

**TERMS AND CONDITIONS****§ 1  
FORM**

1. The structured notes (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will initially be represented by a temporary global bearer Note (the "**Temporary Global Note**"), which will be exchanged not earlier than 40 days after their issue date against a permanent global bearer Note (the "**Permanent Global Note**", together with the Temporary Global Note the "**Global Note**"). The Notes are issued in United States Dollar ("**USD**") (the "**Issue Currency**") in the denomination of USD 10,000 (the "**Denomination**").

The Temporary Global Note and the Permanent Global Note shall be deposited with Deutsche Bank AG, Frankfurt am Main, as common depository for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V., Brussels, as operator of the Euroclear System (together the "**Clearing System**"). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons.

2. Definitive Notes will not be issued. The right of the holders of Notes (the "**Noteholders**") to delivery of definitive Notes is excluded. The Noteholders shall receive co-ownership participations in or rights with respect to the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System. In securities clearing transactions, the Notes are transferable in units of one Note or integral multiples thereof.
3. The Temporary Global Note and the Permanent Global Note shall bear the hand-written signatures of two authorised officers of the Issuer.
4. The Issuer reserves the right to issue from time to time without the consent of the Noteholders another tranche of Notes with substantially identical terms, so that the same shall be consolidated to form a single series and increase the total volume of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued Notes.

**§ 2  
DEFINITIONS**

For the purposes of these Terms and Conditions, the following definitions shall apply, subject to an adjustment in accordance with these Terms and Conditions:

"**Adjustment Event**" means

- with respect to the Index:

- (a) the substitution of the Index by a Successor Index pursuant to § 7 (B) paragraph 2;
- (b) any of the following actions taken by an Index Company: capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of an Index Company's reserves, issuance of securities with option or conversion rights related to an Index Share, distributions of ordinary dividends, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category;

- (c) a spin-off of a part of an Index Company in such a way that a new independent entity is formed, or that the spun-off part of an Index Company is absorbed by another entity;
- (d) the adjustment of option or futures contracts relating to an Index Share on the Futures Exchange or the announcement of such adjustment;
- (e) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of an Index Company as a consequence of a conversion or otherwise, as determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) based on notifications to the competent authorities or on other information determined as relevant by the Issuer;
- (f) the termination of trading in, or early settlement of, option or futures contracts relating to an Index Share on the Futures Exchange or relating to the Index itself or the announcement of such termination or early settlement;
- (g) the termination of the listing of an Index Share at the exchange on which such Index Share is traded (provided that the quotations of the prices of such Index Share on such exchange are taken for the calculation of the Index) (the "**Relevant Exchange**") due to a merger by absorption or by creation or any other reason or the becoming known of the intention of an Index Company or the announcement of the Relevant Exchange that the listing of an Index Share at the Relevant Exchange will terminate immediately or at a later date and that such Index Share will not be admitted, traded or listed at any other exchange which is comparable to the Relevant Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;
- (h) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of an Index Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;
- (i) the application for insolvency proceedings or for comparable proceedings with regard to the assets of an Index Company according to the applicable law of such company; or
- (j) any other event being economically equivalent to the afore-mentioned events with regard to their effects, and

- with respect to a Share:

- (a) the adjustment of option or futures contracts relating to the Share at the Futures Exchange or the announcement of such adjustment;
- (b) any of the following actions taken by the Company: capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Company's reserves, issuance of securities with option or conversion rights related to the Share, distributions of ordinary dividends, distributions of extraordinary dividends, stock splits or any other splits, consolidation or alteration of category;
- (c) a spin-off of a part of the Company in such a way that a new independent entity is formed, or that the spun-off part of the Company is absorbed by another entity; or
- (d) any other adjustment event being economically equivalent to the before-mentioned events with regard to their effects.

"**Averaging Date**" means 12 December 2018, 14 January 2019, 12 February 2019, 12 March 2019, 12 April 2019, 13 May 2019, 12 June 2019, 12 July 2019, 12 August 2019, 12 September

2019, 14 October 2019, 12 November 2019, 12 December 2019 (the "**Final Averaging Date**").

If on an Averaging Date the Reference Price of an Underlying is not determined and published or if on an Averaging Date a Market Disruption Event with respect to an Underlying occurs, then the relevant Averaging Date for such Underlying shall be postponed to the next following day on which the Reference Price of such Underlying is determined and published again and on which a Market Disruption Event with respect to such Underlying does not occur.

If, according to the before-mentioned, the Final Averaging Date with respect to an Underlying is postponed to the seventh Payment Business Day prior to the Maturity Date, and if also on such day the Reference Price of such Underlying is not determined and published or a Market Disruption Event with respect to such Underlying occurs on such day, then this day shall be deemed to be the Final Averaging Date for such Underlying and the Issuer shall estimate the Reference Price of such Underlying in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), and in consideration of the prevailing market conditions on such day and make a notification thereof in accordance with § 13.

"**Basket Performance**" means a decimal number calculated by applying the following formula:

$$BP = \sum_{i=1}^{10} \left( W_i \times \left( \frac{\text{Share}_{i,\text{FINAL}}}{\text{Share}_{i,\text{INITIAL}}} \right) \right)$$

where:

BP	=	Basket Performance
$W_i$	=	Weighting of the relevant Share
$\text{Share}_{i,\text{FINAL}}$	=	Arithmetic mean of the Reference Prices of the relevant Share with respect to all Averaging Dates
$\text{Share}_{i,\text{INITIAL}}$	=	Initial Price of the relevant Share

"**Company**" with respect to a Share means the company issuing such Shares as specified in the table in the definition of "Share".

"**Change in Law**" means that (i) due to the adoption of or any change in any applicable law or regulation (including any tax law) or (ii) due to the promulgation of or any change in the interpretation by any competent court, tribunal or regulatory authority (including any tax authority) (A) it has become illegal to hold, acquire or dispose of any relevant Underlying or (B) the Issuer will incur materially increased costs in performing its obligation under the Notes (including due to any increase in tax liability, decrease in tax benefit or other adverse effects on its tax position). The Issuer shall decide in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) whether a Change in Law has occurred.

"**EUR**" means Euro.

"**Exchange**" with respect to a Share means the exchange as specified in the table in the definition of "Share".

"**Exchange Business Day**" means a day on which the relevant Exchange and the relevant Futures Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or relevant Futures Exchange closing prior to the respective scheduled weekday closing time. Any trading or trading activities after or before the regular trading sessions on the relevant Exchange or the relevant Futures Exchange will not be taken into account.

**"Extraordinary Event"** with respect to a Share means any of the following events:

- (a) the termination of trading in or early settlement of option or futures contracts relating to the Share at the Futures Exchange or the announcement of such termination or early settlement;
- (b) the termination of the listing of the Share on the Exchange due to a merger by absorption or by creation or due to any other reason, or the becoming known of the intention of the Company or the announcement of the Exchange that the listing of the Share at the Exchange will terminate immediately or at a later date and that the Share will not be admitted, traded or listed at any other exchange which is comparable to the Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;
- (c) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organisations;
- (d) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Company according to the applicable law of the Company; or
- (e) any other event being economically equivalent to the before-mentioned events with regard to their effects.

**"Futures Exchange"** means

- with respect to a Share: the options or futures exchange with the highest trading volume of option or futures contracts relating to the Share. If option or futures contracts on the Share are not traded on any exchange, the Futures Exchange shall be the options or futures exchange with the highest amount of option or futures contracts relating to shares of companies having their residence in the country in which the Company has its residence. If there is no options or futures exchange in the country in which the Company has its residence on which option or futures contracts on shares are traded, the Issuer will determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and will make notification thereof in accordance with § 13; and

- with respect to the Index: the exchange with the largest trading volume in futures and options contracts in relation to an Index Share. If no futures or options contracts in relation to the Index Share are traded on any exchange, the Futures Exchange shall be the exchange with the largest trading volume in futures and options contracts in relation to shares of companies whose registered office is in the same country as the registered office of the Index Company. If there is no futures and options exchange in the country in which the Index Company has its registered office on which futures and options contracts in relation to the Index Share are traded, the Issuer shall determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and shall announce its choice in accordance with § 12.

**"Hedging Disruption"** means an event due to which the Issuer and/or its affiliates (in the meaning of § 1 paragraph 7 German Banking Act (*KWG*), § 290 paragraph 2 German Commercial Law (*HGB*)) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments. The Issuer shall decide in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) whether a Hedging Disruption has occurred.

"Index" means the following index as determined and published by the Index Sponsor:

<b>Index</b>	<b>Bloomberg ticker</b>	<b>Initial Price</b>
EURO STOXX 50 <sup>®</sup> Index as determined and published by STOXX Limited (the "Index Sponsor")	SX5E Index	EUR 3,067.32

"Index Company" with respect to an Index Share means any company issuing such Index Share.

"Index Performance" with respect to the Index means a decimal number calculated by applying the following formula:

$$IP = \frac{\text{Index}_{\text{FINAL}}}{\text{Index}_{\text{INITIAL}}}$$

where:

IP = Index Performance

Index<sub>FINAL</sub> = Reference Price of the Index with respect to the Final Averaging Date

Index<sub>INITIAL</sub> = Initial Price of the Index

"Initial Price" with respect to the Index means the price detailed as such with respect to the Underlying in the table in the definition of such Underlying.

"Index Share" means any share contained in the Index.

"Market Disruption Event" means

- with respect to a Share: the occurrence or existence of any suspension of, or limitation imposed on, trading in (a) the Share on the Exchange, or (b) any option or futures contracts relating to the Share on the Futures Exchange (if such option or futures contracts are traded on the Futures Exchange), provided that any such suspension or limitation is material. The decision whether a suspension or limitation is material will be made by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). The occurrence of a Market Disruption Event on an Averaging Date shall be published in accordance with § 13.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the respective exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date; and

-with respect to the Index: the occurrence or existence of any suspension of, or limitation imposed on, trading in the Index Shares on the exchange or the suspension of or limitation imposed on trading in options or futures contracts on the Index on the options and futures exchange with the highest trading volume of option and future contracts relating to the Index, provided that any such suspension or limitation is material. The decision whether a suspension or limitation is material will be made by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). The occurrence of a Market Disruption Event on an Averaging Date shall be published in accordance with § 13.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours

of the relevant exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date.

**"Maturity Date"** means 31 December 2019, subject to postponement in accordance with § 6 paragraph 2.

**"Participation Factor"** means 195%.

**"Payment Business Day"** means a day on which commercial banks and foreign exchange markets in Helsinki are open and on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) and the Clearing System settle payments in the Issue Currency.

**"Reference Price"** means

- with respect to a Share: the official closing price of such Share as determined and published by the relevant Exchange on any day; and

- with respect to the Index: the official closing level of the Index as determined and published by the Index Sponsor on any day.

**"Share"** means any of the following securities issued by the respective Company and traded on the respective Exchange:

<b>Company</b>	<b>ISIN</b>	<b>Bloomberg ticker</b>	<b>Exchange</b>	<b>Weighting</b>	<b>Initial Price</b>
Anheuser-Busch InBev N.V.	BE0003793107	ABI BB Equity	Euronext Brussels S.A.	1/10	EUR 88.71
Koninklijke Philips N.V.	NL0000009538	PHIA NA Equity	Euronext Amsterdam N.V.	1/10	EUR 23.255
Schneider Electric S.A.	FR0000121972	SU FP Equity	Euronext Paris S.A.	1/10	EUR 59.06
Sanofi-S.A.	FR0000120578	SAN FP Equity	Euronext Paris S.A.	1/10	EUR 72.60
MAN SE	DE0005937007	MAN GY Equity	Frankfurter Wertpapierbörse (Xetra)	1/10	EUR 91.42
Unilever N.V.	NL0000009355	UNA NA Equity	Euronext Amsterdam N.V.	1/10	EUR 31.775
Siemens Aktiengesellschaft	DE0007236101	SIE GY Equity	Frankfurter Wertpapierbörse (Xetra)	1/10	EUR 91.38
Daimler Aktiengesellschaft	DE0007100000	DAI GY Equity	Frankfurter Wertpapierbörse (Xetra)	1/10	EUR 66.58
Bayer Aktiengesellschaft	DE000BAY0017	BAYN GY Equity	Frankfurter Wertpapierbörse (Xetra)	1/10	EUR 112.80
L'Oréal S.A.	FR0000120321	OR FP Equity	Euronext Paris S.A.	1/10	EUR 133.10

**"Underlying"** means any Share and the Index.

**"Weighting"** means the weighting in relation to the Share as specified in the table in the definition of "Share".

### § 3 INTEREST

The Notes shall not bear any interest.

### § 4 MATURITY

1. Subject to the provisions contained in § 7 and § 11, the Note will be redeemed on the Maturity Date. Subject to paragraph 2, each Note is redeemed by the payment of an amount per Note in the Issue Currency (the "**Redemption Amount**").
2. The Redemption Amount shall be determined by the Issuer in accordance with the following provisions:
  - (i) If on the Final Averaging Date the Index Performance is equal to or above 0.7, the Redemption Amount per Note shall be calculated as follows:

$$RA = D + D \times PF \times \max(0; BP - 1)$$

or

- (ii) in all other cases, the Redemption Amount per Note shall be:

$$RA = D \times IP + D \times PF \times \max(0; BP - 1)$$

where:

RA	=	Redemption Amount per Note (rounded, if necessary, to the next USD 0.01 (USD 0.005 will be rounded up))
D	=	Denomination
PF	=	Participation Factor
BP	=	Basket Performance
IP	=	Index Performance

**§ 5**  
**EARLY REDEMPTION; REPURCHASE**

1. Except as provided in § 7, the Issuer shall not be entitled to redeem the Notes prior to the Maturity Date.
2. The Noteholders shall not be entitled to call for redemption of the Notes prior to the Maturity Date.
3. The Notes shall not be terminated automatically and redeemed prior to the Maturity Date.
4. The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued or resold.

**§ 6**  
**PAYMENTS**

1. All amounts payable pursuant to the Terms and Conditions shall be paid to the Paying Agent subject to the provision that the Paying Agent transfers such amounts to the Clearing System on the dates stated in these Terms and Conditions so that they may be credited to the accounts of the relevant custodian banks and then forwarded on to the Noteholders.
2. If any payment is to be made on a day that is not a Payment Business Day, it shall take place on the next following day that is a Payment Business Day. In this case, the relevant Noteholder shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.
3. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives.

**§ 7**  
**ADJUSTMENTS; TERMINATION RIGHT OF THE ISSUER**

**(A) IN RELATION TO A SHARE**

1. If an Adjustment Event or an Extraordinary Event has a material effect on the price of the Share, the Issuer will make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If an Extraordinary Event has occurred, the Issuer may (instead of such an adjustment) optionally terminate the Notes prematurely.
  - (a) Adjustments to the Terms and Conditions shall correspond to the adjustments to option or futures contracts relating to the Share made by the Futures Exchange or that would have been made by the Futures Exchange if such option or futures contracts were traded on the Futures Exchange. In the event of any doubts regarding the application of the adjustment rules of the Futures Exchange, the Issuer shall decide in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). The adjustments made by the Issuer may deviate from those made by the Futures Exchange in cases where the adjustments made by the Futures Exchange would only lead to a minor adjustment of the Terms and Conditions, as well as in cases when and where such deviation is necessary in the reasonable discretion of the Issuer (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) to compensate for the economic effect of the relevant Adjustment Event or Extraordinary Event on the price of the Share.

As a result of such adjustments especially the Initial Price may be amended. The adjustments may also result in the Share being replaced by another share or other securities, a basket of securities and/or cash, and another stock exchange being



determined as the Exchange. If the Futures Exchange makes an adjustment by replacing the Share by a basket of shares, the Issuer shall be entitled to determine only the share with the highest market capitalisation on the relevant Cut-off Date as the (new) Underlying, to sell the remaining shares in the basket on the first Exchange Business Day following the Cut-off Date at the first available price and to reinvest the proceeds immediately afterwards in the remaining Share.

Adjustments and determinations take effect as from the date (the "**Cut-off Date**") determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (if the Issuer follows the manner in which adjustments are or would be made by the Futures Exchange) the Issuer shall use the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 13.

Any adjustment in accordance with this § 7(A) paragraph 1 does not exclude a later termination in accordance with this paragraph on the basis of the same event.

- (b) If the Notes are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Note (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account prevailing market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). Expenses for transactions that were required for winding up the Hedging Transactions will be taken into account as deductible items.

The Issuer may terminate the Notes prematurely with respect to an Exchange Business Day (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13. Any termination of the Notes in part shall be excluded.

The Issuer shall pay the Termination Amount to the Noteholders not later than the tenth Payment Business Day following the Termination Date to the Clearing System for crediting the accounts of the depositors of the Notes with the Clearing System. The rights in connection with the Notes shall expire upon the payment of the Termination Amount to the Clearing System.

2. The Issuer may also terminate the Notes prematurely in accordance with the above in the case of a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Company as a consequence of a conversion or otherwise; all as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer.
3. The Issuer may also terminate the Notes prematurely in accordance with the above in the case of a Hedging Disruption.

In addition, the Issuer may terminate the Notes prematurely in accordance with the above in the case of a Change in Law.

#### (B) IN RELATION TO THE INDEX

1. If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer in its reasonable discretion (*billiges*

*Ermessen*) (§ 315 German Civil Code (*BGB*)) as the new Index Sponsor (the "**Successor Sponsor**"), the Redemption Amount will be determined on the basis of the Index being calculated and published by the Successor Sponsor and any reference made to the Index Sponsor in these Terms and Conditions shall, if the context so admits, then refer to the Successor Sponsor.

2. If the Index is cancelled or replaced or if the Index Sponsor is replaced by another person, company or institution not acceptable to the Issuer in its reasonable discretion (*billiges Ermessen*) § 315 German Civil Code (*BGB*), the Issuer will determine in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) another index on the basis of which the Redemption Amount will be determined (the "**Successor Index**"). The Successor Index as well as the time of its first application will be notified pursuant to § 13. Any reference made to the Index in these Terms and Conditions shall, if the context so admits then refer to the Successor Index. All related definitions shall be deemed to be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the Terms and Conditions resulting from a substitution of the respective Index.
3. If the occurrence of an Adjustment Event with respect to an Index Share has a material effect on the price of the Index, the Issuer will make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. The Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)).

As a result of such adjustments especially the Initial Price may be amended.

Such adjustment shall become effective on the date on which the occurrence of the Adjustment Event with respect to an Index Share has its effect on the price of the Index.

Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 13.

Any adjustment in accordance with this § 7 (B) paragraph 3 does not exclude a later termination in accordance with this paragraph on the basis of the same event.

4. If (i) the determination of a Successor Index in accordance with § 7 (B) paragraph 2 is not possible or is unreasonable (*unzumutbar*) or (ii) if the Index Sponsor materially modifies the calculation method of the Index with effect on or after 30 december 2014, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to an Index Share, the market capitalisation or with respect to any other routine measures), the Issuer is entitled to (a) continue the calculation and publication of the Index on the basis of the former concept of the Index and its last determined level or (b) to terminate the Notes prematurely.
5. The Issuer may also terminate the Notes prematurely in accordance with the below in the case of a Hedging Disruption.

In addition, the Issuer may terminate the Notes prematurely in accordance with the below in the case of a Change in Law.

6. In the case of a termination of the Notes pursuant to § 7 (B) paragraph 4 to 5., the Notes shall be redeemed on the Termination Date at the termination amount per Note (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). Expenses for transactions that were required for winding up the Hedging Transactions will be taken into account as deductible items.

The Issuer may terminate the Notes prematurely with respect to a Payment Business Day (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13. Any termination of the Notes in part shall be excluded.

The Issuer shall pay the Termination Amount to the Noteholders not later than the fifth Payment Business Day following the Termination Date to the Clearing System for crediting the accounts of the depositors of the Notes with the Clearing System. The rights in connection with the Notes shall expire upon the payment of the Termination Amount to the Clearing System.

## **§ 8 TAXES**

All present and future taxes, fees or other duties in connection with the Notes shall be borne and paid by the Noteholders. The Issuer is entitled to withhold from payments to be made under the Notes any taxes, fees and/or duties payable by the Noteholder in accordance with the previous sentence.

## **§ 9 STATUS**

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

## **§ 10 PAYING AGENT**

1. Commerzbank Aktiengesellschaft, main office, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany, shall be the paying agent (the "**Paying Agent**").
2. The Issuer shall be entitled at any time to appoint another bank of international standing as Paying Agent. Such appointment and the effective date shall be notified in accordance with § 13.
3. The Paying Agent is hereby granted exemption from the restrictions of § 181 German Civil Code (*BGB*) and any similar restrictions of the applicable laws of any other country.

## **§ 11 TERMINATION**

1. Each Noteholder is entitled to declare his Notes due and to require the redemption of his Notes pursuant to paragraph 2 below, if:
  - (a) the Issuer is in default for more than 30 days in the payment under these Terms and Conditions, or
  - (b) the Issuer violates any other obligation under these Terms and Conditions, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder, or
  - (c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law), or

- (d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts, or
- (e) any insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors, or
- (f) any of the events set forth in sub-paragraphs (c) – (e) above occurs in respect of the Guarantor (§ 12).

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

2. The right to declare Notes due pursuant to § 11 paragraph 1 shall be exercised by a Noteholder by delivering or sending by registered mail to the Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Paying Agent. Following such declaration the Notes shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*, § 315 German Civil Code (*BGB*)) as the fair market value of the Notes at the date as determined by the Issuer. Such date and the Early Redemption Amount shall be notified directly to the relevant Noteholder. The rights arising from the Notes will terminate upon the payment of the Early Redemption Amount.

## § 12 SUBSTITUTION OF THE ISSUER

1. Any other company may assume at any time during the lifetime of the Notes, subject to paragraph 2, without the Noteholders' consent all the obligations of the Issuer under these Terms and Conditions. Any such substitution and the effective date shall be notified by the Issuer in accordance with § 13.

Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 12, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.

In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer.

2. No such assumption shall be permitted unless
  - (a) the New Issuer has agreed to assume all obligations of the Issuer under the Notes pursuant to these Terms and Conditions;
  - (b) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
  - (c) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all obligations under the Notes pursuant to these Terms and Conditions;

- (d) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.
3. Upon any substitution of the Issuer for a New Issuer, this § 12 shall apply again.

### § 13 NOTICES

Notices relating to the Notes shall be published in the Federal Gazette (*Bundesanzeiger*) and shall be deemed to be effective upon such publication unless such publication gives another effective date

### § 14 LIMITATION OF LIABILITY; PRESENTATION PERIODS; PRESCRIPTION

1. The Issuer shall be held responsible for acting or failing to act in connection with the Notes only if, and insofar as, it either breaches material obligations under or in connection with the Terms and Conditions negligently or wilfully or breaches other obligations with gross negligence or wilfully. The same applies to the Paying Agent.
2. The period for presentation of the Notes (§ 801 paragraph 1, sentence 1 German Civil Code (BGB)) shall be ten years and the period of limitation for claims under the Notes presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

### § 15 FINAL CLAUSES

1. The Notes and the rights and duties of the Noteholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany except § 1 paragraph 1 - 3 of the Terms and Conditions which shall be governed by the laws of the relevant jurisdiction of the Clearing System.
2. In the event of manifest typing or calculation errors or similar manifest errors in the Terms and Conditions, the Issuer shall be entitled to declare rescission (*Anfechtung*) to the Noteholders. The declaration of rescission shall be made without undue delay upon becoming aware of any such ground for rescission (*Anfechtungsgrund*) and in accordance with § 13. Following such rescission by the Issuer, the Noteholders may instruct the account holding bank to submit a duly completed redemption notice to the Paying Agent, either by filling in the relevant form available from the Paying Agent or by otherwise stating all information and declarations required on the form (the "**Rescission Redemption Notice**"), and to request repayment of the Issue Price against transfer of the Notes to the account of the Paying Agent with the Clearing System. The Issuer shall make available the Issue Price to the Paying Agent within five calendar days following receipt of the Rescission Redemption Notice and of the Notes by the Paying Agent, whichever receipt is later, whereupon the Paying Agent shall transfer the Issue Price to the account specified in the Rescission Redemption Notice. Upon payment of the Issue Price all rights under the Notes delivered shall expire.
3. The Issuer may combine the declaration of rescission pursuant to paragraph 2 with an offer to continue the Notes on the basis of corrected Terms and Conditions. Such an offer and the corrected provisions shall be notified to the Noteholders together with the declaration of rescission in accordance with § 13. Any such offer shall be deemed to be accepted by a

Noteholder (and the rescission shall not take effect), unless the Noteholder requests repayment of the Issue Price within four weeks following the date on which the offer has become effective in accordance with § 13 by delivery of a duly completed Rescission Redemption Notice via the account holding bank to the Paying Agent and by transfer of the Notes to the account of the Paying Agent with the Clearing System pursuant to paragraph 2. The Issuer shall refer to this effect in the notification.

4. "**Issue Price**" within the meaning of paragraph 2 and 3 shall be deemed to be the higher of (i) the purchase price that was actually paid by the relevant Noteholder (as declared and proved by evidence in the request for repayment by the relevant Noteholder) and (ii) the weighted average (as determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) of the traded prices of the Notes on the Payment Business Day preceding the declaration of rescission pursuant to paragraph 2. If a Market Disruption Event exists on the Payment Business Day preceding the declaration of rescission pursuant to paragraph 2, the last Payment Business Day preceding the declaration of rescission pursuant to paragraph 2 on which no Market Disruption Event existed shall be decisive for the ascertainment of price pursuant to the preceding sentence.
5. Contradictory or incomplete provisions in the Terms and Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). The Issuer, however, shall only be entitled to make such corrections or amendments which are reasonably acceptable to the Noteholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the Noteholders. Notice of any such correction or amendment shall be given to the Noteholders in accordance with § 13.
6. If the Noteholder was aware of typing or calculation errors or similar errors at the time of the acquisition of the Notes, then, notwithstanding paragraphs 2 - 5, the Noteholders can be bound by the Issuer to the corrected Terms and Conditions.
7. Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. The void provision shall be replaced by a valid provision that reflects the economic intent of the void provision as closely as possible in legal terms. In those cases, however, the Issuer may also take the steps described in paragraphs 2 - 5 above.
8. Place of performance is Frankfurt am Main.
9. Place of jurisdiction for all disputes and other proceedings in connection with the Notes for merchants, entities of public law, special funds under public law and entities without a place of general jurisdiction in the Federal Republic of Germany is Frankfurt am Main. In such a case, the place of jurisdiction in Frankfurt am Main shall be an exclusive place of jurisdiction.
10. The English version of these Terms and Conditions shall be binding. Any translation is for convenience only.