the  $\text{€STR}_{i\text{-pTBD}}$  is not available on the €STR Screen Page (and has not otherwise been published), then the  $\text{€STR}_{i\text{-pTBD}}$  in respect of such TARGET2 Business Day shall be determined as follows:

- (a) if no €STR Index Cessation Event has occurred, the  $\text{€STR}_{i\text{-pTBD}}$  for such TARGET2 Business Day shall be the €STR published on the €STR Screen Page on the last TARGET2 Business Day prior to the relevant TARGET2 Business Day; or
- (b) if both a €STR Index Cessation Event and a €STR Index Cessation Effective Date have occurred, the rate (to be used to calculate the Coupon Rate) for each day in any Observation Period occurring on or after the €STR Index Cessation Effective Date will be determined as if references to  $\text{€STR}_{i\text{-pTBD}}$  were references to the ECB Recommended Rate $_{i\text{-pTBD}}$ .

If:

- (a) no such rate (to be used to calculate the Coupon Rate) is recommended before the end of the first TARGET2 Business Day following the day on which the €STR Index Cessation Event occurs, then the rate for each day in any Observation Period occurring on or after the €STR Index Cessation Effective Date will be determined as if references to  $\text{€STR}_{i\text{-pTBD}}$  were references to Modified EDFR ( $\text{€STR}$ ) $_{i\text{-pTBD}}$ ; or
- (b) an ECB Recommended Rate Index Cessation Event subsequently occurs, then the rate (to be used to calculate the Coupon Rate) for each day in any Observation Period occurring on or after the ECB Recommended Rate Index Cessation Effective Date will be determined as if references to  $\text{€STR}_{i\text{-pTBD}}$  were references to Modified EDFR ( $\text{€STR}$ ) $_{i\text{-pTBD}}$ .

In the event that the relevant Reference Rate and therefore the Coupon Rate cannot otherwise be determined in accordance with the provisions herein in relation to any Coupon Period, the Coupon Rate in respect of such Coupon Period will be (i) the Compounded Daily €STR last determined in relation to the Securities in respect of the last preceding Coupon Period plus the Margin or (ii) if there is no such preceding Coupon Period, the Compounded Daily €STR which would have been applicable to the Securities for the first scheduled Coupon Period had the Securities been in issue for a period equal in duration to the first scheduled Coupon Period but ending on (and excluding) the Coupon Commencement Date plus the Margin.

#### 4.14 **SOFR Fallbacks**

##### 4.14.1 *SOFR Fallbacks*

If SOFR is the relevant Reference Rate specified in the applicable Issue Terms and, in respect of any U.S. Government Securities Business Day is not published on the SOFR Screen Page (and has not otherwise been published):

- (a) unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then SOFR shall be the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Screen Page; or
- (b) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then SOFR shall be the first alternative set forth in the order below that can be determined by the Issuer:
  - (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment; or

- (ii) the sum of: (a) the SOFR ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment.

For the purposes of this Product Condition 4.14.1 and related definitions, "**SOFR Benchmark**" means the Secured Overnight Financing Rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable Benchmark Replacement.

#### 4.14.2 *SOFR ISDA Fallback Rate Determination*

If SOFR shall be determined pursuant to this Product Condition 4.14.2 then SOFR shall be:

- (a) if a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have not both occurred (all as notified to the Calculation Agent by the Issuer), the daily secured overnight financing rate of the last U.S. Government Securities Business Day on which such rate was published on the SOFR Screen Page (the Issuer shall notify the Securityholders in accordance with Product Condition 10 of the application of such rate); or
- (b) if a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have both occurred (all as notified to the Calculation Agent and to the Securityholders (in case of a notification to the Securityholders in accordance with Product Condition 10) by the Issuer), then the Calculation Agent shall calculate SOFR from (and including) the first U.S. Government Securities Business Day within the relevant Observation Period on which SOFR is no longer available as if references to SOFR were references to the rate (the "**SOFR Successor Rate**") that was notified to the Calculation Agent and to the Securityholders (in case of a notification to the Securityholders in accordance with Product Condition 10) by the Issuer as being the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board or, failing which, the Federal Reserve Bank of New York or, failing which, a committee officially endorsed or convened by the Federal Reserve Board or, failing which, the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or, failing which, any other designated administrator (together, the "**SOFR Successor Administrator**"), and which rate may include any adjustments or spreads, which the SOFR Successor Administrator determines are required to be applied to the SOFR Successor Rate to reduce or eliminate any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the Secured Overnight Financing Rate with the SOFR Successor Rate (all as notified to the Calculation Agent and to the Securityholders (in case of a notification to the Securityholders in accordance with Product Condition 10) by the Issuer)).

If:

- (a) no such SOFR Successor Rate has been recommended prior to or on the SOFR Index Cessation Effective Date (as notified by the Issuer to the Calculation Agent), then the Calculation Agent shall calculate the Secured Overnight Financing Rate from (and including) the first U.S. Government Securities Business Day within the relevant Observation Period on which SOFR is no longer available as if (i) references to the Secured Overnight Financing Rate or SOFR were references to OBFR, (ii) references to U.S. Government Securities Business Days were references to New York City Banking Days, (iii) references to a SOFR Index Cessation Event were references to an OBFR Index Cessation Event, (iv) references to the SOFR Successor Administrator were references to the OBFR Successor Administrator, (v) references to the SOFR Successor Rate were references to an OBFR successor rate, and (vi) references to the SOFR Index Cessation Effective Date were references to the OBFR Index Cessation Effective Date (the Issuer shall notify the Securityholders in accordance with Product Condition 10 of the application of OBFR); or
- (b) no such SOFR Successor Rate has been recommended prior to or on the SOFR Index Cessation Effective Date and an OBFR Index Cessation Event has occurred (all as notified to the Calculation Agent and to the Securityholders (in case of a notification to the Securityholders in accordance with Product Condition 10) by the Issuer), then the Calculation Agent shall calculate the Secured Overnight Financing Rate from (and including) the first the first U.S. Government Securities Business Day within the relevant Observation Period on which SOFR is no longer

available as if (i) references to the Secured Overnight Financing Rate or SOFR were references to the FOMC Target Rate, (ii) references to U.S. Government Securities Business Days were references to New York City Banking Days, and (iii) references to the Website of the Federal Reserve Bank of New York were references to the Website of the Federal Reserve (the Issuer shall notify the Securityholders in accordance with Product Condition 10 of the application of the FOMC Target Rate).

In the event that the Coupon Rate cannot otherwise be determined in accordance with the provisions herein in relation to any Coupon Period, the Coupon Rate in respect of such Coupon Period will be (i) calculated by the Calculation Agent for the Coupon Period in which the SOFR Index Cessation Effective Date as well as the OBFR Index Cessation Event have occurred and no FOMC Target Rate is available (the "**Cessation Coupon Period**"), by applying the daily secured overnight financing rate of the last U.S. Government Securities Business Day in such Cessation Coupon Period on which such rate was published on the Website of the Federal Reserve Bank of New York (all as notified to the Calculation Agent and to the Securityholders (in case of a notification to the Securityholders in accordance with Product Condition 10) by the Issuer), to each subsequent U.S. Government Securities Business Day for which neither SOFR nor OBFR nor the FOMC Target Rate are available plus the Margin, (ii) for any Coupon Period following the Cessation Coupon Period, the Coupon Rate determined on the Coupon Determination Date relating to the Cessation Coupon Period or (ii) if there is no such Cessation Coupon Period, the Coupon Rate which would have been applicable to the Securities for the first scheduled Coupon Period had the Securities been in issue for a period equal in duration to the first scheduled Coupon Period but ending on (and excluding) the Coupon Commencement Date.

#### 4.15 **SONIA Fallbacks**

If SONIA is the relevant Reference Rate specified in the applicable Issue Terms and, in respect of any relevant London Business Day, the SONIA rate is not available on the SONIA Screen Page (and has not otherwise been published by the relevant authorised distributors), then the SONIA Reference Rate in respect of such London Business Day shall be:

- (a)
  - (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Business Day; *plus*
  - (ii) the arithmetic mean of the spread of the SONIA Reference Rate to the Bank Rate over the SONIA Fallback Period for such London Business Day, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- (b) if such Bank Rate is not available, the most recent SONIA Reference Rate in respect of a London Business Day. In the event that the Coupon Rate cannot otherwise be determined in accordance with the provisions herein in relation to any Coupon Period, the Coupon Rate in respect of such Coupon Period will be (i) that determined in respect of the last preceding Coupon Period or (ii) if there is no such preceding Coupon Period, the initial Coupon Rate which would have been applicable to the Securities for the first Coupon Period had the Securities been in issue for a period equal in duration to the first scheduled Coupon Period but ending on (and excluding) the Coupon Commencement Date.

### 5. **Redemption**

#### 5.1 **Final Redemption**

##### 5.1.1 *Final Redemption – 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 and unless otherwise specified in the applicable Issue Terms, "**Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to the Nominal Amount.

#### 5.1.2 *Final Redemption – Basket Securities*

If the Securities are Basket 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 set out 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 and unless otherwise specified in the applicable Issue Terms, "**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.

### 5.2 **Redemption on the occurrence of an Event Determination Date**

#### 5.2.1 *Redemption on the occurrence of an Event Determination Date – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities and neither Final Redemption Capital Protected Securities nor Loss at Final Redemption Securities and unless otherwise specified in the applicable Issue Terms, this Product Condition 5.2.1 shall apply.

If an Event Determination Date has occurred in respect of the Reference Entity then:

- (a) 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 by the Issuer at the Redemption Amount on the Credit Event Redemption Date; or
- (b) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Issuer shall cancel forthwith the Security on the Event Determination Date 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 the amount specified as such in the applicable Issue Terms or if no such amount is specified in the applicable Issue Terms, an amount (which may never be less than zero) calculated by the Calculation Agent equal to the product of the Nominal Amount and the Settlement Price in respect of the Reference Entity.

If an Event Determination Date has occurred and the Securities become redeemable in accordance with this Product Condition 5.2.1, upon payment of the Redemption Amount pursuant to (a) above or (where the Securities are Zero Recovery Principal Amount Reduction Securities) on cancellation pursuant to (b) 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 the occurrence of an Event Determination Date – Basket Securities*

If the Securities are Basket Securities, and neither Final Redemption Capital Protected Securities nor Loss at Final Redemption Securities and unless otherwise specified in the applicable Issue Terms, this Product Condition 5.2.2 shall apply.

Subject as provided in Product Condition 5.8.2, if an Event Determination Date has occurred with respect to a Reference Entity (or, if an Event Determination Date occurs in respect of more than one Reference Entity, each time an Event Determination Date occurs) 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 then:

- (a) where the Securities are not Zero Recovery Principal Amount Reduction Securities, the Securities will be partially redeemed in respect of a portion of the Outstanding Nominal Amount

of such Security equal to the Reference Entity Nominal Amount for such Reference Entity by payment of the relevant Partial Redemption Amount on the relevant Partial Redemption Date; or

- (b) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Securities will be partially cancelled on the relevant Event Determination Date in respect of a portion of the Outstanding 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 Partial Redemption Amount pursuant to (a) above, or (where the Securities are Zero Recovery Principal Amount Reduction Securities) on partial cancellation pursuant to (b) above, the Outstanding Nominal Amount of each Security shall be automatically reduced by an amount equal to the relevant Reference Entity Nominal Amount.

Where:

**"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 occurrence of the Event Determination Date; and

**"Partial Redemption Amount"** means the amount specified as such in the applicable Issue Terms or if no such amount is specified in the applicable Issue Terms, an amount (which may never be less than zero) calculated by the Calculation Agent equal to the product of the Reference Entity Nominal Amount and the Settlement Price, in respect of the Reference Entity in respect of which an Event Determination Date has occurred.

In the event that an Event Determination Date has occurred with respect to all of the Reference Entities, on payment of the last relevant Partial Redemption Amount in respect thereof, such Partial Redemption Amount shall be the final Redemption Amount in respect of the Securities and 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 Final Redemption Capital Protected Securities**

Notwithstanding Product Condition 5.2 above, where the Securities are Final Redemption Capital Protected Securities, this Product Condition 5.3 shall apply.

If an Event Determination Date has occurred, 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 the amount specified as such in the applicable Issue Terms or, if no such amount is specified in the applicable Issue Terms an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) for Single Reference Entity Securities, (i) the product of (A) the Nominal Amount and (B) the Capital Protection Percentage; and
- (b) in the case of Basket Securities, the sum for all Reference Entities of:
  - (i) if an Event Determination Date has occurred 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 an Event Determination Date has not occurred with respect to a Reference Entity, the Reference Entity Nominal Amount in respect of such Reference Entity.

If an Event Determination Date has occurred 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. or greater, 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 Final Redemption Securities**

Notwithstanding Product Condition 5.2 above, where the Securities are Loss at Final Redemption Securities, this Product Condition 5.4 shall apply.

If an Event Determination Date has occurred 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, or, if later, the Credit Event Redemption Date.

For the purposes of this Product Condition 5.4, "**Redemption Amount**" means the amount specified as such in the applicable Issue Terms or, if no such amount is specified in the applicable Issue Terms 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 which are not Zero Recovery Principal Amount Reduction Securities, the product of (i) the Nominal Amount and (ii) the Settlement Price in respect of the Reference Entity;
- (b) in the case of Single Reference Entity Securities which are Zero Recovery Principal Amount Reduction Securities, zero; 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 an Event Determination Date has occurred 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 an Event Determination Date has occurred with respect to a Reference Entity, zero; and
  - (iii) if an Event Determination Date has not occurred with respect to a Reference Entity, the Reference Entity Nominal Amount in respect of such Reference Entity.

#### 5.5 **Postponement of redemption of the Securities – Maturity Date Extension**

Subject as provided in Product Condition 5.8, if:

- (a) on (A) the Scheduled Maturity Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, or (C) the Grace Period Extension Date, as the case may be, an Event Determination Date has not occurred but, in the good faith opinion of the Calculation Agent, a Credit Event may have occurred; or
- (b) on the Scheduled Maturity Date, in the good faith opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Securityholders in accordance with Product Condition 10 that redemption of the Securities has been postponed to the Postponed Maturity Date and where:

- (c) in the case of (a), an Event Determination Date has not occurred on or prior to the Maturity Cut-Off Date, or, in the case of (b), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Maturity Cut-Off Date:
  - (i) each Security will be redeemed:
    - (A) in respect of Securities that are Single Reference Entity Securities, by the Issuer by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the Postponed Maturity Date; and



- (B) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2; and
- (ii) in the case of Coupon Amount bearing Securities, the Issuer shall be obliged to pay:
  - (A) if "Extension Period Interest" is specified as applicable in the applicable Issue Terms, (1) interest calculated as provided herein accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date and (2) an additional amount of interest in respect of each Security for each day during the period commencing on (and including) the Scheduled Maturity Date, or, if later and if applicable, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and ending on (but excluding) the Postponed Maturity Date and determined by applying an overnight deposit rate determined by the Calculation Agent acting in good faith and a commercially reasonable manner from such source(s) as it may select for such day to the Coupon Calculation Amount, but shall only be obliged to make such payments of Coupon Amount or interest on the Postponed Maturity Date and no further or other amount in respect of Coupon Amount and interest or such delay shall be payable; or
  - (B) if "Extension Period Interest" is not specified as applicable in the applicable Issue Terms, interest calculated as provided herein accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date, but shall only be obliged to make such payments of interest on the Postponed Maturity Date or, as the case may be, on the last occurring Partial Redemption Date and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (d) where:
  - (i) in the case of paragraph (a) above an Event Determination Date has occurred on or prior to the Maturity Cut-Off Date, the Securities will be redeemed:
    - (A) in respect of Securities that are Single Reference Entity Securities, in accordance with the applicable provisions of Product Condition 5.2.1 (or, in the case of Final Redemption Capital Protected Securities, Product Condition 5.3, or, in the case of Loss at Final Redemption Securities, Product Condition 5.4) and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; and
    - (B) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2; or
  - (ii) in the case of paragraph (b) above the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Maturity Cut-Off Date, the provisions of Product Condition 5.7 shall apply to the Securities.

## 5.6 Postponement of redemption of the Securities – Grace Period Extension

Subject as provided in Product Condition 5.8, if "Grace Period Extension" is specified as applicable in respect of a Reference Entity in the relevant Issue Terms, the provisions of this Product Condition 5.6 shall apply:

Where an Event Determination Date has not occurred on or prior to the Credit Period End Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace

Period is applicable on or prior to Credit Period End Date (and such Grace Period(s) is/are continuing as at the Credit Period End), then:

- (a) where (I) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or (II) a Failure to Pay has occurred on or prior to the Grace Period Extension Date but an Event Determination Date has not occurred:
  - (i) each Security will be redeemed:
    - (A) in respect of Securities that are Single Reference Entity Securities, by the Issuer by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the later of (i) the second Business Day following the Grace Period Extension Date; and (ii) the Scheduled Maturity Date; and
    - (B) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2; and
  - (ii) in the case of Coupon Amount bearing Securities, the Issuer shall be obliged to pay:
    - (A) if "Extension Period Interest" is specified as applicable in the applicable Issue Terms, (1) Coupon Amount calculated as provided herein, accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date and (2) an additional amount of interest (if any) in respect of each Security for each day during the period commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the later of (i) the second Business Day following the Grace Period Extension Date, and (ii) the Scheduled Maturity Date, and determined by applying an overnight deposit rate determined by the Coupon Calculation Agent acting in good faith and a commercially reasonable manner from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of Coupon Amount and interest on such later date and no further or other amount in respect of Coupon Amount or interest or such delay shall be payable; or
    - (B) if "Extension Period Interest" is not specified as applicable in the applicable Issue Terms, Coupon Amount calculated as provided herein, accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date, but shall only be obliged to make such payments of Coupon Amount on the later of (i) the second Business Day following the Grace Period Extension Date or (ii) the Scheduled Maturity Date or, as the case may be, on the last occurring Partial Redemption Date and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and an Event Determination Date has occurred, the Securities will be redeemed:
  - (i) in respect of Securities that are Single Reference Entity Securities, in accordance with Product Condition 5.2.1 (or, in the case of Final Redemption Capital Protected Securities, Product Condition 5.3, or, in the case of Loss at Final Redemption Securities, Product Condition 5.4, and, in each case, for such purposes the Maturity Date shall be the Grace Period Extension Date) and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; and
  - (ii) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2.

## 5.7 Postponement of redemption of the Securities – Repudiation/Moratorium Extension

Subject as provided in Product Condition 5.8, where "Repudiation/Moratorium" is applicable in respect of a Reference Entity, the provisions of this Product Condition 5.7 shall apply.

Where an Event Determination Date has not occurred on or prior to the Credit Period End Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Credit Period End Date or, if Product Condition 5.5(b) applies, the Maturity Cut-Off Date and the Repudiation/Moratorium Evaluation Date in respect of the Potential Repudiation Moratorium will in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date or the Maturity Cut-Off Date, as applicable, then the Calculation Agent shall notify the Securityholders in accordance with Product Condition 10 that a Potential Repudiation/Moratorium has occurred and:

- (a) where (I) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or (II) a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but an Event Determination Date has not occurred:
  - (i) each Security will be redeemed:
    - (A) in respect of Securities that are Single Reference Entity Securities, by the Issuer by payment of the Redemption Amount determined in accordance with Product Condition 5.1 on the later of (i) the Scheduled Maturity Date, and (ii) the second Business Day following (x) the Repudiation/Moratorium Evaluation Date or, if later, (y) the Maturity Cut-Off Date; and
    - (B) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2; and
  - (ii) in the case of Coupon Amount bearing Securities, the Issuer shall be obliged to pay:
    - (A) if "Extension Period Interest" is specified as applicable in the applicable Issue Terms, (1) Coupon Amount calculated as provided herein, accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date and (2) an additional amount of interest (if any) in respect of each Security for each day during the period commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the later of (i) the Scheduled Maturity Date and (ii) the second Business Day following the Repudiation/Moratorium Evaluation Date or, as the case may be, Maturity Cut-Off Date and determined by applying an overnight deposit rate determined by the Calculation Agent acting in good faith and a commercially reasonable manner from such source(s) as it may select for such day to the Coupon Calculation Amount, but shall only be obliged to make such payments of Coupon Amount and interest on such later date and no further or other amount in respect of Coupon Amount or interest or such delay shall be payable; or
    - (B) if "Extension Period Interest" is not specified as applicable in the applicable Issue Terms, Coupon Amount calculated as provided herein, accruing from (and including) the first day of the Coupon Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date, but shall only be obliged to make such payments of Coupon Amount on the later of (i) the Scheduled Maturity Date and (ii) the second Business Day following the Repudiation/Moratorium Evaluation Date or, as the case may be, Maturity Cut-Off Date or, as the case may be, on the last occurring Partial Redemption Date and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and an Event Determination Date has occurred, the Securities will be redeemed:

- (i) in respect of Securities that are Single Reference Entity Securities, in accordance with Product Condition 5.2.1 (or, in the case of Final Redemption Capital Protected Securities, Product Condition 5.3, or, in the case of Loss at Final Redemption Securities, Product Condition 5.4 and, in each case, for such purposes the Maturity Date shall be the Repudiation/Moratorium Evaluation Date) and no further or other amount in respect of Coupon Amount or interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) in respect of Securities that are Basket Securities, in accordance with Product Condition 5.8.2.

**5.8 Postponement of redemption of the Securities – additional provisions applicable to each form of Securities**

**5.8.1 *Single Reference Entity Securities***

If the Securities are Single Reference Entity Securities, this Product Condition 5.8.1 shall apply.

If the redemption of the Securities has been postponed in accordance with Product Condition 5.5, 5.6 and/or 5.7, any Event Determination Date in respect of the relevant Reference Entity that occurs after the Credit Period End Date must relate to the Credit Event(s) in respect of which such postponement occurred.

**5.8.2 *Basket Securities***

If the Securities are Basket Securities, this Product Condition 5.8.2 shall apply.

If the redemption of the Securities has been postponed in accordance with Product Condition 5.5, 5.6 and/or 5.7, any Event Determination Date in respect of a Reference Entity that occurs after the Credit Period End Date must relate to a Reference Entity and the Credit Event(s) in respect of which such postponement occurred.

If:

- (a) the Securities are neither Fixed Recovery Securities nor Zero Recovery Principal Amount Reduction Securities, then if an Event Determination Date has occurred 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, the Issuer may notify the Securityholders in accordance with Product Condition 10 that the Maturity Date has been postponed to the relevant Partial Redemption 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 relevant Partial Redemption Date; and

- (b) if the Maturity Date has been postponed to the Postponed Maturity Date in accordance with Product Condition 5.5, 5.6 and/or 5.7, notwithstanding anything to the contrary in Product Condition 5.5, 5.6 or 5.7:

- (i) the Issuer shall pay the Undeferred Redemption Amount on the Scheduled Maturity Date;

- (ii) if the Maturity Date has been postponed to the Postponed Maturity Date in accordance with Product Condition 5.5, 5.6 or 5.7 the Securities will be redeemed by payment of the Deferred Redemption Amount on the Postponed Maturity Date or, if later, the last occurring Partial Redemption Date, provided that, if, on any day prior to the Postponed Maturity Date the Calculation Agent determines that:

- (I) in respect of each Reference Entity with respect to which a Potential Credit Event had occurred and was continuing as of the Scheduled Maturity Date, an Event Determination Date has occurred and, in respect of Securities

other than Zero Recovery Principal Amount Reduction Securities and Fixed Recovery Securities, the Settlement Price has been determined; and

- (II) in respect of each Reference Entity with respect to which an Event Determination Date had occurred on or prior to the Scheduled Maturity Date and the relevant Settlement Price was not determined on or prior to the second Business Day preceding the Scheduled Maturity Date, in respect of Securities other than Zero Recovery Principal Amount Reduction Securities and Fixed Recovery Securities, the Settlement Price has been determined,

the Issuer may redeem the Securities on such day by payment of the Deferred Amount; and

- (iii) in the event that a Potential Credit Event, a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred with respect to one or more Reference Entities as of the Credit Period End Date and an Event Determination Date has not occurred 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 in accordance with Product Condition 4.4.2.

### 5.8.3 *Additional definitions*

For the purposes of this Product Condition 5:

**"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 an Event Determination Date has not occurred 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 an Event Determination Date has occurred 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 the product of the Reference Entity Nominal Amount and the Settlement Price, 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 an Event Determination Date has occurred with respect thereto on or prior to the last day of the Notification Period, of the product of the Reference Entity Nominal Amount and the Settlement Price, in each case in respect of such Reference Entity;
- (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 an Event Determination Date has not occurred with respect thereto on or prior to the last day of the Notification Period; 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 an Event Determination Date has not occurred 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 an Event Determination Date has occurred after the tenth Business Day preceding the Scheduled Maturity Date, of the product of the Reference Entity Nominal Amount and the Settlement Price, 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 an Event Determination Date has occurred with respect thereto on or prior to the last day of the Notification Period, of the product of the Reference Entity Nominal Amount and the Settlement Price, in each case in respect of such Reference Entity.

"**Undeferred Redemption Amount**" means the sum of the Reference Entity Nominal Amounts in respect of each Reference Entity with respect to which an Event Determination Date has not occurred on or prior to, and a Potential Credit Event has not occurred and is continuing as of, the Scheduled Maturity Date.

## 5.9 **Early redemption at the option of the Issuer**

This Product Condition 5.9 applies if the Securities are Callable Securities.

### 5.9.1 *Issuer right to redeem Securities – Single Reference Entity Securities*

If the Securities are Single Reference Entity Securities, this Product Condition 5.9.1 shall apply.

The Issuer has the right, on giving not less than a number of day's notice equal to the Issuer Early Redemption Notice Requirement to Securityholders in accordance with Product Condition 10, to redeem all outstanding Securities on the Early Redemption Date at a "**Redemption Amount**" (which may never be less than zero) calculated by the Calculation Agent equal to:

- (a) if Applicable Call Percentage is specified as applicable in the relevant Issue Terms, an amount equal to the *product* of (A) the Applicable Call Percentage so specified and (B) the Nominal Amount; or
- (b) if Applicable Call Percentage is specified as not applicable in the relevant Issue Terms, the Nominal Amount or, in respect of any Exempt Securities, such other amount specified as the Call Redemption Amount in the applicable Issue Terms,

in each case, together with any Coupon Amount accrued as provided in Product Condition 4.

### 5.9.2 *Issuer right to redeem Securities – Basket Securities*

If the Securities are Basket Securities, this Product Condition 5.9.2 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 10, to redeem all outstanding Securities on the Early Redemption Date 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:
  - (i) if Applicable Call Percentage is specified as applicable in the relevant Issue Terms, an amount equal to the *product* of (A) the Applicable Call Percentage so specified and (B) 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 an Event Determination Date has occurred and the relevant Settlement Price is not determined as of the due date for redemption; or
  - (ii) if Applicable Call Percentage is specified as not applicable in the relevant Issue Terms, 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 an Event Determination Date has occurred and the relevant Settlement Price is not determined as of the due date for redemption,

in each case, together with any Coupon Amount accrued as provided in Product Condition 4;

- (b) if the Securities are Zero Recovery Principal Amount Reduction Securities:
- (i) if Applicable Call Percentage is specified as applicable in the relevant Issue Terms, an amount equal to the *product* of (A) the Applicable Call Percentage so specified and (B) the Outstanding Nominal Amount as of the due date for redemption; or
  - (ii) if Applicable Call Percentage is specified as not applicable in the relevant Issue Terms, the Outstanding Nominal Amount as of the due date for redemption,

in each case, together with any Coupon Amount accrued as provided in Product Condition 4; and

- (c) if the Securities are Fixed Recovery Securities:
- (i) if Applicable Call Percentage is specified as applicable in the relevant Issue Terms, an amount equal to the product of (A) the Applicable Call Percentage so specified and (B) 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 an Event Determination Date has occurred and the relevant Partial Redemption Date has not occurred as of the due date for redemption multiplied by the Settlement Price; or
  - (ii) if Applicable Call Percentage is specified as not applicable in the relevant Issue Terms, an 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 an Event Determination Date has occurred and the relevant Partial Redemption Date has not occurred as of the due date for redemption multiplied by the Settlement Price;

in each case, together with any Coupon Amount accrued as provided in Product Condition 4.

### 5.9.3 *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 Early Redemption Date, which must fall on an Issuer Early Redemption Date; and
- (c) the Redemption Amount and accrued Coupon Amount payable.

### 5.10 **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 10 and redeem all but not some only of the Securities, each Security being redeemed by the Issuer at the Merger Event 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 5.10:

**"Merger Event"** means 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 10;

**"Merger Event 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, the Nominal Amount, subject (if the Securities are Final Redemption Capital Protected Securities only) to a minimum amount equal to the Minimum Redemption 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, the sum of (A) the Outstanding Nominal Amount as of the Merger Redemption Date and (B) the Reference Entity Nominal Amounts for each Reference Entity with respect to which an Event Determination Date has occurred and the relevant Settlement Price is not determined as of the Merger Event Redemption Date, subject (if the Securities are Final Redemption Capital Protected Securities only) to a minimum amount equal to the Minimum Redemption Amount;
  - (ii) where the Securities are Zero Recovery Principal Amount Reduction Securities, the Outstanding Nominal Amount as of the Merger Event Redemption Date; and
  - (iii) where the Securities are Fixed Recovery Securities, the sum of (A) the Outstanding Nominal Amount as of the Merger Event Redemption Date and (B) the Reference Entity Nominal Amounts for each Reference Entity with respect to which an Event Determination Date has occurred and the relevant Partial Redemption Date has not occurred as of the Merger Event Redemption Date multiplied by the Settlement Price, subject (if the Securities are Final Redemption Capital Protected Securities only) to a minimum amount equal to the Minimum Redemption Amount.

#### 5.11 **Early 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 to:
  - (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; or
  - (iv) comply with any other material provision,(an "**Illegality Event**"); 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 and either:
  - (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,



(a "**Force Majeure Event**"),

the Issuer may, at its discretion and without obligation, redeem the Securities early by giving notice to the Securityholders in accordance with Product Condition 10.

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 redeems 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 as determined by the Calculation Agent acting in good faith and a commercially reasonable manner. 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 10.

#### 5.12 **Early redemption of Reference Obligation Only Securities following a Substitution Event**

- (a) If the Securities are Reference Obligation Only Securities relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then each Security will be redeemed by the Issuer by payment of the Early Redemption Amount on the fifth Business Day following the relevant Substitution Event Date.

For the purposes of this Product Condition 5.12(a):

**"Early Redemption Amount"** means the Redemption Amount determined in accordance with Product Condition 5.1 as if the Substitution Event Date were the Maturity Date.

- (b) If the Securities are Reference Obligation Only Securities and either Zero Recovery Principal Amount Reduction Securities that are Basket Securities or Fixed Recovery Securities and the event set out in paragraph (a) of the definition of Substitution Event occurs with respect to the Reference Obligation of a Reference Entity, then each Security will be redeemed in part by the Issuer by payment of the Early Redemption Amount on the fifth Business Day following the relevant Substitution Event Date. Thereupon the relevant Reference Entity shall be deemed to have ceased to be a Reference Entity and the Calculation Agent will adjust such of these Product Conditions and/or the applicable Issue Terms as it determines appropriate acting in good faith and a commercially reasonable manner to reflect such redemption in part and change to the portfolio of Reference Entities, including without limitation, the Outstanding Nominal Amount.

For the purposes of this Product Condition 5.12(b):

**"Credit Event Reduction Amount"** means, in respect of a Reference Entity, an amount in the Determined Currency calculated by the Calculation Agent acting in good faith and a commercially reasonable manner equal to the product of (a) the Nominal Amount and (b) the Reference Entity Weighting in respect of such Reference Entity.

**"Early Redemption Amount"** means, in respect of the partial redemption of the Outstanding Nominal Amount of Securities, be an amount in the Determined Currency calculated by the Calculation Agent equal to the Credit Event Reduction Amount in respect of the relevant Reference.

#### 5.13 **Redemption by Instalments**

Unless previously redeemed or purchased and cancelled in accordance with these Product Conditions each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount and the Outstanding Nominal Amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which payment in full of the amount outstanding relating to such Instalment Amount is made, and each of the Outstanding Nominal

Amount and the Aggregate Nominal Amount in respect of the Securities shall be adjusted by the Calculation Agent acting in good faith and a commercial reasonable manner to reflect the reduction of the Outstanding Nominal Amount in respect of each Security and any reference to payment of the Nominal Amount, or any amount calculated by reference to the Nominal Amount, shall be deemed to refer to the Outstanding Nominal Amount.

## 6. **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.

## 7. **Payments**

### 7.1 **Method of payment**

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 11.

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, acting in good faith and a commercially reasonable manner, determine to be appropriate.

### 7.2 **Presentation**

Payments of principal and Coupon Amount will, subject as provided below, be made in the manner provided in Product Condition 7.1 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 the relevant 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.

### 7.3 **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.

#### 7.4 **Business Day Convention**

If any date referred to in these Product Conditions or the relevant Issue 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.

#### 7.5 **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.

#### 7.6 **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.

#### 7.7 **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.

### 8. **Administrator/Benchmark Event**

#### 8.1 **Administrator/Benchmark Event**

Subject as provided in Product Condition 4.12, 4.13, 4.14 and 4.15, in the event that an Administrator/Benchmark Event occurs, the Issuer may (at its option):

- (a) instruct the Calculation Agent to make such adjustment(s) to the Product Conditions as it may determine in a fair and commercially reasonable manner appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may (a) consist of one or more amendments and/or be made on one or more dates; (b) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance made in relation to any hedging arrangements in respect of the Securities; and (c) include selecting (a) successor benchmark(s) and making related adjustments to the Product Conditions, including where applicable to reflect any increased costs of the Issuer providing such exposure to the successor benchmark(s), and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks; or
- (b) on giving notice to the Securityholders in accordance with Condition 10 (*Notices*), redeem all but not some only of the Securities at their outstanding principal amount.

For the avoidance of doubt, the above is additional (subject to the following sentence) and without prejudice, to any other terms of the Securities. In the event that under any other terms of the Securities any

other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Issuer shall determine which terms shall apply in a fair and commercially reasonable manner.

For the purposes of this Product Condition 8.1:

**"Administrator/Benchmark Event"** means that the Calculation Agent determines that (1) a Benchmark Modification or Cessation Event has occurred or will occur; (2) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the Securities; (3) it is not fair and commercially reasonable to continue the use of the Benchmark in connection with the Securities from the perspective of the Issuer or the Calculation Agent or the Issuer or the Calculation Agent suffers or will suffer an increased cost, in each case, as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the Securities and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence); or (4) there has been an official announcement by the supervisor of the administrator and/or sponsor of a relevant Benchmark that the relevant Benchmark is no longer representative of any relevant underlying market(s).

**"Benchmark"** means any figure, level, rate or value by reference to which any amount payable or deliverable under the Securities, or the value of the Securities, is determined in whole or in part, including, without limitation, any benchmark as defined in the BMR, all as determined by the Calculation Agent in a fair and commercially reasonable manner.

**"Benchmark Modification or Cessation Event"** means, in respect of the Benchmark, any of the following:

- (a) any material change in such Benchmark; or
- (b) the permanent or indefinite cancellation or cessation in the provision of such Benchmark.

**"BMR"** means the EU Benchmark Regulation (Regulation (EU) 2016/1011), as amended from time to time.

## 9. **Agents, Calculation Agent, determinations and modifications**

### 9.1 **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 Fiscal Agent shall become effective until a replacement Fiscal 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 10. 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.

### 9.2 **Calculation Agent**

In respect of a Series of Securities, the Issuer shall be the 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 10.

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.

Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. Unless otherwise provided herein, in performing its duties pursuant to the Securities, the Calculation Agent shall act in good faith and a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

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.

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 on or after 10 Business Days prior to the Redemption Date (or, where the calculation or determination related to a partial redemption, cancellation or partial cancellation the relevant Partial Redemption Date or date of cancellation or partial cancellation), 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 or cancelled (where redeemed or cancelled in part, to the extent of any such redemption or partial cancellation). The Calculation Agent, acting in good faith and 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.

### 9.3 **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.

## 10. **Notices**

Notices to the Securityholders will be valid if delivered to the Clearing Agent(s) for communication by the Clearing Agent(s) to the Securityholders.

Notices, if delivered to the Clearing Agent(s), will become effective on the Business 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, for so long as the Securities are admitted to trading on the regulated market or the Euro MTF market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, all notices concerning the Securities shall also be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## 11. **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. 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.

## 12. **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.

## 13. **Substitution**

### 13.1 **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;
- (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 10.

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.

### 13.2 **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 10. The office may not be changed prior to this notification.

## 14. **Redenomination**

### 14.1 **Redenomination in Euro**

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Product Condition 10, 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.

#### 14.2 **Adjustment**

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Product Condition 10, 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.

#### 14.3 **Associated Costs**

Notwithstanding the provisions of Product Condition 14.1 and 14.2 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.

#### 15. **Indicative Amounts**

If the applicable Issue Terms provide that the Securities are being offered to the public in circumstances requiring the prior publication of a prospectus under Regulation (EU) 2017/1129, the applicable Issue Terms may specify an indicative amount, an indicative minimum amount, or an indicative maximum amount, or any combination of the foregoing, as applicable, in relation to any Specified Product Value which is not fixed or determined at the commencement of the relevant offer period. If so specified in the applicable Issue Terms, references in the Product Conditions to such Specified Product Value shall be construed as the amount, level, percentage, price, rate or value (as applicable) determined based on market conditions by the Calculation Agent on or after the relevant date specified in the applicable Issue Terms, and is expected to be the indicative amount specified in the applicable Issue Terms (if so specified) but may be different from such indicative amount, and:

- (a) if an indicative minimum amount is provided in the applicable Issue Terms, the Specified Product Value will not be less than (or equal to) such indicative minimum amount; or
- (b) if an indicative maximum amount is provided in the applicable Issue Terms, the Specified Product Value will not be more than (or equal to) such indicative maximum amount; or
- (c) if both an indicative minimum amount and indicative maximum amount is provided in the applicable Issue Terms, the Specified Product Value will not be less than (or equal to) such indicative minimum amount and will not be more than (or equal to) such indicative maximum amount.

Notice of the relevant Specified Product Value will be published prior to the Issue Date and on the website of the Issuer and/or Distributor (if any) as indicated in the applicable Issue Terms and the relevant amount, level, percentage, price, rate or value specified in such notice will be deemed to be the Specified Product Value.

For the purposes of this Product Condition 15, "**Specified Product Value**" means any amount, level, percentage, price, rate or value which is specified in the Product Conditions as the amount, level, percentage, price, rate or value (as applicable) to be provided in the applicable Issue Terms (or phrases of similar import).

#### 16. **Modifications**

The Issuer may, to the extent permitted by applicable law and subject as provided below, modify the Product Conditions and/or the applicable Issue 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 Issue 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 10 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 Issue 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 Issue 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 16, the Issuer may at its discretion amend and restate the applicable Issue Terms.

For the purposes of this Product Condition 16 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.

## 17. **Replacement of Securities**

Should any Security, Coupon, Receipt or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer or the Fiscal Agent or may reasonably require. Mutilated or defaced Securities, Coupons, Receipts or Talons must be surrendered before replacements will be issued.

## 18. **Events of Default**

### 18.1 **Events of Default**

The occurrence at any time with respect to the Issuer of any of the following events constitutes an event of default (an "**Event of Default**"):

- (a) the Issuer fails to pay principal or interest within in respect of the Securities 30 calendar days of the relevant due date;
- (b) the Issuer fails duly to perform any other obligation arising from the Securities, if such failure continues for more than 60 days after the Issuer has received notice thereof from a Securityholder;
- (c) the Issuer announces its inability to meet its financial obligations or ceases its payments; or
- (d) a court in Germany opens insolvency proceedings against the Issuer.

Subject as provided in Product Condition 18.3, each Securityholder may, by not less than seven days and not more than 20 days notice to the Issuer specifying the relevant Event of Default, designate a day not earlier than the date on which the Default Notice is effective in accordance with Product Condition 18.2 below to declare its Securities due and demand redemption thereof at an amount (which may never be less than zero) calculated by the Calculation Agent equal to the fair market value of the Securities held by such Securityholder together with interest accrued to (but excluding) the day the relevant Event of Default occurred. For such purposes, the fair market value shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. For the purposes of determining the fair market value, no account shall be taken of the financial condition of the Issuer, which shall be presumed to be able to perform fully its obligations in respect of the Securities.

The right to declare Securities due shall terminate if the situation giving rise to it has been cured before the right is exercised.



## 18.2 **Form of Default Notice**

Any notice, including any notice declaring Securities due, in accordance with Product Condition 18.1 above, shall be made by means of a written declaration delivered by hand or mail to the Issuer (the "**Default Notice**").

Default Notices to be given by any Securityholder to the Issuer regarding the Securities will be validly given if delivered in writing to the Issuer by hand or mail. Any such notice shall be deemed to have been given on the day when delivered or if delivered on a day that is not a Notice Delivery Business Day or after 5:00 p.m. in the Notice Delivery Business Day Centre on a Notice Delivery Business Day, will be deemed effective on the next following Notice Delivery Business Day. The Securityholder must provide satisfactory evidence to the Issuer of its holding of Securities which, in case of Securities represented by a Global Security, may be in the form of certification from the relevant Clearing System.

For the purposes hereof:

"**Notice Delivery Business Day**" means any day (other than Saturday or Sunday) on which banks and foreign exchange markets are generally open to settle payments in Frankfurt (the "**Notice Delivery Business Day Centre**").

## 18.3 **Quorum for Default Notice**

In the events specified Product Condition 18.1(b), any Default Notice shall, unless at the time such Default Notice is received any of the events specified in Product Condition 18.1(a), (c) or (d) entitling Securityholders to declare their Securities due has occurred, become effective only when the Issuer has received such Default Notices from the Securityholders of at least one-tenth in principal amount of Securities then outstanding.

## 19. **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.

## 20. **Governing Law and Place of Jurisdiction**

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. **Resolution Measures**

(a) Under the relevant resolution laws and regulations as applicable to the Issuer from time to time, the Securities may be subject to the powers exercised by the competent resolution authority to:

(i) write down, including write down to zero, the claims for payment of the principal amount, the interest amount or any other amount in respect of the Securities;

(ii) convert these claims into ordinary shares of (a) the Issuer or (b) any group entity or (c) any bridge bank or other instruments of ownership qualifying as common equity tier 1 capital (and issue or confer on the Securityholders such instruments); and/or

- (iii) apply any other resolution measure, including, but not limited to, (a) any transfer of the Securities to another entity, (b) the amendment, modification or variation of the terms and conditions of the Securities or (iii) the cancellation of the Securities,

(each, a "**Resolution Measure**").

- (b) The Securityholders shall be bound by any Resolution Measure. No Securityholder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an Event of Default of the Issuer.
- (c) By its acquisition of the Securities, each Securityholder acknowledges and accepts the measures and effects according to the preceding paragraphs and that this paragraph is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings between the Securityholder and the Issuer relating to the subject matter of the terms and conditions of the Securities.

## 22. **EuroTLX Securities**

In respect of Securities which are EuroTLX Securities, the following provision shall apply:

- (a) Product Condition 13.1 shall be amended by the inclusion of the following wording as a new paragraph immediately after the first paragraph thereof:

“For so long as the Securities are admitted to trading on the EuroTLX market, any substitution of the Issuer will be subject to the rules, instructions and requirements of the EuroTLX market.”.

## 23. **Type 1 Credit Index Basket Securities**

In respect of Securities which are Index Basket Securities in respect of which “Type 1 Credit Index” is specified as “Applicable”, the following provisions shall apply:

- (a) Notwithstanding anything to the contrary in the Product Conditions, the Calculation Agent may not deliver a Credit Event Notice or a Successor Notice unless a notice has previously been delivered to the DC Secretary in accordance with the DC Rules requesting that the relevant Credit Derivatives Determinations Committee be convened to Resolve a DC Credit Event Question or one or more Successors to the relevant Reference Entity, as applicable, with respect to the facts described in such Credit Event Notice or Successor Notice, as applicable, and either (i) a DC Credit Event Question Dismissal has occurred, (ii) the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination or (iii) the DC Secretary has publicly announced that the conditions to convening the relevant Credit Derivatives Determinations Committee to Resolve such matters have not been satisfied in accordance with the DC Rules. Any Credit Event Notice or Successor Notice delivered in breach of the requirements in this paragraph shall be deemed not to have been delivered.
- (b) Without prejudice to the definition of “Reference Obligation” in Product Condition 1, the Reference Obligation in respect of a Reference Entity shall be the Reference Obligation (if any) set out opposite such Reference Entity in the relevant Index Annex, subject to the definition of “Substitute Reference Obligation” in Product Condition 1 provided, however, that if there is no Standard Reference Obligation in respect of such Reference Entity and the relevant Index Sponsor publishes a replacement Reference Obligation in respect of such Reference Entity, the Calculation Agent will select such Reference Obligation as the Reference Obligation in respect of such Reference Entity rather than applying the provisions in the definition of “Substitute Reference Obligation” in Product Condition 1.
- (c) The Index Annex will be deemed amended from time to time to reflect any modifications resulting from the application of the definitions of "Reference Obligation", "Standard Reference Obligation" and "Substitute Reference Obligation", in each case, as set out in Product Condition 1 and paragraph (b) of this Product Condition 23.
- (d) Each of the following definitions shall be added as new definitions in Product Condition 1 hereto:

"**Annex Date**" means as specified in the applicable Issue Terms.

"**Effective Date**" means the Roll Date in respect of the relevant Index as set out and defined in the relevant Index Annex.

"**Index Annex**" means as specified in the applicable Issue Terms.

"**Index Publisher**" means as specified in the applicable Issue Terms.

"**Index Sponsor**" means as specified in the applicable Issue Terms."

- (e) The definition of "**Reference Entity**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Reference Entity**" means, any entity specified as such in the relevant Issue Terms and any Successor to such Reference Entity either:

- (a) in respect of which the DC Secretary publicly announces on or following the earlier of the Effective Date and the Trade Date that the relevant Credit Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor in accordance with the DC Rules; and
- (b) in the event the DC Secretary does not make such an announcement, identified by the relevant Index Sponsor on or following the earlier of the Trade Date and the Effective Date,

in each case, with effect from the relevant Succession Date."

- (f) The definition of "**Reference Entity Nominal Amount**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Reference Entity Nominal Amount**" means, in respect of a Reference Entity, the product of (A) the Nominal Amount and (B) the Reference Entity Weighting in respect of such Reference Entity."

provided, however, that if the relevant Securities are Certificates, references to "Reference Entity Nominal Amount" and "Nominal Amount" in the above definition shall be replaced with reference to "Reference Entity Notional Amount" and "Notional Amount" respectively.

- (g) The definition of "**Reference Entity Weighting**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Reference Entity Weighting**" means, in respect of a Reference Entity, the weighting of such Reference Entity for the purposes of the relevant Index as specified in the relevant Index Annex, as determined by the Calculation Agent."

- (h) The definition of "**Transaction Type**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Transaction Type**" means, in respect of a Reference Entity, as set out opposite the relevant Reference Entity in the Index Annex."

## 24. **Type 2 Credit Index Basket Securities**

In respect of Securities which are Index Basket Securities in respect of which "Type 2 Credit Index" is specified as "Applicable", the following provisions shall apply:

- (a) Notwithstanding anything to the contrary in the Product Conditions, the Calculation Agent may not deliver a Credit Event Notice or a Successor Notice unless a notice has previously been delivered to the DC Secretary in accordance with the DC Rules requesting that the relevant Credit Derivatives Determinations Committee be convened to Resolve a DC Credit Event Question or one or more Successors to the relevant Reference Entity, as applicable, with respect to the facts

described in such Credit Event Notice or Successor Notice, as applicable, and either (i) a DC Credit Event Question Dismissal has occurred, (ii) the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination or (iii) the DC Secretary has publicly announced that the conditions to convening the relevant Credit Derivatives Determinations Committee to Resolve such matters have not been satisfied in accordance with the DC Rules. Any Credit Event Notice or Successor Notice delivered in breach of the requirements in this paragraph shall be deemed not to have been delivered.

(b) Without prejudice to the definition of “Reference Obligation” in Product Condition 1, the Reference Obligation in respect of a Reference Entity shall be the Reference Obligation (if any) set out opposite such Reference Entity in the relevant Index Annex, subject to the definition of “Substitute Reference Obligation” in Product Condition 1 and paragraph (c) of this Product Condition 24.

(c) In the event of any inconsistency between the Index Annex and the relevant Index published by the Index Sponsor, the Index Annex shall govern.

(d) Each of the following definitions shall be added as new definitions in Product Condition 1 hereto:

"**Annex Date**" means as specified in the applicable Issue Terms.

"**Effective Date**" means as specified in the applicable Issue Terms.

"**Index Annex**" means as specified in the applicable Issue Terms.

"**Index Publisher**" means as specified in the applicable Issue Terms.

"**Index Sponsor**" means as specified in the applicable Issue Terms.”

(e) The definition of “**Reference Entity**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Reference Entity**” means, subject to paragraph (c) of Product Condition 24, any entity specified as such in the relevant Issue Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of “Successor” in Product Condition 3.6 on or following the Trade Date or (b) unless already reflected in the relevant Index Annex, identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Effective Date of the Index, as set forth in the Index Annex, shall, in each case, with effect from the Succession Date be the Reference Entity for the purposes of the relevant Securities.”

(f) The definition of “**Reference Entity Nominal Amount**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Reference Entity Nominal Amount**” means, in respect of a Reference Entity, the product of (A) the Nominal Amount and (B) the Reference Entity Weighting in respect of such Reference Entity.”,

provided, however, that if the relevant Securities are Certificates, references to “Reference Entity Nominal Amount” and “Nominal Amount” in the above definition shall be replaced with reference to “Reference Entity Notional Amount” and “Notional Amount” respectively.

(g) The definition of “**Reference Entity Weighting**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Reference Entity Weighting**" means, in respect of a Reference Entity, the weighting of such Reference Entity for the purposes of the relevant Index as specified in the relevant Index Annex, as determined by the Calculation Agent.”

25. **CERTIFICATES**

In respect of Securities which are EuroTLX Securities and Certificates and:

(i) the Issue Terms specify that the Securities are "Certificates trading in Notional", the following provisions shall apply

(a) The definition of "**Nominal Amount**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Notional Amount**" means the amount specified as such in the relevant Issue Terms.",

and each reference to "Nominal Amount" in the Product Conditions shall be replaced with a reference to "Notional Amount".

(b) The definition of "**Outstanding Nominal Amount**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Outstanding Notional Amount**" means, in respect of a day, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

(1) in respect of Basket Securities:

(ii) the Notional Amount; *minus*

(iii) the sum of the Reference Entity Notional Amounts in respect of each Reference Entity with respect to which an Event Determination Date has occurred on or prior to such day;

(2) subject to (3), in respect of Single Reference Entity Securities, the Notional Amount or, if an Event Determination Date has occurred in respect of the Reference Entity on or prior to such date, zero; and

(3) in respect of Single Reference Entity Securities which are Redemption Capital Protected Securities, the Notional Amount or, if an Event Determination Date has occurred in respect of the Reference Entity on or prior to such date, the product of (A) the Notional Amount and (B) the Capital Protection Percentage.

The Outstanding Notional Amount will not be increased notwithstanding that the Credit Event relevant to the occurrence of an Event Determination Date may be subsequently cured.",

and each reference to "Outstanding Nominal Amount" in the Product Conditions shall be replaced with a reference to "Outstanding Notional Amount".

(c) The definition of "**Aggregate Nominal Amount**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Aggregate Notional Amount**" means, in relation to Securities, the amount specified as such in the relevant Issue Terms",

and each reference to "Aggregate Nominal Amount" in the Product Conditions shall be replaced with a reference to "Aggregate Notional Amount".

(d) Subject to Product Condition 23(f) and Product Condition 24(f) above, the definition of "**Reference Entity Nominal Amount**" in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

"**Reference Entity Notional Amount**" means, in respect of a Reference Entity and unless otherwise specified in the Issue Terms:

- (1) if an amount is specified as such in relation to such Reference Entity in the relevant Issue Terms, the product of (A) such amount and (B) a fraction equal to the Notional Amount of such Security divided by the Aggregate Notional Amount; or
- (2) (i) if a Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue Terms, the product of (A) the Notional 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 Issue Terms and no Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue Terms, the Notional Amount divided by the number of Reference Entities as of the Issue Date.”,

and each reference to “Reference Entity Nominal Amount” in the Product Conditions shall be replaced with a reference to “Reference Entity Notional Amount”.

- (e) The definition of “**Rate Replacement Early Redemption Amount**” in Product Condition 1 hereto is amended by the deletion of the words “Percentage of the Nominal Amount” and the words “Percentage of the Notional Amount” substituted therefor.
- (f) The definition of “**Credit Position**” in Product Condition 1 hereto is amended by:
  - (i) the deletion of the words “nominal amount outstanding” and the words “notional amount outstanding” substituted therefor; and
  - (ii) the deletion of the words “aggregate nominal amount” and the words “aggregate notional amount” substituted therefor.

- (g) The definition of “**Maturity Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Redemption Date**” means the date specified as the Scheduled Redemption Date in the relevant Issue Terms, subject as provided in Product Condition 5.5, 5.6 and 5.7, as applicable.”,

and each reference to “Maturity Date” in the Product Conditions shall be replaced with a reference to “Redemption Date”.

- (h) The definition of “**Scheduled Maturity Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Scheduled Redemption Date**” has the meaning set forth in the applicable Issue Terms.”,

and each reference to “Scheduled Maturity Date” in the Product Conditions shall be replaced with a reference to “Scheduled Redemption Date”.

- (i) The definition of “**Maturity Cut-Off Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Redemption Cut-Off Date**” means the date falling 90 calendar days after the Scheduled Redemption Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day.”,

and each reference to “Maturity Cut-Off Date” in the Product Conditions shall be replaced with a reference to “Redemption Cut-Off Date”.

- (j) The definition of “**Postponed Maturity Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Postponed Redemption Date**” means the second Business Day following the Redemption Cut-Off Date.”,

and each reference to “Postponed Maturity Date” in the Product Conditions shall be replaced with a reference to “Postponed Redemption Date”.

- (k) The following wording shall be included as a new paragraph at the beginning of each of Product Condition 5.1.1 and 5.1.2:

“In respect of Securities which are Certificates and EuroTLX Securities, the exercise of each Security is automatic on the Redemption Date, without any prior notice being delivered by the relevant Securityholder. Neither the Issuer nor any paying agent shall apply any charges for the automatic exercise of the Securities.”

- (l) Product Condition 4.1.1 shall be amended by the deletion of the following wording:

"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."

- (m) Product Condition 4.1.2 shall be amended by the deletion of the following wording:

"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."

- (n) Product Condition 4.1.3 shall be amended by the deletion of the following wording:

"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."

- (ii) the Issue Terms specify that the Securities are "Certificates trading in Units", the following provisions shall apply:

- (a) The definition of “**Nominal Amount**” in Product Condition 1 hereto shall be deleted and the following substituted therefor:

“**Reference Amount**” means the amount specified as such in the relevant Issue Terms.”,

and each reference to “Nominal Amount” in the Product Conditions shall be replaced with a reference to “Reference Amount”, provided that the reference to "Nominal Amount" in Product Condition 7.2 shall be replaced with the word "number of Securities".

- (b) The definition of “**Outstanding Reference Amount**” in Product Condition 1 hereto shall be deleted and the following substituted therefor:

“**Outstanding Reference Amount**” means, in respect of a day, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

- (1) in respect of Basket Securities:
  - (iv) the Reference Amount; *minus*
  - (v) the sum of the Reference Entity Reference Amounts in respect of each Reference Entity with respect to which an Event Determination Date has occurred on or prior to such day;
- (2) subject to (3), in respect of Single Reference Entity Securities, the Reference Amount or, if an Event Determination Date has occurred in respect of the Reference Entity on or prior to such date, zero; and
- (3) in respect of Single Reference Entity Securities which are Final Redemption Capital Protected Securities, the Reference Amount or, if an Event Determination Date has occurred in respect of the Reference Entity on or prior to such date, the product of (A) the Reference Amount and (B) the Capital Protection Percentage.

The Outstanding Reference Amount will not be increased notwithstanding that the Credit Event relevant to the occurrence of an Event Determination Date may be subsequently cured.”,

and each reference to “Outstanding Nominal Amount” in the Product Conditions shall be replaced with a reference to “Outstanding Reference Amount”.

- (c) The definition of “**Aggregate Nominal Amount**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Number of Securities**” means, in relation to Securities, the amount specified as such in the relevant Issue Terms, subject as provided in Product Condition 5.13.”,

and each reference to “Aggregate Nominal Amount” or “Aggregate Nominal Amount of the Securities” in the Product Conditions shall be replaced with a reference to “Number of Securities”.

- (d) Subject to Product Condition 23(f) and Product Condition 24(f) above, the definition of “**Reference Entity Nominal Amount**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:

“**Reference Entity Reference Amount**” means, in respect of a Reference Entity and unless otherwise specified in the Issue Terms:

- (1) if an amount is specified as such in relation to such Reference Entity in the relevant Issue Terms, the quotient of (A) such amount and (B) the Number of Securities; or
- (2) (i) if a Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue Terms, the product of (A) the Reference 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 Issue Terms and no Reference Entity Weighting is specified in relation to such Reference Entity in the relevant Issue Terms, the Reference Amount divided by the number of Reference Entities as of the Issue Date.”,

and each reference to “Reference Entity Nominal Amount” in the Product Conditions shall be replaced with a reference to “Reference Entity Notional Amount”.

- (e) The definition of “**Rate Replacement Early Redemption Amount**” in Product Condition 1 hereto is amended by the deletion of the words “Percentage of the Nominal Amount” and the words “Percentage of the Reference Amount” substituted therefor.



- (f) The definition of “**Credit Position**” in Product Condition 1 hereto is amended by:
- (i) the deletion of the words “nominal amount outstanding” and the words “product of the Reference Amount (as may be adjusted in accordance with the Product Condition) and the Number of Securities” substituted therefor; and
  - (ii) the deletion of the words “aggregate nominal amount” and the words “product of the Reference Amount (as may be adjusted in accordance with the Product Condition) and the Number of Securities of such further issue” substituted therefor.
- (g) The definition of “**Maturity Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:
- “**Redemption Date**” means the date specified as the Scheduled Redemption Date in the relevant Issue Terms, subject as provided in Product Condition 5.5, 5.6 and 5.7, as applicable.”,
- and each reference to “Maturity Date” in the Product Conditions shall be replaced with a reference to “Redemption Date”.
- (h) The definition of “**Scheduled Maturity Date**” in Product Condition 1 hereto shall be deleted in its entirety and the following substituted therefor:
- “**Scheduled Redemption Date**” has the meaning set forth in the applicable Issue Terms.”,
- and each reference to “Scheduled Maturity Date” in the Product Conditions shall be replaced with a reference to “Scheduled Redemption Date”.
- (i) The definition of “**Maturity Cut-Off Date**” in Product Condition 1 hereto shall be deleted and the following substituted therefor:
- “**Redemption Cut-Off Date**” means the date falling 90 calendar days after the Scheduled Redemption Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day.”,
- and each reference to “Maturity Cut-Off Date” in the Product Conditions shall be replaced with a reference to “Redemption Cut-Off Date”.
- (j) The definition of “**Postponed Maturity Date**” in Product Condition 1 hereto shall be deleted and the following substituted therefor:
- “**Postponed Redemption Date**” means the second Business Day following the Redemption Cut-Off Date.”,
- and each reference to “Postponed Maturity Date” in the Product Conditions shall be replaced with a reference to “Postponed Redemption Date”.
- (k) The following wording shall be included as a new paragraph at the beginning of each of Product Condition 5.1.1 and 5.1.2:
- “In respect of Securities which are Certificates and EuroTLX Securities, the exercise of each Security is automatic on the Redemption Date, without any prior notice being delivered by the relevant Securityholder. Neither the Issuer nor any paying agent shall apply any charges for the automatic exercise of the Securities.”
- (l) Product Condition 4.1.1 shall be amended by the deletion of the following wording:

"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."

- (m) Product Condition 4.1.2 shall be amended by the deletion of the following wording:

"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."

- (n) Product Condition 4.1.3 shall be amended by the deletion of the following wording:

"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."

## Appendix

### Auction Settlement Terms

If an Event Determination Date occurs with respect to a Reference Entity and Auction Settlement applies, the Redemption Amount with respect to the Securities will be calculated based on the Auction Final Price for such Reference Entity (if any). This Appendix contains a summary of certain provisions of the Credit Derivatives Auction Settlement Terms, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 12 March 2009 as Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (the "**Form of Auction Settlement Terms**") and is qualified by reference to the detailed provisions thereof. This Appendix does not form part of the Product Conditions. The following does not purport to be a complete summary and prospective investors must refer to the Form of Auction Settlement Terms (as defined below) for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Securities; however, if a Credit Event occurs and an Auction is held, the Calculation Agent will apply the Auction Final Price to the Securities. See Product Condition 3.4 (*Auction Settlement*). A copy of the Form of Auction Settlement Terms is currently available at:

<https://www.isda.org/a/kS6EE/Auction-Settlement-Terms-CLEAN.doc>

Securityholders should be aware that this summary of the Form of Auction Settlement Terms is accurate only as of the date of this Securities Note and such Form of Auction Settlement Terms may be amended in accordance with the Rules (as defined below) at any time (and from time to time) at a later date without consultation with the Securityholders. At any time after the date of this Securities Note, the latest Form of Auction Settlement Terms will be available on the ISDA website at [www.isda.org](http://www.isda.org) (or any successor website thereto). Further, notwithstanding the fact that the Form of Auction Settlement Terms (as may be amended from time to time) appears on the ISDA website, the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and this summary may therefore not be accurate in all cases.

Capitalised terms used but not defined in this summary have the meaning specified in the Form of Auction Settlement Terms and the Rules (as defined below). All times of day in this summary refer to such times in New York City.

#### Publication of Credit Derivatives Auction Settlement Terms

Pursuant to the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://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**"), a Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected transactions referencing such Affected Reference Entity based upon an Auction Final Price determined according to an auction procedure set forth in the Form of Auction Settlement Terms (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms. In doing so, the Credit Derivatives Determinations Committee will make several related determinations, including the Auction Date, the Participating Bidders and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

#### Auction Methodology

##### Determining the Auction Currency Rate

On the Auction Currency Fixing Date, the Administrators will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the Relevant Currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a Currency Rate Source or, if such Currency Rate Source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing. If rates of conversion are sought from Participating Bidders and more than three such rates are obtained by the Administrators, the Auction Currency Rate will be the arithmetic mean of such rates, without regard to the rates having the highest and lowest values. If exactly three rates are obtained, the Auction Currency Rate will be the rate remaining after disregarding the rates having the

highest and lowest values. For this purpose, if more than one rate has the same highest or lowest value, then one of such rates shall be disregarded. If fewer than three rates are obtained, it will be deemed that the Auction Currency Rate cannot be determined for such Relevant Pairing.

#### Initial Bidding Period

During the Initial Bidding Period, Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the Maximum Initial Market Bid-Offer Spread of par and must be an integral multiple of the Relevant Pricing Increment. The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "**Physical Settlement Buy Request**") or buyer (in which case, such commitment will be a "**Physical Settlement Sell Request**"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

#### Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradable markets for which bids are lower than offers; (b) sort non-tradable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts shall be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA will in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated. At or prior to the Initial Bidding Information Publication Time on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

#### Submission of Limit Order Submissions

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

#### Matching bids and offers

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

##### (i) Auction Final Price when the Open Interest is Filled

The Auction Final Price will be the price associated with the matched market that is the highest offer or the lowest bid, as applicable, provided that: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid is more than the Cap Amount higher than the Initial Market Midpoint, then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the price associated with the highest offer is more than the Cap Amount lower than the Initial Market Midpoint, then the Auction Final Price will be the Initial market Midpoint minus the Cap Amount.

##### (ii) Auction Final Price when the Open Interest is Not Filled

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) 100 per cent and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

#### 100 per cent. Cap to Auction Final Price

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

#### Publication of Auction Final Price

At or prior to the Subsequent Bidding Information Publication Time on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

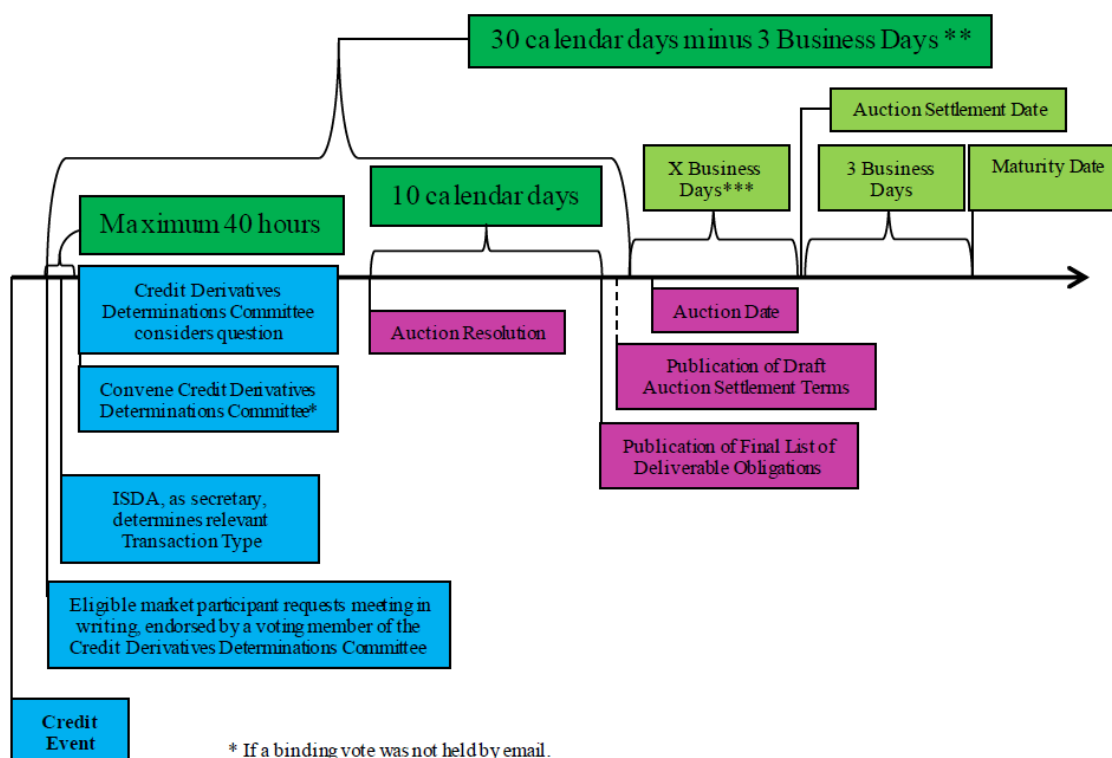
#### **Timing of Auction Settlement Provisions**

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity (or if not specified in such Credit Derivatives Auction Settlement Terms, the third Business Day following the Auction Final Price Determination Date).

The expected timeline is illustrated in the diagram below. Securityholders should be aware that this expected timeline is subject to amendment (and may be subject to acceleration or delay) upon agreement by at least 80 per cent. (by number) of the voting members of the relevant Credit Derivatives Determinations Committee.

## Auction Timeline



\* If a binding vote was not held by email.

\*\* Can be amended by majority vote of the Credit Derivatives Determinations Committee.

\*\*\* This assumes that the Auction Final Price is determined on the Auction Date (see "Delayed Auction Provisions" and "Auction Cancellation"). Where X" is a number of Business Days determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

*Timeline subject to amendment by 80% vote of the Credit Derivatives Determinations Committee.*

## Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations pursuant to a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the relevant Auction Final Price.

## Auction Cancellation

If an Auction Final Price has not been determined on or prior to: (a) the fifth Business Day following the Auction Date, in the events described in clause (a) or (d) of "Delayed Auction Provisions" above; or (b) the second Business Day following the Auction Date, in the events described in clause (b) or (c) of "Delayed Auction Provisions" above, then the Auction will be deemed to have been cancelled and the Administrators and ISDA will announce the occurrence of such cancellation on their respective websites.

## Definitions

For the purposes of this Appendix, the following definitions shall apply:

"**Administrators**" means both Markit Group Limited and Creditex Securities Corp., acting together, or such other entities as may be appointed to perform the role of the Administrators by ISDA from time to time.

"**Auction Covered Transactions**" means all credit derivative transactions referencing the Affected Reference Entity which satisfy the criteria set forth in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, including in respect of the provisions in such credit derivative transactions that set forth the criteria for establishing what obligations may constitute Deliverable Obligations (or, in the case of a cash settled credit derivative transaction, the provisions therein that set forth the criteria for establishing what obligations may be valued to determine a final price).

"**Auction Currency Fixing Date**" means, with respect to a relevant transaction type included in: (a) the Americas, the business day prior to the Auction Date; and (b) any other region, two business days prior to the Auction Date; and in each case as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

"**Auction Date**" means the date on which the relevant Auction will be held, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

"**Auction Final Price Determination Date**" means the day, if any, on which the Auction Final Price is determined.

"**Auction Settlement Date**" means a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

"**Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in, if the Transaction Type of the relevant Affected Reference Entity is included in: (a) the Americas, New York; and (b) otherwise, London.

"**Cap Amount**" means the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment).

"**Currency Rate Source**" means the mid-point rate of conversion published by WM/Reuters at 4.00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"**Initial Bidding Information Publication Time**" has the meaning determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

"**Initial Bidding Period**" means the period initially determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, as such period may be extended by the Administrators, *inter alia*, to preserve the integrity of an Auction.

"**Market Position**" means, with respect to a Participating Bidder or customer, as applicable, the aggregate amount of Deliverable Obligations that the relevant Participating Bidder or customer, as applicable, would have to buy or sell in order to obtain an identical risk profile after the Auction Settlement Date compared to its risk profile prior to the Auction Settlement Date with respect to all Auction Covered Transactions (excluding those Auction Covered Transactions for which the trade date is the Auction Final Price Determination Date) and all Auction-Linked Cash Settled Transactions to which such Participating Bidder, or any affiliate of such Participating Bidder, as applicable, or such customer, or any affiliate of such customer, as applicable, is a party and to which every other party is an Auction Party, such risk profile to be determined without regard to whether the original transactions were documented as cash settled or physically settled transactions.

"**Maximum Initial Market Bid-Offer Spread**" means the percentage determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

"**Participating Bidders**" means the institutions that will act as participating bidders in the Auction.

"**Relevant Pricing Increment**" has the meaning determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

**"Representative Auction-Settled Transaction"** means an hypothetical single-name, physically settled credit default swap transaction referencing the Affected Reference Entity with the standard terms specified in the Form of Auction Settlement Terms.

**"Subsequent Bidding Information Publication Time"** has the meaning determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.



## VII. FORM OF FINAL TERMS

### Form of Final Terms

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]<sup>1</sup>

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, "**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]<sup>2</sup>

**[PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA:** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>3</sup>

**[PROHIBITION OF SALES TO RETAIL INVESTORS IN THE UNITED KINGDOM:** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.]<sup>4</sup>

<sup>1</sup> This legend is to be included for Securities offered in the European Economic Area to professional investors and eligible counterparties only.

<sup>2</sup> This legend is to be included for Securities offered in the United Kingdom to professional investors and eligible counterparties only.

<sup>3</sup> The legend is to be included if "Applicable" is selected in the option "Prohibition of Sales to Retail Investors in the EEA" in Part B of the Final Terms.

<sup>4</sup> The legend is to be included if "Applicable" is selected in the option "Prohibition of Sales to Retail Investors in the United Kingdom" in Part B of the Final Terms.

**[PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND** – [Other than with respect to offers of the Securities during the [Swiss KID Compliant Sales Period specified in Part B below] [period[s] [●]-[●],] for which a key information document according to the Swiss Federal Financial Services Act ("**FinSA**") or an equivalent document under FinSA has been prepared] [t][T]he Securities are not intended to be offered to private clients within the meaning of [the Swiss Federal Financial Services Act ("**FinSA**")][FinSA] in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.]<sup>5</sup>

**[The Securities do not constitute a participation in a collective investment scheme in the meaning of [the Swiss Federal Act on Collective Investment Schemes ("**CISA**")][CISA] and are not subject to the supervision by the Swiss Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.]<sup>6</sup>**

Final Terms dated [●]

**DEUTSCHE BANK AG [FRANKFURT][LONDON BRANCH]**

(the "**Issuer**")

Legal Entity Identifier (LEI): 7LTWFZYICNSX8D621K86

Issue of [Up to] [Aggregate [Nominal Amount][Notional Amount] [Number of Units] of Tranche] Credit Linked [Certificates][Notes] linked to [Insert name of Reference Entity]<sup>7</sup> [a Basket of Reference Entities]<sup>8</sup> [the Reference Entities comprising [Insert name of relevant index]]<sup>9</sup>

due [●] (the "**Securities**")

under its Programme for the issuance of Credit Linked Securities

[[These Final Terms do not relate to a non-exempt public offer for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").]<sup>10</sup> These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 [of the Swiss Federal Financial Services Act ("**FinSA**")][FinSA] for the purposes of an offer of the Securities to the public in Switzerland on the basis of the combination of these Final Terms and the Securities Note dated 6 January 2023 [and the supplement[s] thereto dated [●], [●] ... [●]] (the "**Securities Note**") which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.]<sup>11</sup> [This document constitutes the Final Terms of the Securities for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").]<sup>12</sup> These Final Terms must be read in conjunction with the Securities Note dated 6 January 2023 [and the supplement[s] thereto dated [●], [●] ... [●]] (the "**Securities Note**"), the Registration Document dated 4 May 2022 and the supplements thereto dated 3 August 2022, 23 September 2022 [and]/[,] 2 November 2022 [and [●]] (the "**Registration Document**"), pertaining to Deutsche Bank AG's Programme

<sup>5</sup> Legend to be included if the Securities potentially constitute debt instruments with a "derivative character" for the purpose of FinSA and are offered in Switzerland and no key information document or equivalent document under FinSA will be prepared or the Issuer wishes to prohibit offers to private clients in Switzerland for any other reason, in which case, the "Prohibition of Offer to Private Clients in Switzerland" selling restriction should be specified to be "Applicable" in Part B of the Final Terms. Note that the form of legend and selling restriction also allow the manufacturer to permit sales to private clients in Switzerland for a specified period.

<sup>6</sup> Include if Securities are offered in Switzerland.

<sup>7</sup> Include for Single Reference Entity Securities.

<sup>8</sup> Include for Non-Index Basket Securities.

<sup>9</sup> Include for Index Basket Securities.

<sup>10</sup> Include where applicable.

<sup>11</sup> Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

<sup>12</sup> Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

for the issuance of Credit Linked Securities (the "**Programme**"). [The Securities Note and the Registration Document (and any supplements thereto) together constitute a base prospectus for the purposes of the Prospectus Regulation.]<sup>13</sup>

The Securities Note and the Registration Document (and any supplements thereto) are available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.xmarkets.db.com). All relevant information on Deutsche Bank AG and the Securities is only available on the basis of the combination of the Securities Note, the Registration Document, any supplements thereto and these Final Terms. [These Final Terms together with any notice to the Final Terms may be viewed on the website of the Borsa Italiana S.p.A. (www.borsaitaliana.com) (upon admission to trading).]<sup>14</sup> [A summary of the individual issue of the Securities is annexed to these Final Terms.]<sup>15</sup>

Terms used herein shall be deemed to be defined as such for the purposes of the Product Conditions set form in the Securities Note.

*[In case of Public Offer continuing after the validity of the Securities Note: The Securities Note expires on 6 January 2024. The new securities note (the "[●] Securities Note") will be valid from and including [●] and will be published on Luxembourg Stock Exchange's website and at www.xmarkets.db.com. Following expiry of the Securities Note the offering of the Securities will continue under the new Securities Note. The terms and conditions of the Securities from the Securities Note will be incorporated by reference into the [●] Securities Note and will continue to apply to the Securities.]<sup>16</sup>*

*[(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics and footnotes denote guidance for completing the Final Terms)]*

## PART A – PRODUCT TERMS

### GENERAL

1. Security Type: [Notes] [Certificates trading in Notional] [Certificates trading in Units]  
[EuroTLX Securities]  
[Single Reference Entity] [Index Basket] [Non-Index Basket] [Fixed Recovery] [Zero Recovery Principal Amount Reduction] [Final Redemption Capital Protected] [Floating Rate] [Fixed Rate] [Fixed/Floating Switch Option] [Floating/Fixed Switch Option] [Non Credit Linked Coupon] [Credit Event Accrued Coupon] [Loss at Final Redemption] [Credit Contingent Call Option] [Callable] Securities.
2. Issue Price: [*insert currency*] [●] per Security [[●]] per cent.] [plus a subscription charge of [up to] [●] per cent. [of the Issue Price]] [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: [●]

<sup>13</sup> Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

<sup>14</sup> Include for Securities admitted to trading on the Borsa Italiana's EuroTLX.

<sup>15</sup> Include for Securities with a denomination or unit value per Security less than EUR 100,000.

<sup>16</sup> Include for Securities which straddle this Securities Note and a future Securities Note.

4. [Aggregate Nominal Amount]<sup>17</sup> [Up to] [insert currency if applicable] [●]  
 [Aggregate Notional Amount]<sup>18</sup>  
 [Number of Securities]<sup>19</sup>:
- (a) Series: [Up to] [insert currency if applicable] [●]
- (b) Tranche: [Up to] [insert currency if applicable] [●]
5. [Nominal Amount]<sup>20</sup> [Notional Amount]<sup>21</sup> [Reference Amount]<sup>22</sup>: [insert currency] [●] per Security
6. Minimum trade size: The Securities may only be traded in a minimum initial amount of [●] and, thereafter, in multiples of [●].
7. [Scheduled Maturity Date]<sup>23</sup> [●]  
 [Scheduled Redemption Date]<sup>24</sup>:

#### PROVISIONS RELATING TO COUPON

8. Fixed Rate Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Coupon Rate: [●] per cent. per annum
- (ii) Coupon Commencement Date: [Issue Date] [●]
- (iii) Coupon Accrual Date(s): [[●] [[Each of (i) [●],[ [●],[ [●] [and [●]] [in each year] from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●]], in each case] [subject to adjustment in accordance with the Business Day Convention] [not being adjusted for any Business Day Convention.] [and (ii) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●].] [●]
- (iv) Coupon Payment Date(s): [[●] [(i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●] and (ii) the [Scheduled Maturity Date] [Scheduled Redemption Date]], in each case 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.] [●]

<sup>17</sup> Insert for Securities which are Notes.

<sup>18</sup> Insert for Securities which are Certificates trading in notional.

<sup>19</sup> Insert for Securities which are Certificates trading in units.

<sup>20</sup> Insert for Securities which are Notes.

<sup>21</sup> Insert for Securities which are Certificates.

<sup>22</sup> Insert for Securities which are Certificates trading in units.

<sup>23</sup> Insert for Securities which are Notes.

<sup>24</sup> Insert for Securities which are Certificates.

- (v) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual] [Actual/365] [1/1] [Not Applicable]
9. Floating Rate Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Reference Rate: [EURIBOR] [EUR CMS] [USD CMS] [Structured Floating Rate (Aggregate Reference Rate)] [Structured Floating Rate (EUR CMS (SP1-SP2))] [Structured Floating Rate (USD CMS (SP1-SP2))] [Compounded Daily SOFR] [Compounded SOFR Index] [Compounded Daily €STR] [Compounded €STR Index] [Compounded Daily SONIA]  
 [ISDA Rate:  
 Floating Rate Option: [●]  
 Designated Maturity: [●]  
 Reset Date(s): [●]]  
 [p:[●]] *[Insert in respect of Compounded Daily €STR or Compounded Daily SONIA]*
- (ii) Specified Period: [●] [week[s]] [month[s]] [year[s]]  
 [SP1: [●] [months] [year[s]]]  
 [SP2: [●] [months] [year[s]]]  
 [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) Coupon Commencement Date: [Issue Date] [●]
- (vii) Coupon Accrual Date(s): [[●] [[Each of (i) [●], [●], [●] and [●]] [in each year] from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●]], in each case] [subject to adjustment in accordance with the Business Day Convention] [not being adjusted for any Business Day Convention.] [and (ii) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●].] [●]
- (viii) Coupon Payment Date(s): [[●] [(i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●] and (ii) the [Scheduled Maturity Date] [Scheduled Redemption Date]], in each case 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.] [●]
- (ix) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual] [Actual/365] [1/1] [Not Applicable]

10. Fixed/Floating Switch Option Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fixed to Floating Fixed Rate: [●] per cent. per annum
- (ii) Fixed/Floating Switch Option Period Start Date: [●] [Not Applicable] *[Specify Not Applicable if a Fixed/Floating Switch Option Date is specified below.]*
- (iii) Fixed/Floating Switch Option Business Days: [[●] Business Days] [Not Applicable] *[Specify Not Applicable if a Fixed/Floating Switch Option Date is specified below.]*
- (iv) Fixed/Floating Switch Option Date: [●]
- (v) Reference Rate: [EURIBOR] [Compounded Daily SOFR] [Compounded SOFR Index] [Compounded Daily €STR] [Compounded €STR Index] [Compounded Daily SONIA]  
 [ISDA Rate:  
 Floating Rate Option: [●]  
 Designated Maturity: [●]  
 Reset Date(s): [●]]  
 [p:[●]] *[Insert in respect of Compounded Daily €STR or Compounded Daily SONIA]*
- (vi) Specified Period: [●] [months] [years]
- (vii) Margin: [[●] per cent. per annum] [Not Applicable]
- (viii) Linear Interpolation: [Applicable in respect of the first Coupon Period] [Not Applicable]
- (ix) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (x) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (xi) Coupon Commencement Date: [Issue Date] [●]
- (xii) Coupon Accrual Date(s): [[●] [[Each of (i) [●], [●], [●] [and [●]] [in each year] from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●]], [in each case] [subject to adjustment in accordance with the Business Day Convention] [not being adjusted for any Business Day Convention.] [and (ii) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●].] [●]
- (xiii) Coupon Payment Date(s): [[●] [(i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●] and (ii) the [Scheduled Maturity Date] [Scheduled Redemption Date]], in each case 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.] [●]

- (xiv) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual] [Actual/365] [1/1] [Not Applicable]
11. Floating/Fixed Switch Option Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Floating to Fixed Rate: [●] per cent. per annum
- (ii) Floating/Fixed Switch Option Period Start Date: [●] [Not Applicable] [*Specify "Not Applicable" if a Floating/Fixed Switch Option Date is specified below.*]
- (i) Floating/Fixed Switch Option Business Days: [[●] Business Days] [Not Applicable] [*Specify Not Applicable if a Floating/Fixed Switch Option Date is specified below.*]
- (ii) Floating/Fixed Switch Option Date: [●]
- (iii) Reference Rate: [EURIBOR] [Compounded Daily SOFR] [Compounded SOFR Index] [Compounded Daily €STR] [Compounded €STR Index] [Compounded Daily SONIA]  
 [ISDA Rate:  
 Floating Rate Option: [●]  
 Designated Maturity: [●]  
 Reset Date(s):] [●]  
 [p:[●]] [*Insert in respect of Compounded Daily €STR or Compounded Daily SONIA*]
- (iv) Specified Period: [●] [months] [years]
- (v) Margin: [[●] per cent. per annum] [Not Applicable]
- (vi) Linear Interpolation: [Applicable in respect of the first Coupon Period] [Not Applicable]
- (vii) Minimum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (viii) Maximum Coupon Rate: [[●] per cent. per annum] [Not Applicable]
- (ix) Coupon Commencement Date: [Issue Date] [●]
- (x) Coupon Accrual Date(s): [[●] [[Each of (i)] [●], [●], [●] [and [●]] [in each year] from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●]], in each case] [subject to adjustment in accordance with the Business Day Convention] [not being adjusted for any Business Day Convention.] [and (ii) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●].] [●]
- (xi) Coupon Payment Date(s): [[●] [(i) Each day falling [●] Business Days following each Coupon Accrual Date in the period from ([and including] [but excluding]) [the Coupon Commencement Date] [the Issue Date] [●] to ([and including] [but excluding]) [the Scheduled Maturity Date] [the Scheduled Redemption Date] [●] and (ii) the [Scheduled Maturity Date] [Scheduled Redemption Date]], in each case 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.] [●]

(xii) Day Count Fraction: [Actual/360] [30/360] [Actual/Actual] [Actual/365] [1/1] [Not Applicable]

## CREDIT-LINKED PROVISIONS

### 12. Credit Linked Provisions:

- (i) Credit Event Backstop Date: Lookback: [Applicable] [Not Applicable]
- (ii) Credit Period End Date: [Scheduled Maturity Date]<sup>25</sup>/[Scheduled Redemption Date]<sup>26</sup>[●]
- (iii) Settlement Method: [Auction Settlement] [Cash Settlement]
- (iv) Notice of Publicly Available Information: [Applicable] [Not Applicable]
- (v) Public Source: [●] [As per Product Condition 1] [Not Applicable]
- (vi) Excluded Obligation(s): [●] [Not Applicable]
- (vii) Excluded Valuation Obligation(s): [●] [Not Applicable]
- (viii) Additional Obligation(s): [●] [Not Applicable]
- (ix) Additional Valuation Obligation(s): [●] [Not Applicable]
- (x) Physical Settlement Matrix: [Applicable] [Not Applicable]  
[Date of Physical Settlement Matrix [●]]
- (xi) Reference Entity(ies): [●] [As set out in Appendix 1]
- (xii) Reference Obligation[s]: [[Standard Reference Obligation: [Applicable] [Not Applicable]  
[Non-Standard Reference Obligation: [Applicable]] [As set out in Appendix 1]

[The obligation(s) identified as follows:

Primary Obligor: [●]

Guarantor: [●]

Maturity: [●]

Coupon: [●]

ISIN: [●]

[Valuation Obligation Category: [[Payment]  
[Borrowed Money]

<sup>25</sup> Insert for Securities which are Notes.

<sup>26</sup> Insert for Securities which are Certificates.



	[Bond]
	[Loan]
	[Bond or Loan]
	[As per Physical Settlement Matrix]]
Valuation Obligation Characteristics:	[[Not Subordinated]
	[Specified Currency: [●] [Standard Specified Currency]
	[Not Sovereign Lender]
	[Not Domestic Currency]
	[Domestic Currency means: [●]]
	[Not Domestic Law]
	[Listed]
	[Not Domestic Issuance]
	[Assignable Loan]
	[Consent Required Loan]
	[Direct Loan Participation]
	[Qualifying Participation Seller: - insert details]
	[Transferable]
	[Maximum Maturity: [●]]
	[Accelerated or Matured]
	[Not Bearer]
	[As per Physical Settlement Matrix]] <sup>27</sup>
(xiii) Seniority Level:	[Senior Level] [Subordinated Level] [As set out in Appendix 1]
(xiv) All Guarantees:	[Applicable]
	[Not Applicable]
	[As per Physical Settlement Matrix]
(xv) Transaction Type:	[The following Transaction Type applies:
	[Standard North American Corporate] [Standard European Corporate] [Standard European Financial Corporate] [Standard Australia Corporate] [Standard Australia Financial Corporate] [Standard New Zealand Corporate] [Standard New Zealand Financial Corporate] [Standard Japan Corporate] [Standard Japan Financial Corporate] [Standard Singapore Corporate] [Standard Singapore Financial Corporate] [Standard Asia Corporate] [Standard Asia Financial Corporate] [Standard Subordinated European Insurance Corporate] [Standard Emerging European Corporate] [Standard Latin America Corporate B] [Standard Latin America Corporate L] [Standard Asia Sovereign] [Standard Emerging European & Middle Eastern Sovereign] [Standard Japan Sovereign] [Standard Australia Sovereign] [Standard New Zealand Sovereign] [Standard Singapore Sovereign] [Standard Latin America Sovereign] [Standard Western European Sovereign] [Standard U.S. Municipal Full Faith and Credit] [Standard U.S. Municipal General Fund] [Standard U.S. Municipal Revenue]]
	[As set out in Appendix 1]

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<sup>27</sup> If more than one Reference Entity, repeat if necessary for each Reference Entity.

- (xvi) Credit Events: [As per Physical Settlement Matrix]  
 [Bankruptcy]  
 [Failure to Pay]  
 [Grace Period Extension [Applicable] [Not Applicable]]  
 [Grace Period: [●]]  
 [Governmental Intervention]  
 [Obligation Default]  
 [Obligation Acceleration]  
 [Repudiation/Moratorium]  
 [Restructuring]  
 [Provisions relating to Multiple Holder Obligation: [Applicable]  
 [Not Applicable]]  
 [Mod R: [Applicable] [Not Applicable]]  
 [Mod Mod R: [Applicable] [Not Applicable]]
- Default Requirement: [As specified in Product Condition 1] [●]
- Payment Requirement: [As specified in Product Condition 1] [●]
- (xvii) Obligation(s):
- Obligation Category: [As per Physical Settlement Matrix]  
 [Payment]  
 [Borrowed Money]  
 [Reference Obligation Only]  
 [Bond]  
 [Loan]  
 [Bond or Loan]
- Obligation Characteristics: [As per Physical Settlement Matrix]  
 [Not Subordinated]  
 [Specified Currency: [●] [Standard Specified Currency]]  
 [Not Sovereign Lender]  
 [Not Domestic Currency]  
 [Domestic Currency means: [●]]  
 [Not Domestic Law]  
 [Listed]  
 [Not Domestic Issuance]
- (xviii) Accrued Interest: [Include Accrued Interest] [Exclude Accrued Interest] [Not Applicable]
- (xix) Extension Period Interest: [Applicable] [Not Applicable]
- (xx) Financial Reference Entity Terms: [Applicable] [Not Applicable] [As per Physical Settlement Matrix]

- (xxi) Subordinated European Insurance Terms: [Applicable] [Not Applicable] [As per Physical Settlement Matrix]
- (xxii) [NTCE Supplement: [Not Applicable]]<sup>28</sup>
13. Cash Settlement:
- (i) Valuation Date: [Single Valuation Date: [●] Business Days  
Maximum Number of Business Days: [Applicable] [Not Applicable]]  
[Multiple Valuation Dates: [●] Business Days; and each [●] Business Days thereafter.  
Number of Valuation Date: [●] [Not Applicable]
- (ii) Valuation Time: [As per Product Condition 1] [●] [Not Applicable]
- (iii) Quotation Method: [Bid/Offer/Mid-Market] [Not Applicable]
- (iv) Quotation Amount: [As per Product Condition 1] [●] [Not Applicable]
- (v) Minimum Quotation Amount: [As per Product Condition 1] [●] [Not Applicable]
- (vi) Quotation Dealers: [As per Product Condition 1] [●] [Not Applicable]
- (vii) Valuation Method: [Market/Highest]  
[Average Market/Highest/Average Highest]
14. Single Reference Entity Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fixed Recovery Securities: [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Settlement Price: [●] per cent.
- (ii) Zero Recovery Principal Amount Reduction Securities: [Applicable] [Not Applicable]
15. Basket Securities [Applicable] [Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index Basket Securities [Applicable] [Not Applicable]  
*(If Not Applicable, delete the wording below and the remaining sub-paragraphs of this paragraph)*  
[Type 1 Credit Index: [Applicable] [Not Applicable]]  
[Type 2 Credit Index: [Applicable] [Not Applicable]]
- (i) Index: [●]

<sup>28</sup> NTCE Supplement line item to be inserted if not applicable.

- |        |  |  |
|--------|--|--|
| (ii)   | Index Annex:   | [The list for the Index with the Annex Date, as published by the Index Publisher [(which can be accessed at [●] or any successor website thereto))]<br><br>[Annex Date: [●]]   |
| (iii)  | Index Publisher:   | [●]  |
| (iv)   | Index Sponsor:   | [●]  |
| (vi)   | [Effective Date:]  | [●] <sup>29</sup>  |
| (vii)  | Reference Entities:  | Each Reference Entity contained in the Index and listed in the Index Annex   |
| (viii) | Transaction Type:  | [As per Product Condition 23(h)] <sup>30</sup><br>[The following Transaction Type applies:<br><br>[Standard North American Corporate] [Standard European Corporate] [Standard European Financial Corporate] [Standard Australia Corporate] [Standard Australia Financial Corporate] [Standard New Zealand Corporate] [Standard New Zealand Financial Corporate] [Standard Japan Corporate] [Standard Japan Financial Corporate] [Standard Singapore Corporate] [Standard Singapore Financial Corporate] [Standard Asia Corporate] [Standard Asia Financial Corporate] [Standard Subordinated European Insurance Corporate] [Standard Emerging European Corporate] [Standard Latin America Corporate B] [Standard Latin America Corporate L] [Standard Asia Sovereign] [Standard Emerging European & Middle Eastern Sovereign] [Standard Japan Sovereign] [Standard Australia Sovereign] [Standard New Zealand Sovereign] [Standard Singapore Sovereign] [Standard Latin America Sovereign] [Standard Western European Sovereign] [Standard U.S. Municipal Full Faith and Credit] [Standard U.S. Municipal General Fund] [Standard U.S. Municipal Revenue]] <sup>31</sup> |
| (ix)   | Reference Obligations:   | [As per Product Condition 23(b)] <sup>32</sup> [As per Product Condition 24(b)] <sup>33</sup>  |
| (x)    | [Reference Entity Nominal Amount] <sup>34</sup><br>[Reference Entity Notional Amount] <sup>35</sup><br>[Reference Entity Reference Amount] | [As per Product Condition 23(f)] <sup>36</sup> [As per Product Condition 24(f)] <sup>37</sup>  |

<sup>29</sup> Insert for Index Basket Securities where Type 2 Credit Index is “Applicable”, otherwise delete.

<sup>30</sup> Insert for Index Basket Securities where Type 1 Credit Index is “Applicable”.

<sup>31</sup> Insert for Index Basket Securities where Type 2 Credit Index is “Applicable”.

<sup>32</sup> Insert for Index Basket Securities where Type 1 Credit Index is “Applicable”.

<sup>33</sup> Insert for Index Basket Securities where Type 2 Credit Index is “Applicable”.

<sup>34</sup> Insert for Securities which are Notes.

<sup>35</sup> Insert for Securities which are Certificates trading as Notional.

<sup>36</sup> Insert for Index Basket Securities where Type 1 Credit Index is “Applicable”.

<sup>37</sup> Insert for Index Basket Securities where Type 2 Credit Index is “Applicable”.

	(xi) Reference Entity Weighting(s):	[As per Product Condition 23(g)] <sup>38</sup> [As per Product Condition 24(g)] <sup>39</sup>
	(ii) Non-Index Basket Securities:	[Applicable] [Not Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Reference Entities, Transaction Type, Reference Obligations and [Reference Entity Nominal Amount] <sup>40</sup> [Reference Entity Notional Amount] <sup>41</sup> or Reference Entity Weighting(s):	As set out in Appendix 1
	(iii) Fixed Recovery Securities:	[Applicable] [Not Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Settlement Price:	[●] per cent.
	(iv) Zero Recovery Principal Amount Reduction Securities:	[Applicable] [Not Applicable]
	(v) Partial Redemption Amount:	[●] [As per Product Condition 5.2.2] [Not Applicable]
16.	Credit Event Accrued Coupon Securities:	[Applicable] [Not Applicable]
17.	Final Redemption Capital Protected Securities:	[Applicable] [Not Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Capital Protection Percentage:	[●] per cent.
18.	Loss at Final Redemption Securities:	[Applicable] [Not Applicable]
19.	Details relating to Instalment Securities:	[Applicable] [Not Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Instalment Amount(s):	[●]
	(ii) Instalment Date(s):	[●]

<sup>38</sup> Insert for Index Basket Securities where Type 1 Credit Index is “Applicable”.

<sup>39</sup> Insert for Index Basket Securities where Type 2 Credit Index is “Applicable”.

<sup>40</sup> Insert for Securities which are Notes.

<sup>41</sup> Insert for Securities which are Certificates.

- (iii) Minimum Instalment Amount: [●]
- (iv) Maximum Instalment Amount: [●]
20. Other terms or special conditions: [●]

#### MISCELLANEOUS

21. Callable Securities: [Applicable] [Not Applicable]  
*[If Not Applicable, delete the remaining sub- paragraphs of this paragraph]*
- (i) Issuer Early Redemption Date(s): [●]
- (ii) Issuer Early Redemption Notice Requirement: [●] Business Days
- (iii) Applicable Call Percentage: [Applicable: [●] per cent.] [Not Applicable]
- (iv) Call Redemption Amount: [●] [Not Applicable]<sup>42</sup>
22. Rate Replacement Early Redemption Amount (Product Condition 4.12): [Nominal Amount] [Notional Amount] [Reference Amount] [Percentage of the Nominal Amount: [●] per cent. of the Nominal Amount] [Percentage of the Nominal Amount: [●] per cent. of the Notional Amount] [Percentage of the Nominal Amount: [●] per cent. of the Reference Amount] [Fair Market Value]
23. (i) Business Day: [●] [New York City] [,] [London] [,] [TARGET2 Settlement Day] [,] [and [●]]
- (ii) Business Day Convention: [[Floating Rate] [Modified Following] [Following] [Preceding] Business Day Convention] [Not Applicable] [●]
24. Payment Day: [●] [New York City] [,] [and] [London] [,] [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] [●]
26. Clearing System: [Euroclear Bank S.A./N.V.] [Clearstream Banking S.A.] [Clearstream Banking AG, Mergenthalerallee 61 65760 Eschborn Germany] [●]
27. Stabilising Manager: [●] / [Not Applicable]
28. Form of Securities: Global Security in bearer form
29. Ranking: [Preferred / Non-preferred]
30. U.S. selling restrictions: [Regulation S]
31. Additional Selling Restrictions: [Applicable [●] / Not Applicable]

<sup>42</sup> “Not Applicable” shall be selected for the “Call Redemption Amount” for Securities which are Non-Exempt Securities.

32. Intended to be held in a manner which would allow Eurosystem eligibility No

### **THIRD PARTY INFORMATION**

(Relevant third party information) has been extracted from [●] (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]<sup>43</sup>

Signed on behalf of the Issuer:

By:

Duly authorised

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<sup>43</sup> Insert if any third party information has been provided.

## PART B – OTHER INFORMATION

### 1. ADMISSION TO TRADING

Admission to trading:

[Yes, application [has been] [is expected to be][will be] made by the Issuer [(or on its behalf)] for the Securities to be admitted to trading on the exchange and/or market set out below. No assurance can be given that such admission to trading will be obtained (or, if obtained, will be obtained by the specific date indicated below or any specific date thereafter).]

[The effectiveness of the offer of the Securities is conditional upon such admission to trading occurring by the Issue Date. In the event that admission to trading of the Securities does not take place by the Issue Date for whatever reason, the Issuer will withdraw the offer, the offer will be deemed to be null and void and the Securities will not be issued.]<sup>44</sup>

[The Issuer has no duty to maintain the trading (if any) of the Securities on the relevant stock exchange(s) over their entire lifetime. The Securities may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).]

[Regulated Market of the Luxembourg Stock Exchange [(Professional Segment)]]

["Euro MTF" Market of the Luxembourg Stock Exchange [(Professional Segment)]]

[EuroTLX Market of Borsa Italiana]

[The Securities will not be listed or admitted to trading on the regulated market of any exchange.]

*(Where documenting a fungible issue, need to indicate that original Securities are already admitted to trading.)*

Earliest date on which the Securities will be admitted to trading:

[Not Applicable] [●]

[Estimate of total expenses related to admission to trading:]<sup>45</sup>

[Not Applicable] [●]

### 2. Ratings

Ratings:

[The Securities to be issued have been rated:

[S&P: [●]]

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<sup>44</sup> Consider inclusion in case of issuance of Certificates.

<sup>45</sup> Delete for Securities with a denomination or unit value per Security of less than EUR 100,000.



[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

*Option 1:*

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

*Option 2:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA and is not registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

*Option 3:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but the rating it has given to the Securities is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

*Option 4:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]<sup>46</sup>

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

[*The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*]

*Option 5:*

[The Securities will not be rated].]

### 3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Description of any interest that is material to the issue:

[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 issue [*amend as appropriate if there are other interests*].]

[*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest (including any marketing fees paid to marketing advisors if*

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<sup>46</sup> Edit and delete options as appropriate for the relevant rating agency/agencies providing the rating.

applicable). May be satisfied by the inclusion of the above statement (as amended if necessary).)

#### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] Reasons for offer: [●]

[(ii)] Estimated net proceeds: [●]

*(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: [●]

*(Include breakdown of expenses)*

#### 5. ADDITIONAL INFORMATION

Indication of Yield<sup>47</sup>: [[●] per cent. per annum.] [Not Applicable]

Description of underlying Reference Rate[s]: *[Insert description of the underlying interest rate[s] and details of where past and future [SOFR], [SONIA] [€STR] [EURIBOR] [EUR CMS] [USD CMS] [●] rates can be obtained]*

Description of the underlying [Reference Entity] [basket of Reference Entities]: *[Insert description of the underlying [reference entity] [basket of reference entities] and of where information on the underlying reference entit[y] [ies] can be obtained.]*

*[Where the reference entity or reference obligation comprises of a single entity or obligation, or in the case of a pool of underlying where a single reference entity or reference obligation represents 20% or more of the pool, if the reference entity (or issuer of the reference obligation) has securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market, so far as the Issuer is aware and/or able to ascertain from information published by the reference entity, insert its name, ISIN, address, country of incorporation, industry or industries in which the reference entity operates and the name of the market in which its securities are admitted.]*

*[In the case of a pool of underlying where a single reference entity or reference obligation represents 20% or less of the pool, insert the names of the reference entity or issuer of the reference obligation and the ISIN.]*

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<sup>47</sup> Applicable in respect of Fixed Rate Securities only.

6. **OPERATIONAL INFORMATION**

ISIN: [●]  
Common Code: [●]  
[Valorenummer: [●]]  
[WKN: [●]]  
[CVM Code: [●]]  
[CUSIP: [●]]  
Delivery: Delivery [against] [free of] payment

7. **TERMS AND CONDITIONS OF THE OFFER**

Total amount of the Securities [offered to the public] [and] [admitted to trading]: [Insert details] [Not applicable] [The acceptance of the purchase or subscription of Securities may be withdrawn up to two working days after the amount of Securities to be offered to the public has been filed.]  
*(If the amount is not fixed, an indication of the maximum amount of the Securities to be offered (if available) and a description of the arrangements and time for announcing to the public the definitive amount of the offer)*

Offer Period: [From (and including) [●] to (and including) [●]]  
[●] *(further details relating to the types of offer that may be carried out may be inserted)*  
*[insert details]*  
[The Issuer reserves the right for any reason [to shorten or extend the Offer Period] [to close the Offer Period early].]  
[In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective investors equal to [●], the Issuer may proceed to early terminate the Offer Period and may immediately suspend the acceptance of further requests.]  
[Any such change or any amendment to the Offer Period will be communicated to investors by means of a notice published on the website of the Issuer (www.xmarkets.db.com).]

[Not Applicable]  
Offer Jurisdiction[s]: [Italy] [●]  
[Not Applicable]  
Distributors and financial intermediaries granted specific consent to use the Base Prospectus for Non-exempt Offers [The Issuer consents to the use of the Prospectus by all Distributors and financial intermediaries (general consent).]

OR

	<i>[Insert names and addresses of Distributors or financial intermediaries receiving consent (specific consent)]</i>
Swiss Non-exempt Offer: <sup>48</sup>	[Applicable] [Not Applicable]
[Swiss Offer Period:	<i>[specify date]</i> until <i>[specify date]</i> ]
[Withdrawal right according to Article 63(5) of the Swiss Financial Services Ordinance (FinSO): <sup>49</sup>	[If an obligation to prepare a supplement to the Base Prospectus according to Article 56(5) FinSA is triggered during the Swiss Offer Period, investors who have already subscribed or agreed to purchase or subscribe for Securities before any such supplement to the Base Prospectus is published have the right to withdraw their subscriptions and acceptances within a period of two days from the publication of such supplement regardless of whether the Swiss Offer Period closes prior to the expiry of such two day period.]  [Not Applicable]]
[Financial intermediaries granted specific consent to use the Base Prospectus for Swiss Non-exempt Offers:	<i>[Insert names and addresses of financial intermediaries receiving consent (specific consent)]</i>
Cancellation of the issue of Securities:	<i>[insert details]</i>  [The Issuer reserves the right for any reason to cancel the issuance of the Securities.  Any such decision will be communicated to investors by means of a notice published on the website of the Issuer (www.xmarkets.db.com).  For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Securities.]  [Not Applicable]
Offer Price:	[Issue Price] [The offer price will be determined according to the respective market conditions.] <i>[Specify]</i> [Not Applicable]
Conditions to which the offer is subject:	[●] [None] [Not Applicable]
The time period, including any possible amendments, during which the offer will be open [and a description of the application process] <sup>50</sup> :	[●] [Not Applicable]

<sup>48</sup> If not applicable, delete the placeholders [Swiss Offer Period], [Withdrawal right according to Article 63(5) of the Swiss Financial Services Ordinance (FinSO)] and [Financial intermediaries granted specific consent to use the Base Prospectus for Swiss Non-exempt Offers] below.

<sup>49</sup> Specify as applicable and tailor as appropriate where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

<sup>50</sup> Not applicable unless full application process is being followed in relation to the issue.

Details of the minimum and/or maximum amount of the application (whether in number of Notes or aggregate amount to invest): <sup>51</sup>	[●] <sup>52</sup> [Not Applicable]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid in excess by applicants: <sup>53</sup>	[●] <sup>54</sup> [Not Applicable]
Details of the method and time limits for paying up and delivering the Securities:	<i>[insert details]</i> [Investors will be notified [by the relevant financial intermediary] of their allocations of Securities and the settlement arrangements in respect thereof. The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription price.] [Not Applicable]
Manner and date in which results of the offer are to be made public: <sup>55</sup>	[●] [Not Applicable]
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: <sup>56</sup>	[●] [Not Applicable]
Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:	[●] [Not Applicable]
The various categories of potential investors to which the Securities are offered:	[Qualified investors within the meaning of the Prospectus Regulation] [Non-qualified investors][Qualified investors within the meaning of the Prospectus Regulation and non-qualified investors] [Not Applicable]  <i>(If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche).</i>

## 8. PLACING AND UNDERWRITING

[Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place:] <sup>57</sup>	[●][Not Applicable]
Name and address of any paying agents and depository agents in each country:	[●][Not Applicable]
[Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue	[●][Not Applicable]

<sup>51</sup> Not applicable unless full application process is being followed in relation to the issue.

<sup>52</sup> Insert either the number of Securities or the aggregate amount to invest.

<sup>53</sup> Not applicable unless full application process is being followed in relation to the issue.

<sup>54</sup> Insert either the number of Securities or the aggregate amount to invest.

<sup>55</sup> Not applicable unless the issue is an “up to” issue.

<sup>56</sup> Not applicable unless full application process is being followed in relation to the issue.

<sup>57</sup> Delete for Securities with a denomination or unit value per Security of at least EUR 100,000.

without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered:]<sup>58</sup>

[Date of Subscription Agreement:]<sup>59</sup> [Not Applicable]

9. **FEES**

Fees paid by the Issuer to the Distributor: [Not Applicable]

[Trailer Fee:] [Not Applicable]

[Placement Fee:] [Not Applicable]

[Fees charged by the Issuer to the Securityholders post issuance:] [Not Applicable]

10. **COSTS**

[Amount of any costs and taxes specifically charged to the subscriber or purchaser:]<sup>60</sup> [Not Applicable]

[Purchase costs:] [Not Applicable]

[Running costs:] [Not Applicable]

[Distribution Fee:] [Not Applicable]

11. **OTHER MARKETS**

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading:  [None]  [Not Applicable]

12. **PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EEA**

Prohibition of Sales to Retail Investors in the EEA:  [Applicable]  [Not Applicable]

13. **PROHIBITION OF SALES TO RETAIL INVESTORS IN THE UNITED KINGDOM:**

Prohibition of Sales to Retail Investors in the United Kingdom:  [Applicable]  [Not Applicable]

14. Details of benchmarks administrators and registration under the EU Benchmark Regulation:

[Applicable]/ [Not Applicable]

*[[specify benchmark]*<sup>61</sup> *is administered by [insert legal name of administrator], who as at the Issue Date, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/2011) (the "EU Benchmark*

<sup>58</sup> Delete for Securities with a denomination or unit value per Security of at least EUR 100,000.

<sup>59</sup> Delete for Securities with a denomination or unit value per Security of at least EUR 100,000.

<sup>60</sup> Delete for Securities with a denomination or unit value per Security of at least EUR 100,000.

<sup>61</sup> An appropriate reference to the relevant benchmark should be included here pursuant to the type of Security.

**Regulation").**][[specify benchmark] is administered by [insert legal name of administrator], who as at the Issue Date, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/2011) (the "**EU Benchmark Regulation**"). [As far as the Issuer is aware [insert legal name of administrator] is not required to be registered by virtue of Article 2 of the EU Benchmark Regulation.][As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmark Regulation apply, such that [insert legal name of administrator] is not currently required to obtain authorisation or registration (or if located outside the European Union, recognition, endorsement or equivalence).]

*(repeat as appropriate)* <sup>62</sup>

15. **PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND:**

Prohibition of Offer to Private Clients in Switzerland:

[Applicable] [Not Applicable]

[Swiss KID Compliant Sales Period:

[Swiss Offer Period][The period from [specify date] until [specify date][[the date which falls [●] Business Days after] the Issue Date]]

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<sup>62</sup> To the extent the Issue Terms apply to multiple benchmarks, repeat as appropriate.

[Basket Securities: APPENDIX 1: REFERENCE ENTITIES]

Reference Entity	[Reference Entity Nominal Amounts] [Reference Entity Notional Amount] [Reference Entity Reference Amount] and/or Reference Entity Weighting(s):	Reference Obligation	Transaction Type
[•]	[•] / [[•] %]	[[Standard Reference Obligation: [Applicable] [Not Applicable] [Non-Standard Reference Obligation: [Applicable] [ <i>identify obligation</i> ]]	[Specify the relevant Seniority Level: Subordinated Level /Senior Level] The following Transaction Type applies: [Standard North American Corporate] [Standard European Corporate] [Standard European Financial Corporate] [Standard Australia Corporate] [Standard Australia Financial Corporate] [Standard New Zealand Corporate] [Standard New Zealand Financial Corporate] [Standard Japan Corporate] [Standard Japan Financial Corporate] [Standard Singapore Corporate] [Standard Singapore Financial Corporate] [Standard Asia Corporate] [Standard Asia Financial Corporate] [Standard Subordinated European Insurance Corporate] [Standard Emerging European Corporate] [Standard Latin America Corporate B] [Standard Latin America Corporate L] [Standard Asia Sovereign] [Standard Emerging European & Middle Eastern Sovereign] [Standard Japan Sovereign] [Standard Australia Sovereign] [Standard New Zealand Sovereign] [Standard Singapore Sovereign] [Standard Latin America Sovereign] [Standard Western



			European Sovereign] [Standard U.S. Municipal Full Faith and Credit] [Standard U.S. Municipal General Fund] [Standard U.S. Municipal Revenue]
[●]	[●] / [[●] %]	[[Standard Reference Obligation: [Applicable] [Not Applicable] [Non-Standard Reference Obligation: [Applicable] [identify obligation]]]	[Specify the relevant Seniority Level: Subordinated Level /Senior Level]  The following Transaction Type applies:  Standard North American Corporate] [Standard European Corporate] [Standard European Financial Corporate] [Standard Australia Corporate] [Standard Australia Financial Corporate] [Standard New Zealand Corporate] [Standard New Zealand Financial Corporate] [Standard Japan Corporate] [Standard Japan Financial Corporate] [Standard Singapore Corporate] [Standard Singapore Financial Corporate] [Standard Asia Corporate] [Standard Asia Financial Corporate] [Standard Subordinated European Insurance Corporate] [Standard Emerging European Corporate] [Standard Latin America Corporate B] [Standard Latin America Corporate L] [Standard Asia Sovereign] [Standard Emerging European & Middle Eastern Sovereign] [Standard Japan Sovereign] [Standard Australia Sovereign] [Standard New Zealand Sovereign] [Standard Singapore Sovereign] [Standard Latin America Sovereign] [Standard Western

			European Sovereign] [Standard U.S. Municipal Full Faith and Credit] [Standard U.S. Municipal General Fund] [Standard U.S. Municipal Revenue]
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**[ANNEX – ISSUE-SPECIFIC SUMMARY OF THE SECURITIES]**

*[Insert]*

## VIII. FORM OF PRICING SUPPLEMENT

### Form of Pricing Supplement

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]<sup>63</sup>

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, "**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]<sup>64</sup>

**[PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA:** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>65</sup>

**[PROHIBITION OF SALES TO RETAIL INVESTORS IN THE UNITED KINGDOM:** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.]<sup>66</sup>

<sup>63</sup> This legend is to be included for Securities offered in the European Economic Area to professional investors and eligible counterparties only.

<sup>64</sup> This legend is to be included for Securities offered in the United Kingdom to professional investors and eligible counterparties only.

<sup>65</sup> The legend is to be included if "Applicable" is selected in the option "Prohibition of Sales to Retail Investors in the EEA" in Part B of the Pricing Supplement.

<sup>66</sup> The legend is to be included if "Applicable" is selected in the option "Prohibition of Sales to Retail Investors in the United Kingdom" in Part B of the Pricing Supplement.

**[PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND** – [Other than with respect to offers of the Securities during the [Swiss KID Compliant Sales Period specified in Part B below] [period[s] [●]-[●],] for which a key information document according to the Swiss Federal Financial Services Act ("**FinSA**") or an equivalent document under FinSA has been prepared] [t][T]he Securities are not intended to be offered to private clients within the meaning of [the Swiss Federal Financial Services Act ("**FinSA**") [FinSA] in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.]<sup>67</sup>

[The Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of FinSA, and this Pricing Supplement, the Base Prospectus and any other offering or marketing material relating to the Securities may not be publicly distributed or otherwise made publicly available to investors in Switzerland other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland. Neither this Pricing Supplement, nor the Base Prospectus nor any other offering or marketing material relating to the Securities constitutes a prospectus pursuant to FinSA.]<sup>68</sup>

**[The Securities do not constitute a participation in a collective investment scheme in the meaning of [the Swiss Federal Act on Collective Investment Schemes ("**CISA**") [CISA] and are not subject to the supervision by the Swiss Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.]<sup>69</sup>**

Pricing Supplement dated [●]

**DEUTSCHE BANK AG [FRANKFURT][LONDON BRANCH]**

(the "**Issuer**")

Legal Entity Identifier (LEI): 7LTFWZYICNSX8D621K86

Issue of [Aggregate [Nominal Amount][Notional Amount] of Tranche] Credit Linked [Certificates][Notes] linked to [Insert name of Reference Entity]<sup>70</sup> [a Basket of Reference Entities]<sup>71</sup> [the Reference Entities comprising [Insert name of relevant index]]<sup>72</sup>

due [●] (the "**Securities**")

under its Programme for the issuance of Credit Linked Securities

This document constitutes the Pricing Supplement of the Securities and must be read in conjunction with the Securities Note dated 6 January 2023 [and the supplement[s] thereto dated [●], [●] ... [●]] (the "**Securities Note**"), the Registration Document dated 4 May 2022 and the supplements thereto dated 3 August 2022, 23 September 2022 [and]/[,] 2 November 2022 [and [●]] (the "**Registration Document**"), pertaining to Deutsche Bank AG's Programme for the issuance of Credit Linked Securities (the "**Programme**"). All relevant information on Deutsche Bank AG and the Securities is only available on the basis of the combination of the Securities Note, the Registration Document, any supplements thereto and this Pricing Supplement. The Securities Note and the Registration Document (and any supplements thereto) are available in electronic form [on the website of the Luxembourg Stock Exchange (www.bourse.lu) and]<sup>73</sup> on the website of the Issuer (www.xmarkets.db.com). [This Pricing Supplement together with

<sup>67</sup> Legend to be included if the Securities potentially constitute debt instruments with a "derivative character" for the purpose of FinSA and are offered in Switzerland and no key information document or equivalent document under FinSA will be prepared or the Issuer wishes to prohibit offers to private clients in Switzerland for any other reason, in which case, the "Prohibition of Offer to Private Clients in Switzerland" selling restriction should be specified to be "Applicable" in Part B of the Pricing Supplement. Note that the form of legend and selling restriction also allow the manufacturer to permit sales to private clients in Switzerland for a specified period.

<sup>68</sup> Include if Securities are offered in Switzerland.

<sup>69</sup> Include if Securities are offered in Switzerland.

<sup>70</sup> Include for Single Reference Entity Securities.

<sup>71</sup> Include for Non-Index Basket Securities.

<sup>72</sup> Include for Index Basket Securities.

<sup>73</sup> Include for Securities listed on the Luxembourg Stock Exchange's Euro MTF.

any notice to this Pricing Supplement may be viewed on the website of the Borsa Italiana S.p.A. (www.borsaitaliana.com) (upon admission to trading).]<sup>74</sup>

Terms used herein shall be deemed to be defined as such for the purposes of the Product Conditions set form in the Securities Note.

This Pricing Supplement does not constitute final terms either for the purposes of Article 8 of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**") or for the purposes of Article 8 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "**UK Prospectus Regulation**"). The Issuer is not offering the Securities in any jurisdiction in circumstances which would require a prospectus pursuant to the EU Prospectus Regulation or the UK Prospectus Regulation. Nor is any person authorised to make such an offer of the Securities on behalf of the Issuer nor any Distributor in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing the Securities on a regulated market for the purposes of [MiFID II]/[the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended)] or Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, "**UK MiFIR**").

*[(Include whichever of paragraphs 1 to 32 of Part A, the section titled "Third Party Information", paragraphs 1 to 15 of Part B and Appendix 1 of the "Form of Final Terms" apply or specify as "Not Applicable". Note that the numbering should remain as set out therein, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs.)]*

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<sup>74</sup> Include for Securities admitted to trading on the Borsa Italiana's EuroTLX.

## **IX. TAXATION**

### **A. GENERAL TAXATION INFORMATION**

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. The Issuer assumes no responsibility for withholding tax at source.

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.

Product Condition 11 (*Taxation*) should also be considered carefully by all potential purchasers of any Securities.

**THE TAX LEGISLATION OF EACH COUNTRY OF WHICH THE INVESTOR IS A RESIDENT OR OTHERWISE SUBJECT TO TAXATION AND OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE SECURITIES. PROSPECTIVE PURCHASERS OF SECURITIES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.**

### **B. SWISS TAXATION**

*The following is a summary based on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Securities. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Securities (or options embedded therein) in light of their particular circumstances.*

#### ***Swiss Federal Stamp Taxes***

The issuance of Securities to the initial holders at the original offering price (primary market) is not subject to the Swiss federal issuance stamp tax and the Swiss federal securities turnover tax (*Umsatzabgabe*), except that the issuance of Securities which classify as fund-like instruments may be subject to Swiss federal securities turnover tax of up to 0.3 per cent. on the offering price, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or an intermediary to the transaction and, additionally, if no exemption applies.

Dealings in Securities (secondary market) which classify as pure derivative financial instruments (such as call and put options, including low exercise price options with a maturity not exceeding twelve months, futures with a maximal pre-financing of 25 per cent., fully-funded securities statically replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are exempt from Swiss federal securities turnover tax. Dealings in other Securities may be subject to Swiss federal securities turnover tax of up to 0.3 per cent. on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or an intermediary to the transaction and, additionally, if no exemption applies.

The physical delivery of a Security at exercise or redemption to the holder of the Security may be subject to Swiss federal securities turnover tax of 0.3 per cent. in case a Security issued by an issuer outside Switzerland is delivered and of 0.15 per cent. in case a Security issued by a Swiss domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or an intermediary to the delivery and, additionally, if no exemption applies.

## ***Swiss Federal Withholding Tax***

Payments under the Securities are not subject to Swiss federal withholding tax, PROVIDED THAT the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes and that the proceeds are used outside Switzerland at all times.

## **Income Taxation**

### ***Non-Swiss resident holders***

A holder of a Security who is not resident in Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland will in respect of such Security not be subject to income tax in Switzerland.

### ***Securities held as Private Assets by a Swiss resident holder***

#### **(a) *Pure Derivative Financial Instruments***

A capital gain realised by an individual on the sale or redemption of a Security which classifies as a true derivative financial instrument for tax purposes (such as a true call or put option on equities or commodities (including low exercise price options provided their term does not exceed one year or, where the term does exceed one year, the premium paid at issuance does not exceed 50 per cent. of the value of the Underlying at the time of issuance), future on equities or commodities, replicating an index or a fixed basket of at least five shares and with a fixed maturity or an annual redemption right and with a maturity not exceeding twelve months) and which is held as part of the individual's private assets is a tax-free private capital gain. Conversely, a capital loss realised on the sale or redemption of such a Security cannot be set off against taxable income. Dividend equivalents paid under such a Security constitute taxable investment income.

#### **(b) *Structured Securities***

If a Security is composed of one or more derivatives and a bond (resulting e.g. from up-front payment of exercise price, purchase price, etc.) and therefore classifies as a structured financial instrument for tax purposes, its income taxation depends on whether (i) the embedded bond component and the embedded derivative financial instrument(s) are reported separately from each other, or, alternatively, if the Security is a standard product, the value of the embedded bond component and the value of the embedded derivative financial instrument(s) can at any time be determined analytically by using standard valuation programmes, and (ii) the Security classifies as a structured instrument with or without a predominant one-time interest payment:

*Non-transparent derivative financial instruments:* If the embedded bond is not recorded separately from the embedded derivative financial instrument(s) and if the values of the embedded bond and the embedded derivative financial instrument(s) cannot be determined analytically (as described above), then the Security classifies as non-transparent structured financial instrument and any return over the initial investment as taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "*Transparent derivative financial instruments with a predominant one-time interest payment*".

*Transparent derivative financial instruments without a predominant one-time interest payment:* If the embedded bond is recorded separately from the embedded derivative financial instrument(s) or if the values of the embedded bond and the embedded derivative financial instrument(s) can be determined analytically (as described above) and if the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest payment such as an original issue discount or a repayment premium (see below "*Transparent derivative financial instruments with a predominant one-time interest payment*"), then a person who is an individual resident in Switzerland holding such a Security as a private asset is required to include any periodic and one-time interest payments received on the Security in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts) for the relevant tax period. Option premium received by such a person under, and a gain, including in respect of interest accrued, or a loss, respectively, realised on the sale of, such a Security is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively.

*Transparent derivative financial instruments with a predominant one-time interest payment:* If the embedded bond is recorded separately from the embedded derivative financial instrument(s) or if the



values of the embedded bond and the embedded derivative financial instrument(s) can be determined analytically (as described above) and if the yield-to-maturity predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest payments, then a person who is an individual resident in Switzerland holding such a Security as a private asset, is required to include any periodic interest payments received on the Security and, in addition, any amount equal to the difference between the value of the Security at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted in each case into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts, i.e., including, *inter alia*, any gain in respect of interest accrued, interest rate or foreign exchange rate) for the relevant tax period. Any compensation received by such a holder for the embedded derivative, i.e., option premium received under, and any residual gain, and a loss, respectively, realised on the sale of, such a Security is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively. Notwithstanding the foregoing, such a holder may offset any decrease in value realised by him or her within the same taxation period on sale or redemption of such a Security against any gain (including periodic interest payments) realised by him or her from other Securities with a predominant one-time interest payment.

(c) *Bonds*

*Bonds without a predominant one-time interest payment:* If a Security classifies for tax purposes as a straight bond, i.e. as an instrument without derivative financial instrument(s) embedded in such Security, and if such Security does not include a predominant one-time interest payment (i.e., its yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest payment such as an original issue discount or a repayment premium), then a person who is an individual resident in Switzerland holding such a Security as a private asset is required to include any periodic and one-time interest payments received on such Security, converted into Swiss Francs at the exchange rate prevailing at the time of payment, in his or her personal income tax return for the relevant tax period and is taxable on any net taxable income (including such amounts) for the relevant tax period. A gain, including, *inter alia*, in respect of interest accrued or interest rate or foreign exchange rate, a loss, respectively, realised on the sale of such a Security is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively.

*Bonds with a predominant one-time interest payment:* If a Security classifies for tax purposes as straight bond, i.e. as instrument without derivative financial instruments embedded in such Security, and if such Security includes a predominant one-time interest payment (i.e., its yield-to-maturity predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest payments), then a person who is an individual resident in Switzerland holding such a Security as a private asset, is required to include any periodic interest payments received on the Security and, in addition, any amount equal to the difference between the value of the Security at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted in each case into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts, i.e., including, *inter alia*, any gain in respect of interest accrued, interest rate or foreign exchange rate) for the relevant tax period. Notwithstanding the above, such a holder may offset any decrease in value realised by him or her within the same taxation period on sale or redemption of such a Security against any gain (including periodic interest payments) realised by him or her from other Securities with a predominant one-time interest payment.

(d) *Fund-like Securities*

A Security which is classified as fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Security as part of his or her private assets receives taxable income (which he or she must report annually) over such portion of distributions (in case the fund is distributing the income realised on the underlying investments) or credits (in case the fund is reinvesting the income realised on the underlying investment) as derive from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain, and any respective loss a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like Security (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised on such a Security a non-tax-deductible capital loss.

### ***Securities held as Assets of a Swiss Business (including deemed Professional Securities Dealers)***

Corporate entities and individuals who hold Securities as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Securities (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss-resident individuals who for income tax purposes, are classified as "professional Securities dealers" for reasons of, *inter alia*, frequent dealing and leveraged investments in Securities.

### **Swiss Facilitation of the Implementation of the U.S. Foreign Account Tax Compliance Act**

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of the U.S. Foreign Account Tax Compliance Act ("FATCA"). The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland. On 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the U.S. on changing the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities.

### **Automatic Exchange of Information in Tax Matters**

On November 19, 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "MCAA"). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the "AEOI"). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "AEOI Act") entered into force on January 1, 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Based on such multilateral or bilateral agreements and the implementing laws of Switzerland, Switzerland exchanges data in respect of financial assets, including, as the case may be, Securities, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU Member State or in a treaty state.

## **C. ITALIAN TAX CONSIDERATIONS**

*The following is a general overview of current Italian laws and practices relating to the tax regimes concerning the purchase, ownership and disposal of the Securities by Italian and non-Italian resident Securityholders and does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant taxes connected to the purchase, ownership or disposal of the Securities by Italian or non-Italian resident investors. It does not purport to be a complete analysis of all tax regimes that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Securities, some of which may be subject to special rules. This overview is based upon Italian tax laws and published practice in effect as at the date of this Programme which may be subject to change, potentially with retroactive effect.*

*Prospective purchasers should be aware that the applicable tax regime depends on individual circumstances of each Securityholder: as a consequence they should consult their tax advisers as to the consequences under Italian tax laws and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of*

*Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.*

### **Italian tax treatment of the Securities (Warrants, Certificates and Notes)**

The Securities may be subject to different tax regimes depending on whether:

- (a) they represent derivative financial instruments or bundles of derivative financial instruments, through which the Securityholders purchase indirectly underlying financial instruments; or
- (b) they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Securityholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity.

#### **1.1 Securities representing derivative financial instruments or bundles of derivative financial instruments**

Payments in respect of Securities qualifying as securitised derivative financial instruments as well as capital gains of the Securities received by Securityholders which are (a) Italian resident companies or similar entities (including Italian permanent establishments of non-Italian residents to which the Securities are effectively connected), (b) Italian resident partnerships carrying out commercial activities or similar commercial entities (c) Italian resident individuals engaged in entrepreneurial activities to which the Securities are effectively connected, are included in the relevant Securityholder's taxable income and are therefore subject to the Italian corporate income tax (IRES, currently levied at the rate of 24 per cent. - 27.5 per cent. rate in case the Securityholder is a credit or a financial institution other than a management company of an undertaking for collective investment or "*società di intermediazione mobiliare*" ("**SIM**")), or to personal income tax (IRPEF, currently levied at progressive rates between 23% up to 43% plus regional and municipal surtaxes), as the case may be, according to the ordinary rules. In certain cases, depending on the status of the Securityholder, such proceeds may also have to be included in its taxable base for regional income tax on business activities (IRAP, currently levied at the general rate of 3.9 per cent., increased to 4.65 per cent. and 5.90 per cent. in case, respectively, of banks and other financial institutions and insurance companies. IRAP rate may be varied up to 0.92 per cent. by certain Italian regions).

According to Article 5 of Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**"), payments in respect of Securities as well as capital gains realised by (a) Italian resident individuals not engaged in entrepreneurial activities to which the Securities are effectively connected, (b) an Italian partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a de facto partnership not carrying out commercial activities or professional associations or (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities, upon the sale for consideration or redemption of the Securities are subject to a substitute tax (*imposta sostitutiva*) currently at rate of 26 per cent.. In respect of the application of the substitute tax, the Securityholders listed above may opt for one of the three regimes described below:

- (a) Under the tax declaration regime ("**Tax Declaration Regime**"), which is the standard regime for the taxation of capital gains, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all payments in respect of Securities and all capital gains, net of any incurred capital loss of the same nature, realised pursuant to all sales or redemptions of the Securities carried out during any given tax year. The overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, must be reported in the annual tax return and *imposta sostitutiva* must be paid on such gains together with any balance income tax due for the relevant year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years;
- (b) as an alternative to the Tax Declaration Regime, the Securityholders may elect to pay the *imposta sostitutiva* separately on payments received in respect of Securities and capital gains realised on each sale or redemption of the Securities under the so called "*regime del risparmio amministrato*" provided for by Article 6 of Decree 461 (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the Administrative Savings Regime being

timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Where a sale or redemption of the Securities results in a capital loss, such loss may be offset against with capital gains of the same nature subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Securityholder is not required to declare the capital gains in the annual tax return;

- (c) where the Securities are part of a portfolio managed under the so called "*regime del risparmio gestito*" provided for by Article 7 of Decree 461 (the "**Asset Management Regime**") by an Italian asset management company or an authorized financial intermediary, any payments received as well as capital gains realised upon sale, transfer or redemption of the Securities will not be subject to the substitute tax on capital gains but will contribute the determination of the annual accrued appreciation of the managed portfolio, subject to 26 per cent. annual substitutive tax, to be paid by the managing authorised intermediary. Any depreciation of the managed portfolio at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the Asset Management Regime, the Securityholder is not required to declare the capital gains in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Securities realised upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016, as subsequently amended and restated from time to time, and for long-term individual savings accounts established from 1 January 2020, by Article 13-bis of Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019 as subsequently amended and restated from time to time.

Any capital gains on Securities (as well as increase or decrease of their relevant fair market value) held by Italian resident open-ended or closed-ended collective investment funds, SICAVs or SICAFs not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014 (the "UCIs") contribute to determine the increase in value of the managed assets of the UCIs accrued at the end of each tax year. UCIs will not be subject to taxation on such increase, but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted with amendments by Law No. 410 of 23 November 2001, where a Securityholder is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or an Italian SICAF, to which the provisions of Legislative Decree No. 44 of 4 March 2014 applies (the "**Real Estate UCIs**"), capital gains realised will be subject neither to substitute tax nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Any capital gains on Securities held by a Securityholders who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. ad hoc annual substitute tax.

#### *Non-Italian resident investors*

Capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy to which the Securities are effectively connected from the sale or redemption of Securities not traded on

regulated markets issued by a non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Securities are held in Italy.

However, where the Securities are not traded on a regulated market in Italy or abroad, pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Securities with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the substitute tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Securities if they are resident for tax purposes in a state or territory included in the "White List" (i.e. Decree of the Minister of Finance dated 4 September, 1996, as amended and supplemented from time to time and to be updated every six months period according to Article 11, par. 4, let. c) of Legislative Decree No. 239 of 1 April 1996. Last amendment made on 23 March 2017). The same exemption applies where the beneficial owners of the Securities are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries included in the White List, even if they do not have the status of taxpayers in their own country of residence; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they provide in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. Additional statements may be required for non-Italian resident Securityholders who are institutional investors.

Non-Italian resident individuals or entities without a permanent establishment in Italy to which the Securities are connected that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to the substitute tax in the Republic of Italy on any capital gains realised upon the sale or redemption of Securities. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Securityholders who hold the Securities with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, inter alia, a statement from the competent tax authorities of the country of residence.

Please note that for a non-Italian resident, the Administrative Savings Regime shall automatically apply, unless it is expressly waived this regime, where the Securities are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

#### **Securities representing debt instruments implying a "use of capital" not having 100 per cent. capital reimbursement**

In the case of Securities representing debt instruments implying a "use of capital" not guaranteeing the total reimbursement of the principal, under Italian tax law they should qualify as "atypical securities" (*titoli atipici*) pursuant to Law Decree No. 512 of 30 September 1983, and payments in respect of such Securities received by Italian investors would be subject to the following regime:

- (a) if the Securities are placed (*collocati*) in Italy, payments made to individual investors holding the Securities not in connection with an entrepreneurial activity will be subject to a 26 per cent final withholding tax. This withholding tax is levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Securities, in the repurchase or in the transfer of the Securities;
- (b) if the Securities are not placed (*collocati*) in Italy or in any case where payments on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Securityholder may elect instead to pay ordinary IRPEF at the progressive rates applicable to them in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

The 26 per cent. withholding tax does not apply to payments made to an Italian resident Securityholder which is (i) an Italian resident commercial partnership, (ii) an Italian resident company or a similar Italian

resident commercial entity (including the Italian permanent establishment of foreign entities to which the Program Securities are effectively connected) and (iii) a commercial private or public institution. In particular, in such cases, payments must be included in the relevant Securityholder's annual income tax return to be therefore subject to ordinary Italian business income taxation (and, in certain circumstances, depending on the status of the Securityholder, also to IRAP and the beneficial owners should be generally entitled to a tax credit for any withholding tax applied outside Italy).

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Securities realised upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016, as subsequently amended and restated from time to time, and for long-term individual savings accounts established from 1 January 2020, by Article 13-bis of Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019 as subsequently amended and restated from time to time.

### ***Capital gains tax***

#### *Italian resident investors*

Any gain obtained from the sale or the exercise of the Securities would be subject to the same tax regime as described under "1.1 Securities representing derivative financial instruments or bundles of derivative financial instruments", above.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Securities realised upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016, as subsequently amended and restated from time to time, and for long-term individual savings accounts established from 1 January 2020, by Article 13-bis of Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019 as subsequently amended and restated from time to time.

#### *Non-Italian resident investors*

Any gain obtained from the sale or the exercise of the Securities would be subject to the same tax regime as described under "1.1 Securities representing derivative financial instruments or bundles of derivative financial instruments", above.

## **1.2 Inheritance and gift tax**

Transfers of any valuable assets (including the Securities) as a result of death or *inter vivos* gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose (*vincoli di destinazione*) are taxed as follows:

- (a) four per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of the value that exceeds EUR 1,000,000 (per beneficiary);
- (b) six per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of the value that exceeds EUR 100,000 (per beneficiary);
- (c) six per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and
- (d) eight per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of the value that exceeds EUR 1,500,000.

Subject to certain limitations and requirements, transfers of Securities as a result of death (but not as a result of an *inter vivos* gift or other transfers for no consideration) of Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from Italian inheritance tax if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016, as subsequently amended and restated from time to time, and for long-term individual savings account established from 1 January 2020, by Article 13-bis of Decree No. 124 of 26 October 2019, converted into Law with amendments by Law No. 157 of 19 December 2019 as subsequently amended and restated from time to time.

### 1.3 **Transfer tax and registration tax**

Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at rate of Euro 200; (ii) private deeds (*scritture private autenticate*) are subject to registration tax at rate of Euro 200 only in case of use or voluntary registration.

### 1.4 **Stamp duty**

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended by Article 1 par. 581 of Law No. 147 of 27 December 2013, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients and relating to securities and financial instruments. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the Securities held. The stamp duty cannot exceed the amount of Euro 14,000 if the recipient of the periodic reporting communications is an entity (i.e. not an individual).

It may be understood that the stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the Securities are held with an Italian-based financial intermediary.

The periodic reporting communications are considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the periodic reporting communication. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### 1.5 **Wealth tax**

Pursuant to Article 19 of Law Decree No. 201 of 6 December 2011, as amended by Article 1 par. 582 of Law No. 147 of 27 December 2013, Italian resident individuals holding the Securities abroad are required to pay a wealth tax (IVAFE) at a rate of 0.20 per cent. for each year. This tax is calculated on the market value of the Securities proportionally to the respective holding period or – if no market value is available – their nominal value or the redemption value.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the Securities are held (up to an amount equal to the IVAFE due).

The Securities held abroad are excluded from the scope of IVAFE, if such Securities are administered by Italian financial intermediaries pursuant to an administration agreement.

### 1.6 **Tax monitoring obligations**

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes, the amount of Securities held abroad (or beneficially owned abroad

under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, Securities are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required in case the financial assets are deposited for management with Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in article 1 of Decree No. 167 of 28 June 1990, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.



## X. 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.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Securities Note, Registration Document or any of the documents incorporated by reference therein or any other offering material or any Issue Terms, in any country or jurisdiction where action for that purpose is required.

Any person who purchases Securities at any time is deemed to have acknowledged, understood and agreed to comply with the selling restrictions set out below.

### 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**") or any state securities laws in the United States, 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 of 1936, as amended (the "**Commodity Exchange Act**").

No Securities, or interests therein, may at any time be offered, sold, resold, pledged 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 (each a "**Relevant Member State**"), each Distributor will be required to represent and agree that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Issue Terms in relation thereto to the public in that Relevant Member State except that it may make an offer of such Securities to the public in that Relevant Member State:

- (a) if the Issue Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Issue Terms contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Issue Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Distributor or Distributors nominated by the Issuer for any such offer; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no offer of Securities shall require the Issuer or any Distributor to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Each Distributor will be required to represent and agree and each Distributor has represented and agreed (and each further distributor will be required to represent and agree that any commission, fee or non-monetary benefit received from the relevant Issuer complies with the applicable rules set out in the Markets in Financial Instrument Directive (Directive 2014/65/EU, as amended, "**MiFID II**")).

#### ***Prohibition of Sales to EEA Retail Investors***

Unless the Issue Terms in respect of any Securities specify "Prohibition of Sales to Retail Investors in the EEA" as "Not Applicable", each Distributor has represented and agreed, and each further Distributor appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by applicable Issue Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person in the EEA who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of MiFID II; or
  - (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II (as amended, the "**Insurance Distribution Directive**"); or
  - (iii) not a qualified investor as defined in the EU Prospectus Directive; and
- (b) the expression an "offer" includes 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.

#### **4. United Kingdom**

Each Distributor will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Securities to the public in the United Kingdom:

- (a) to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Distributor or Distributors nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**"),

provided that no offer of Securities shall require the Issuer or any Distributor to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in the United Kingdom 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 and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018 ("**EUWA**").

Each Distributor appointed by the Issuer in respect of the sale of the Securities will be required to represent and agree and each Distributor has represented and agreed, that any commission, fee or non-monetary benefit received from the relevant Issuer complies with the applicable rules set out in the Markets in Financial Instrument Directive (Directive 2014/65/EU, as amended, "**MiFID II**") as implemented under UK law, such implementing legislation being preserved under UK law by virtue of EUWA.

Each Distributor will represent and agree that:

- (a) *Securities with maturities of less than one year:* in relation to any Securities which have a maturity of less than one year:
  - (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 where the issue of the Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
  - (iii) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
  - (iv) *General compliance:* 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
- (b) *Commissions 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. Under no circumstances shall the Issuer facilitate the payment of an advisor charge on behalf of retail clients in the United Kingdom.
- (c) *Prohibition of Sales to UK Retail Investors*
  - (i) Unless the Final Terms in respect of any Securities specify "Prohibition of Sales to Retail Investors in the United Kingdom" as "Not applicable", each Distributor has represented and agreed, and each Distributor appointed under the Programme and each further distributor will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available

any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (ii) the expression "retail investor" means a person who is one (or more) of the following:
  - (A) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
  - (B) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
- (iii) not a qualified investor as defined in the UK Prospectus Regulation; and
- (iv) the expression "offer" includes 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 for the Securities.

## 5. **Switzerland**

Each Dealer will be required to represent and agree that:

- (a) it has only made and will only make an offer of Securities to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if the applicable Final Terms in respect of any Securities published according to Article 64 FinSA specify "Swiss Non-exempt Offer" as applicable, in the "Swiss Offer Period" specified in the applicable Final Terms, and if consent has been granted to use the Base Prospectus and the applicable Final Terms for a public offer in Switzerland in accordance with Article 36(4) FinSA; or
- (b) it has not offered and will not offer, directly or indirectly, Securities to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, the Base Prospectus, the applicable Issue Terms or any other offering material relating to the Securities, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland.

For these purposes "public offer" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in the implementing Financial Services Ordinance (FinSO).

If Securities qualifying as debt instruments with a "derivative character" (as such expression is understood under FinSA) are offered to private clients within the meaning of FinSA in Switzerland

a key information document under Article 58 FinSA (*Basisinformationsblatt für Finanzinstrumente*) or Article 59(2) FinSA in respect of such Securities must be prepared and published. According to Article 58(2) FinSA, no key information document is required for Securities that may only be acquired for private clients under an asset management agreement.

Each Dealer will be further required to represent and agree that:

- (c) it has not offered and will not offer such Securities to private clients within the meaning of FinSA in Switzerland, other than where the applicable Final Terms specifies the "Prohibition of Offer to Private Clients in Switzerland" to be (i) "Not Applicable" or (ii) "Applicable" but a period(s) of time is specified therein, with respect to such period(s).

For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA. For these purposes "offer" refers to the interpretation of such term in Article 58 FinSA.

## 6. Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Base Prospectus, any Final Terms or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) (“**Qualified Investors**”), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provisions of Italian laws and regulations; or
- (b) in other circumstances which are exempted from the rules on offers of securities to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 34-*ter*, paragraph 1, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Regulation 11971/1999**”).

Any offer, sale or delivery of the Securities in the Republic of Italy or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must be:

- i. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations;
- ii. in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and
- iii. in compliance with any other applicable laws and regulations (including Article 100-*bis* of the Financial Services Act, where applicable) or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption under (b) above applies, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the Regulation 11971/1999. Furthermore, where the Securities are placed solely with “qualified investors” and are then systematically (“**sistematicamente**”) resold on the secondary market at any time in the 12 months following such placing, purchasers of Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Securities were purchased, unless an exemption provided under the Financial Services Act applies.*

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