



# Raiffeisen CENTROBANK

## Raiffeisen Centrobank AG

(Incorporated as a stock corporation in the Republic of Austria under registered number FN 117507 f)

## Structured Securities Programme

On 10 June 2013, Raiffeisen Centrobank AG (“**Raiffeisen Centrobank**” or the “**Issuer**” or “**RCB**”) established a structured securities programme (the “**Programme**”) which has been updated last time on 12 May 2017. With effect from the date hereof, the Programme has been updated and this base prospectus (the “**Base Prospectus**”) supersedes and replaces the base prospectus dated 12 May 2017. Any securities to be issued after the date hereof under the Programme (the “**Securities**”) are issued subject to the provisions set out herein, save that Securities which are issued prior to the date hereof will be issued subject to the terms and conditions of the Securities applicable on the date of issue for the Securities of such series. This Base Prospectus will presumably be valid until 11 May 2019 and the Issuer intends to have an updated and approved base prospectus published at least one banking business day before such date. Subject to the aforesaid, this Base Prospectus does not affect any Securities issued prior to the date hereof. Under the Programme, the Issuer, subject to compliance with all applicable laws, regulations and directives, may from time to time issue derivative and non-derivative unsubordinated Securities as bearer Securities. Subject to compliance with all applicable laws, regulations and directives, the Securities may or may not have a minimum maturity and a maximum maturity. The nominal amount of the Securities, the product currency, the amounts payable upon redemption of the Securities, if any, the issue price and maturity of the Securities, their underlying or underlyings (each an “**Underlying**”), including indices, equity, fund shares, commodities, fx rates, interest rates, futures and different kinds of baskets thereof (including best- and worst-of baskets, cappuccino baskets, value-weighted baskets, minimum-deviation and maximum-deviation baskets and supervised baskets), and all other terms and conditions not contained herein which are applicable to a particular series of Securities will be set out in the document containing the final terms (the “**Final Terms**”) within the meaning of Article 26 No 5 of Commission Regulation (EC) 809/2004 as amended (the “**Prospectus Regulation**”), templates of which are contained in this Base Prospectus. The Final Terms of each particular series of Securities issued have to be read together with the Base Prospectus. In the context of this Base Prospectus and in relation to a specific series of Securities, the term “**Prospectus**” means the Base Prospectus which shall be considered together with the information included in the relevant Final Terms and the issue-specific summary.

**This Base Prospectus has been drawn up in accordance with Annexes XI, XII, XXII and XXX of the Prospectus Regulation and has been approved by the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde, the “FMA”) in its capacity as competent authority under the Austrian Capital Market Act (Kapitalmarktgesetz, the “Capital Market Act”) for approval of this Base Prospectus. The accuracy of the information contained in this Base Prospectus does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Base Prospectus merely in respect of its completeness, coherence and comprehensibility pursuant to section 8a of the Capital Market Act. The Issuer is obliged by the provisions of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended (the “Prospectus Directive”) and the Capital Market Act, that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Securities and which arises or is noted between the time when this Base Prospectus is approved and the final closing of an offer of such Securities to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare and publish a supplement to this Base Prospectus and shall supply to the FMA copies of such supplement.**

Application may be made for the Programme and/or the Securities to be admitted to the Official Market of the Vienna Stock Exchange and the Regulated Unofficial Market of the Stuttgart Stock Exchange (EUWAX) and the Frankfurt Stock Exchange (SCOACH) and to admit to trading such Securities on the regulated markets (all together the “**Markets**”) of one or more stock exchanges in Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic, and/or Slovenia. References in this Base Prospectus to Securities being listed (and all related references) shall mean that such Securities will be admitted to trading on any of the Markets, each of which is a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU on markets in financial instruments as amended (Markets in Financial Instruments Directive II, the “**MiFID II**”). Unlisted Securities may be issued pursuant to this Programme. The relevant Final Terms in respect of the issue of any Securities will specify whether or not such Securities will be admitted to trading on the any of the Markets (or any other market and/or stock exchange). The Issuer has requested the FMA to provide the competent authorities in other host Member States within the European Economic Area including Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia (the “**Initial Host Member States**”) with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with Article 5.4 of the Prospectus Directive and the Capital Market Act. Each series of Securities (i.e. Securities carrying the same ISIN, each a “**Series**”) will be represented on issue by a permanent modifiable global note in bearer form (a “**Global Note**”). Each Global Note will be kept in custody by or on behalf of OeKB CSD GmbH and any successor in such capacity in its function as a central securities depository until all obligations of the Issuer under the Securities have been satisfied.

**The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States of America (the “United States”), and may not be offered or sold (i) within the United States, except in transactions exempt from registration under the Securities Act, or (ii) outside the United States, except in offshore transactions in compliance with Regulation S under the Securities Act.**

Prospective investors should have regard to the factors described under the section headed “**Risk factors**” in this Base Prospectus which the Issuer believes to represent the principal risks inherent in investing in the Securities.

This Base Prospectus does not describe all of the risks of an investment in the Securities, but the Issuer believes that all material risks relating to an investment in the Securities have been described. This Base Prospectus identifies certain information in general terms that a prospective investor should consider prior to making an investment in the Securities. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any Securities issued under the Programme since any evaluation of the suitability for an investor of an investment in Securities issued under the Programme depends upon a prospective investor’s particular financial and other circumstances, as well as on the specific terms of the relevant Securities; if a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser on the suitability of any Securities prior to making its decision on whether or not to invest.

Securities issued under this Base Prospectus include Winner Guarantee Certificates (eusipa 1100) (“**Winner Guarantee Certificates**”), Winner Certificates (eusipa 1100) (“**Winner Certificates**”), Capped Winner Guarantee Certificates (eusipa 1120) (“**Capped Winner Guarantee Certificates**”), Capped Winner Certificates (eusipa 1120) (“**Capped Winner Certificates**”), Barrier Winner Guarantee Certificates (eusipa 1130) (“**Barrier Winner Guarantee Certificates**”), Barrier Winner Certificates (eusipa 1130) (“**Barrier Winner Certificates**”), Guarantee Certificates (eusipa 1140) (“**Guarantee Certificates**”), Protected Certificates (eusipa 1140) (“**Protected Certificates**”), Step-Up Guarantee Certificates (eusipa 1199) (“**Step-Up Guarantee Certificates**”), Step-Up Certificates (eusipa 1199) (“**Step-Up Certificates**”), Step-Down Guarantee Certificates (eusipa 1199) (“**Step-Down Guarantee Certificates**”), Step-Down Certificates (eusipa 1199) (“**Step-Down Certificates**”), Express Safe Guarantee Certificates (eusipa 1199) (“**Express Safe Guarantee Certificates**”), Express Safe Certificates (eusipa 1199) (“**Express Safe Certificates**”), Reverse Express Safe Guarantee Certificates (eusipa 1199) (“**Reverse Express Safe Guarantee Certificates**”), Reverse Express Safe Certificates (eusipa 1199) (“**Reverse Express Safe Certificates**”), Range Winner Guarantee Certificates (eusipa 1199) (“**Range Winner Guarantee Certificates**”), Range Winner Certificates (eusipa 1199) (“**Range Winner Certificates**”), Stay-Above Guarantee Certificates (eusipa 1199) (“**Stay-Above Guarantee Certificates**”), Stay-Above Certificates (eusipa 1199) (“**Stay-Above Certificates**”), Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) (“**Capped Twin-Win Safe Guarantee Certificates**”), Capped Twin-Win Safe Certificates (eusipa 1199) (“**Capped Twin-Win Safe Certificates**”), Bonus Safe Guarantee Certificates (eusipa 1199) (“**Bonus Safe Guarantee Certificates**”), Bonus Safe Certificates (eusipa 1199) (“**Bonus Safe Certificates**”), Discount Certificates (eusipa 1200) (“**Discount Certificates**”), Reverse Convertibles (eusipa 1220) (“**Reverse Convertibles**”), Protected Reverse Convertibles (eusipa 1230) (“**Protected Reverse Convertibles**”), Capped Bonus Certificates (eusipa 1250) (“**Capped Bonus Certificates**”), Express Certificates (eusipa 1260) (“**Express Certificates**”), Inversion Certificates (eusipa 1299) (“**Inversion Certificates**”), Reverse Inversion Certificates (eusipa 1299) (“**Reverse Inversion Certificates**”), Capped Twin-Win Certificates (eusipa 1299) (“**Capped Twin-Win Certificates**”), Capped Reverse Bonus Certificates (eusipa 1299) (“**Capped Reverse Bonus Certificates**”), Index Certificates (eusipa 1300) (“**Index Certificates**”), Participation Certificates (eusipa 1300) (“**Participation Certificates**”), Outperformance Certificates (eusipa 1310) (“**Outperformance Certificates**”), Bonus Certificates (eusipa 1320) (“**Bonus Certificates**”), Twin-Win Certificates (eusipa 1340) (“**Twin-Win Certificates**”), Call Warrants (eusipa 2100) (“**Call Warrants**”), Put Warrants (eusipa 2100) (“**Put Warrants**”), Capped Call Warrants (eusipa 2110) (“**Capped Call Warrants**”), Capped Put Warrants (eusipa 2110) (“**Capped Put Warrants**”), Turbo Long Certificates (eusipa 2210) (“**Turbo Long Certificates**”), Turbo Short Certificates (eusipa 2210) (“**Turbo Short Certificates**”) and Factor Certificates (eusipa 2300) (“**Factor Certificates**”).

Under this Base Prospectus, the Issuer may also publicly offer Securities which have been issued under an Outdated Base Prospectus, whereas “**Outdated Base Prospectus**” means any of the 2013 Base Prospectus, the 2014 Base Prospectus, the 2015 Base Prospectus, the 2016 Base Prospectus and the 2017 Base Prospectus relating to the Programme. These Securities may include all Securities (a) for which either (i) the first day of the subscription period or (ii) the Issue Date is after 10 June 2013, and (b) for which the Final Valuation Date is on or before 11 May 2018, and (c) which have not been already terminated or redeemed by the Issuer. The Issuer may also apply for admission to trading the aforementioned Securities on one or more of the abovementioned exchanges, subject to the regulations of the respective exchange.

*This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and the Capital Market Act, and for the purpose of giving information with regard to the Issuer and the Securities which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). Such documents shall be deemed to be incorporated in, and form part of this Base Prospectus. Any statement contained in such document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.*

*No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Any material new circumstances or any material incorrectness or inaccuracy as to the statements contained in this Base Prospectus that could influence the assessment of the Securities issued under the Programme and that occur or are determined between the approval of the Base Prospectus by the FMA and the final end of the public offer, or if later, the admission to trading on a regulated market of Securities under the Programme will be included and published in a supplement to this Base Prospectus in accordance with the Prospectus Directive and the Capital Market Act. The Issuer intends to issue the Securities within a predetermined subscription period which in case of tap issues may be equivalent with the term of the Securities, i.e. where Securities are available during substantially the whole (or part of the) term of the Securities and which period may be shortened at the discretion of the Issuer.*

*The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer to inform themselves about, and to observe, any such restriction(s). For a description of certain restrictions on offers and sales of Securities and on the distribution of this Base Prospectus, see “Selling Restrictions” below.*

*The Securities have not been and will not be registered under the Securities Act and may include Securities in bearer form that are subject to U.S. tax law requirements. Securities may not be offered, sold or delivered within the United States or, for the account and benefit of U.S. persons as each are defined in Rule 902 (k) of Regulation S.*

*This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Securities.*




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## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the indicated parts of the following documents:

Document/Heading	Page reference in the incorporated document
<b>Jahresfinanzbericht 2017</b> ( <a href="#">Link to document</a>  )	
Audited Financial Statements of the Issuer for the financial year ended 31 December 2017 in the German language <sup>1</sup>	
Gewinn und Verlustrechnung	26
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<b>Annual Report 2017</b> ( <a href="#">Link to document</a>  )	
English translation of the Audited Financial Statements of the Issuer for the financial year ended 31 December 2017 <sup>2</sup>	
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Cash flow statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016	
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<sup>1</sup> The officially signed German language versions of the Issuer's Audited Financial Statements 2017 and 2016 are solely legally binding and definitive.

<sup>2</sup> The English translations of the Audited Financial Statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 are not legally binding and are incorporated into this Base Prospectus by reference for convenience purposes only.

**Jahresfinanzbericht 2016** ([Link to document](#) )


Audited Financial Statements of the Issuer for the financial year ended 31 December 2016 in the German language<sup>1</sup>

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**Annual Report 2016** ([Link to document](#) )


English translation of the Audited Financial Statements of the Issuer for the financial year ended 31 December 2016<sup>2</sup>

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**Cash flow statements 2015 & 2016** ([Link to document](#) )


Cash flow statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2015

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**2017 Base Prospectus** ([Link to document](#) )


Approved base prospectus relating to the Programme dated 12 May 2017

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**2016 Base Prospectus** ([Link to document](#) )


Approved base prospectus relating to the Programme dated 12 May 2016

Terms and Conditions of the Securities and related information	189 - 257
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**2015 Base Prospectus** ([Link to document](#) )

Approved base prospectus relating to the Programme dated 12 May 2015

Terms and Conditions of the Securities and related information	187 - 253
Form of Final Terms for Securities	254 - 291

**2014 Base Prospectus** ([Link to document](#) )

Approved base prospectus relating to the Programme dated 12 May 2014

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**2013 Base Prospectus** ([Link to document ↗](#))

Approved base prospectus relating to the Programme dated 10 June 2013

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Form of Final Terms for Securities	213 - 242

For the avoidance of doubt, such parts of the annual report of the Issuer for the financial years 2017 and 2016, the Cash flow statements 2015 & 2016, the Cash flow statements 2016 & 2017, the 2017 Base Prospectus, the 2016 Base Prospectus, the 2015 Base Prospectus, the 2014 Base Prospectus and the 2013 Base Prospectus respectively which are not explicitly listed in the table above are not incorporated by reference into this Base Prospectus. Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Such parts of the documents which are explicitly listed above shall be deemed to be incorporated in, and form part of this Base Prospectus, save that any statement contained in such a document shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in this Base Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

The Base Prospectus, any supplement thereto and any document incorporated by reference into this Base Prospectus will be published in electronic form under [www.rcb.at](http://www.rcb.at) (the “**Issuer’s Website**”) in the section The Bank – Publications – Securities Prospectus.

The Final Terms for Securities (including the Final Terms for Securities which have been issued under any Outdated Base Prospectus, respectively) will be made available in electronic form on the Issuer’s Website either (i) under the section Investment Products, or (ii) under the section Leverage Products, or (iii) via the search function by filling in the relevant ISIN of the Security.

Printed copies of the Base Prospectus, any supplement thereto, any Final Terms and any documents incorporated by reference in the Base Prospectus will be made available free of charge at the specified office of the Issuer at Tegetthoffstraße 1, 1010 Vienna, Austria.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

The Issuer is obliged by the provisions of the Prospectus Directive and the Capital Market Act, that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Securities and which arises or is noted between the time when the Base Prospectus is approved and the final closing of an offer of such Securities to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Securities and shall supply to the FMA and the stock exchange operating the Markets such number of copies of such supplement or replacement hereto as required by the relevant applicable legislation.

## **SOURCES OF INFORMATION**

Unless otherwise stated, statistical and other data provided in this Base Prospectus has been extracted from the audited financial statements of the Issuer for the financial year ended 31 December 2017 and the annual report thereon. 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 such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.



## CONSENT TO USE A PROSPECTUS

The Issuer consents that all credit institutions and investment firms pursuant to the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV – “**CRD IV**”) acting as financial intermediaries subsequently reselling or finally placing the Securities (together, the “**Financial Intermediaries**”) are entitled to use any Prospectus in connection with an offering and/or listing of Securities in Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia and such other Member State of the European Economic Area whose competent authorities have been notified of the approval of this Base Prospectus for the subsequent resale or final placement of Securities to be issued under the Programme during the relevant offer period (as determined in the applicable Final Terms) during which subsequent resale or final placement of the relevant Securities can be made, provided however, that the Base Prospectus is still valid in accordance with section 6a of the KMG which implements the Prospectus Directive.

The Issuer accepts responsibility for the information given in the Base Prospectus also with respect to such subsequent resale or final placement of the Securities.

The consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Securities by the Financial Intermediaries has been given under the condition that (i) potential investors will be provided with the Base Prospectus, any supplement thereto and the relevant Final Terms, (ii) each of the Financial Intermediaries ensures that it will use the Base Prospectus, any supplement thereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Base Prospectus and any applicable laws and regulations in the relevant jurisdiction and (iii) the placement or the final resale will be provided in line with the applicable MiFID II Product Governance Requirements as set out in the key information document (which is available on the Issuer’s website) and/or as disclosed by the Issuer on request.

In the applicable Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of the Prospectus.

**In the event of an offer being made by a further financial intermediary the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.**

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

## SELLING RESTRICTIONS

The sale and/or distribution of Securities may be subject to restrictions in various jurisdictions. The Issuer may from time to time request the FMA to provide to competent authorities of Member States of the European Economic Area a notification concerning the approval of the Base Prospectus.

Each recipient of this Base Prospectus and each holder of Securities is required to comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities, or in which it has in its possession or distributes the Base Prospectus, any other offering material, or any Final Terms and the Issuer shall have no responsibility therefore.

Specific selling restrictions for the European Economic Area and the United States of America are outlined below. Recipients of this Base Prospectus and holders of Securities should be aware that **the sale and/or distribution of Securities may also be restricted in other jurisdictions and that each recipient of this Base Prospectus and holder of Securities is required to inform himself** about and comply with any such restrictions and that the non-compliance with any such restrictions may lead to severe sanctions. If a recipient of this Base Prospectus or holder of Securities is uncertain about the applicable restrictions on the sale and/or distribution of Securities in any jurisdictions, such person is advised to refrain from conducting any sale or distribution of Securities in such jurisdiction. Although the Issuer cannot guarantee to provide information on the applicable restrictions on the sale and/or distribution of Securities in each jurisdiction, it will use its best effort to assist in obtaining such

information. However, the Issuer is not obliged to do so or bear any costs for obtaining information on applicable selling restrictions.

## EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) the Issuer has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant Member State (a “**Non-Exempt Offer**”), following the date of publication of a base 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 base prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such base prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive or pursuant to any applicable national law of any Relevant Member State,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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, as the same may be varied in that Member State by any measure implementing the Prospectus Directive.

## UNITED STATES OF AMERICA

The Securities have not been registered in accordance with the Securities Act and shall at no time be permitted to be offered or sold within the United States for the account of or on behalf of U.S. persons as each are defined in Rule 902 (k) of Regulation S.

Any transaction in breach of this restriction may constitute a violation of the laws of the United States of America. The securities shall be offered on a continuous basis. Therefore, the offering or the sale of securities within the United States or to “U.S. persons” as each are defined in Rule 902 (k) of Regulation S by a dealer, irrespective of whether or not he or she participates in the offer, shall constitute at all times a violation of registration obligations pursuant to the Securities Act.

## SUMMARY OF THE PROGRAMME

*This summary is made up of disclosure requirements known as elements (the “**Elements**”). These Elements are numbered in sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the specification of “Not applicable”.*

*The Summary contains options, characterised by square brackets or typesetting in italics (other than the respective translations of specific legal terms), and placeholders regarding the Securities to be issued under the Programme. The summary of the individual issue of Securities will include the options relevant to this issue of Securities as determined by the applicable Final Terms and will contain the information, which had been left blank, as completed by the applicable Final Terms.*

### A. INTRODUCTION AND WARNINGS

#### A.1 Warning

This summary (the “**Summary**”) should be read as an introduction to this prospectus (the “**Prospectus**”) prepared in connection with the Structured Securities Programme (the “**Programme**”).

Any decision by an investor to invest in securities issued under the Prospectus (the “**Securities**”) should be based on consideration of the Prospectus as a whole by the investor.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to Raiffeisen Centrobank AG (“**Raiffeisen Centrobank**”) Tegetthoffstraße 1, 1010 Vienna, Austria (in its capacity as issuer under the Programme, the “**Issuer**”) who tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Securities.

**A.2** Consent by the Issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries. Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the Prospectus is given. Any other clear and

The Issuer consents that all credit institutions and investment firms pursuant to the Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Securities (together, the “**Financial Intermediaries**”) are entitled to use this Prospectus for the subsequent resale or final placement of Securities to be issued under the Programme during the relevant offer period (as determined in the applicable Final Terms) during which subsequent resale or final placement of the relevant Securities can be made, provided however, that the Base Prospectus is still valid in accordance with section 6a of the KMG which implements the Prospectus Directive.

The consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Securities by the Financial Intermediaries has been given under the condition that (i) potential investors will be provided with the Base Prospectus, any supplement thereto and the relevant Final Terms, (ii) each of

objective conditions attached to the consent which are relevant for the use of the Prospectus.

the Financial Intermediaries ensures that it will use the Base Prospectus, any supplement thereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Base Prospectus and any applicable laws and regulations in the relevant jurisdiction and (iii) the placement or the final resale will be provided in line with the applicable MiFID II Product Governance Requirements as set out in the key information document (which is available on the Issuer's website) and/or as disclosed by the Issuer on request.

In the applicable Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Prospectus.

Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

**In the event of an offer being made by a further financial intermediary the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.**

Notice in bold informing investors that any financial intermediary using the prospectus has to state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto.

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

## **B. THE ISSUER**

**B.1** The legal and commercial name of the Issuer:

The legal name of the Issuer is "Raiffeisen Centrobank AG"; its commercial name is "**Raiffeisen Centrobank**" or "**RCB**".

**B.2** The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country or incorporation:

Raiffeisen Centrobank is a stock corporation (*Aktiengesellschaft*) organised and operating under Austrian law, registered with the companies register (*Firmenbuch*) at the Vienna Commercial Court (*Handelsgericht Wien*) under the registration number FN 117507f. Raiffeisen Centrobank's registered office is in Vienna, Republic of Austria. The registered office of Raiffeisen Centrobank is Tegetthoffstraße 1, 1010 Vienna, Austria. In April 2017, Raiffeisen Centrobank AG has established a branch in Bratislava, Slovakia, with the company name "Raiffeisen Centrobank AG Slovak Branch, pobočka zahraničnej banky".

**B.4b** Any known trends affecting the Issuer and the industries in which it operates:

The Raiffeisen Centrobank may be adversely impacted by business and economic conditions, and difficult market conditions have adversely affected the Raiffeisen Centrobank.

Raiffeisen Centrobank is dependent on the economic environment in the markets where it operates.

New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Raiffeisen Centrobank to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.

- B.5** If the Issuer is part of a group, a description of the group and the Issuer's position within the group: The Issuer is a specialised credit institution for equity trading and sales as well as for company research and an issuer of certificates and other structured securities within the Raiffeisen banking group Austria and operates in Austria and in the local markets in Central and Eastern Europe.

The Raiffeisen banking group Austria is a banking group with its origins in Austria which is active in the Central and Eastern European market and is also represented in a number of international financial marketplaces and in the emerging markets of Asia. It is organized into three tiers and consists of the autonomous local Raiffeisen banks, the eight autonomous regional Raiffeisen banks and Raiffeisen Bank International AG ("**RBI**").

RBI is the ultimate parent company of RBI Group, which consists of RBI and its fully consolidated subsidiaries taken as a whole ("**RBI Group**").

Raiffeisen Centrobank is a subordinated credit institution in the RBI credit institution group (*Kreditinstitutsgruppe*) pursuant to § 30 Austrian Banking Act (*Bankwesengesetz*), in which RBI is the superordinated credit institution.

Furthermore, Raiffeisen Centrobank belongs to the RBI regulatory group, in which the calculation of the own funds requirements of a credit institution group applies on a consolidated basis due to prudential consolidation.

The parent company of Raiffeisen Centrobank is RBI, of which more than 90% is owned by the local Raiffeisen Banks. The Issuer is included in the consolidated financial statements of RBI.

- B.9** Where a profit forecast or estimate is made, state the figure: Not applicable; no profit forecast or estimate has been made.

- B.10** A description of the nature of any qualifications in the audit report on the historical financial information: Not applicable; there are no qualifications.

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

	2017	2016
	<i>in thousand EUR (rounded) or in percent</i>	
<b>Key figures and ratios</b>		
Net profit on financial trading activities	61,338	55,616
Operating income	59,248	45,704
Operating expenses	(40,134)	(37,146)
Result on ordinary activities	19,081	9,632
Net profit for the year	16,576	3,178
Balance sheet total	3,200,183	2,728,234
<b>Bank-specific information</b>		
Eligible own funds (Core capital)	106,191	105,334
Total risk-weighted assets	487,930	437,035
Own funds ratio	21.8%	24.1%

Source: Audited Financial Reports 2017 and 2016 and internal information from the Issuer

Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change: As of the date of this Prospectus, there has been no material adverse change in the prospects of the Issuer and its subsidiaries since the date of the Audited Financial Statements 2017.

Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information: Not applicable. There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 31 December 2017.

**B.13** Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency: Not applicable; there are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.

**B.14** Any dependency upon other entities within the group: RBI, the ultimate parent of Raiffeisen Centrobank, is an indirect shareholder and therefore has the possibility of exercising influence over Raiffeisen Centrobank, amongst other things, by appointing or dismissing members of the Supervisory Board or by changing the articles of association in shareholders' meetings.

**B.15** A description of the Issuer's principal activities: Raiffeisen Centrobank is a specialised credit institution for the equity business within the RBI Group and operates in the local markets in Central and Eastern Europe. Raiffeisen Centrobank offers a wide spectrum of services and products associated with stock, derivatives, and equity capital transactions, both, including and excluding the stock exchange. Raiffeisen Centrobank also offers individually tailored private banking services.

**B.16** To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control. By 31 December 2017, Raiffeisen Centrobank's nominal share capital amounted to EUR 47,598,850 divided into 655,000 non-par value ordinary shares.

The vast majority of 654,999 shares, equalling a stake of 99.9% of the shares in Raiffeisen Centrobank, are through RBI KI-Beteiligungs GmbH and its subsidiary RBI IB Beteiligungs GmbH, Vienna (indirectly) held by Raiffeisen Bank International AG. The remainder of 1 share (0.1%) is held by Lexxus Services Holding GmbH, Vienna, which is an indirect subsidiary of RBI. As a consequence Raiffeisen Centrobank is an indirect subsidiary of RBI. The shares in Raiffeisen Centrobank are not listed on any stock exchange.

**B.17** Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process: Not applicable; neither the Issuer nor its debt securities have such credit ratings.

## C. SECURITIES

*[In case of new issues of Securities, insert:]*

- C.1** Description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number: The Securities are [Winner Guarantee Certificates (eusipa 1100)] [Winner Certificates (eusipa 1100)] [Capped Winner Guarantee Certificates (eusipa 1120)] [Capped Winner Certificates (eusipa 1120)] [Barrier Winner Guarantee Certificates (eusipa 1130)] [Barrier Winner Certificates (eusipa 1130)] [Guarantee Certificates (eusipa 1140)] [Protected Certificates (eusipa 1140)] [Step-Up Guarantee Certificates (eusipa 1199)] [Step-Up Certificates (eusipa 1199)] [Step-Down Guarantee Certificates (eusipa 1199)] [Step-Down Certificates (eusipa 1199)] [Express Safe Guarantee Certificates (eusipa 1199)] [Express Safe Certificates (eusipa 1199)] [Reverse Express Safe Guarantee Certificates (eusipa 1199)] [Reverse Express Safe Certificates (eusipa 1199)] [Range Winner Guarantee Certificates (eusipa 1199)] [Range Winner Certificates (eusipa 1199)] [Stay-Above Guarantee Certificates (eusipa 1199)] [Stay-Above Certificates (eusipa 1199)] [Capped Twin-Win Safe Guarantee Certificates (eusipa 1199)] [Capped Twin-Win Safe Certificates (eusipa 1199)] [Bonus Safe Guarantee Certificates (eusipa 1199)] [Bonus Safe Certificates (eusipa 1199)] [Discount Certificates (eusipa 1200)] [Reverse Convertibles (eusipa 1220)] [Protected Reverse Convertibles (eusipa 1230)] [Capped Bonus Certificates (eusipa 1250)] [Express Certificates (eusipa 1260)] [Capped Twin-Win Certificates (eusipa 1299)] [Capped Reverse Bonus Certificates (eusipa 1299)] [Inversion Certificates (eusipa 1299)] [Reverse Inversion Certificates (eusipa 1299)] [Index Certificates (eusipa 1300)] [Participation Certificates (eusipa 1300)] [Outperformance Certificates (eusipa 1310)] [Bonus Certificates (eusipa 1320)] [Twin-Win Certificates (eusipa 1340)] [Call Warrants (eusipa 2100)] [Put Warrants (eusipa 2100)] [Capped Call Warrants (eusipa 2110)] [Capped Put Warrants (eusipa 2110)] [Turbo Long Certificates (eusipa 2210)] [Turbo Short Certificates (eusipa 2210)] [Factor Certificates (eusipa 2300)] and carry the ISIN [●] [.]and [the German *Wertpapierkennnummer* [●]] [the CFI code [●]] [*insert any further applicable identification number*]. The Securities will be represented by a permanent modifiable Global Note in bearer form. [For the issuance of the Securities, the Issuer acts via its Slovak branch.] [[The Non-par Value of the Securities is] [The Specified Denomination of the Securities is] [*insert denomination/non-par value*] [, subject to Issuer Fee related adjustments.][, subject to Reinvestment Adjustments.][, subject to Issuer Fee related adjustments and Reinvestment Adjustments.] [[●] % of the Initial Reference Price [, converted into the Product Currency] [, expressed (“Quanto”) in the Product Currency]].]
- C.2** Currency of the securities issue: The Product Currency of the Securities is [Quanto] [●].
- C.5** Description of any restrictions on the free transferability of the securities: The Securities are transferable in accordance with applicable laws and regulations and the applicable general terms of the relevant clearing systems.
- C.8** Description of the rights attached to the securities including ranking and limitation to those rights: **Rights attached to the Securities**  
The Securities provide its respective holders, a claim for payment of [interest and] a redemption amount, as described in detail under C.15.  
**Status of the Securities**  
The Issuer’s obligations under the Securities constitute unsecured and unsubordinated obligations of the Issuer ranking equally among themselves and equally with all other unsecured and

unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

**Limitations to the Rights**

[The Issuer has the right to call the Securities for early redemption.]

The Issuer is entitled to early redeem the Securities and/or to adjust the Terms and Conditions of the Securities in certain cases, for example market disruptions, potential adjustment events (including extraordinary dividends of an underlying share) and/or extraordinary redemption events (including hedging disruption).

- C.11** Indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question:

[The Issuer intends to apply for trading for the Securities on [the Official Market of the Vienna Stock Exchange] [the Regulated Unofficial Market (EUWAX) of the Stuttgart Stock Exchange] [the Regulated Unofficial Market (SCOACH) of the Frankfurt Stock Exchange] [and] [the regulated market(s) in] [Bulgaria] [and] [Croatia] [and] [the Czech Republic] [and] [Hungary] [and] [Italy] [and] [Poland] [and] [Romania] [and] [the Slovak Republic] [and] [Slovenia] [and, if the Issuer so decides, on a further regulated market in the EU member states of Austria, Germany, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic and Slovenia.]]

[If the Issuer so decides, it may apply for trading of the Securities on a regulated market in the EU member states of Austria, Germany, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic and Slovenia.]

[Not applicable; the Issuer will not apply for trading for the Securities on any regulated market or other equivalent market.]

- C.15** A description of how the value of the investment is affected by the value of the underlying instrument(s), unless the securities have a denomination of at least EUR 100 000.

The value of the Securities is affected by the value of the Underlying as [the interest] [and] [the redemption amount] of the Security is dependent on the Underlying as follows:

**[Interest**

*Interest Amount.* The “**Interest Amount**” in respect of each [Specified Denomination] [Non-par Value] and each Interest Period is an amount calculated as follows (and which shall always be equal to or greater than zero and, in the event that such amount will be less than zero, shall be deemed to be zero):

[Specified Denomination] [Non-par Value] x Interest Rate x Day Count Fraction

*Certain specifications regarding Interest*

[Interest Initial Reference Price: [●] [Initial Reference Price] **[insert same information as specified below for “Initial Reference Price”]**]

[Interest Initial Valuation Date: [Initial Valuation Date] [(a) until the first Interest Final Valuation Date has occurred, the Initial Valuation Date, and thereafter (b) the immediate preceding Interest Final Valuation Date.] ]

[Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [30E/360] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [Period Independent] ]

[The Variable Interest Rate shall be divided by the Initial Exchange Rate and converted from **[insert Underlying Currency]**]



to *[insert Product Currency]*.]

[Initial Exchange Rate: *[insert exchange rate]* ]

[Interest Period No.]	Interest Payment Date	Interest Rate <i>[per annum]</i>
[1.]	[•]	[•]
[2.]	[•]	[•]
[3.]	[•]	[•]

*[Continue table as appropriate.]*

[Interest Period No.]	Interest Final Valuation Date	Interest Payment Date	Base Interest Rate <i>[per annum]</i>	<i>[Insert additional columns for any interest related item specified below, whose value is dependent on the Interest Period and remove the respective item below][*]</i>
[1.]	[•]	[•]	[•]	
[2.]	[•]	[•]	[•]	
[3.]	[•]	[•]	[•]	

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Interest Initial Reference Price.]

[Interest Final Valuation Date: •]

[Interest Payment Date: •]

[Base Interest Rate: • *[per annum]* [, subject to a Most-Favourable-Value Adjustment]]

[Interest Rate: • *[per annum]* [, subject to a Most-Favourable-Value Adjustment]]

[Digital Interest Rate: *[insert rate]* % [; might be increased to *[insert rate]* % by the Issuer on the Initial Valuation Date.] [, subject to a Most-Favourable-Value Adjustment]]

[Interest Barrier: [•] [*[insert percentage]*] % of the Interest Initial Reference Price] [; might be [increased/reduced] to *[insert percentage]* % of the Interest Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]]

[Interest Lower Barrier: [•] [*[insert percentage]*] % of the Interest Initial Reference Price] [; might be [increased/reduced] to *[insert percentage]* % of the Interest Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]]

[Interest Upper Barrier: [•] [*[insert percentage]*] % of the Interest Initial Reference Price] [; might be [increased/reduced] to *[insert percentage]* % of the Interest Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]]

[Interest Barrier Observation Period: *[insert period]*]

[Interest Barrier Reference Price: •]

[Interest Participation: •]

[Interest Strike: •]

[Interest Cap Level: •]

[Interest Floor Level: •]

[Interest Positive Participation: •]

[Interest Negative Participation: •]

[Fallback Interest Rate: •]

[Interest Performance Valuation Dates: •]

[Interest Performance Reference Price: •]

[Interest Performance Cap: ●]  
 [Interest Performance Floor: ●]  
 [Variable Interest Rate Cap: ●]  
 [Variable Interest Rate Floor: ●]

[Interest Ladder Level [*]]	Interest Ladder Rate
[Insert Underlying Currency] [Insert Interest Ladder Level] [●]% [; might be reduced to [insert number] % by the Issuer on the Initial Valuation Date.]	[Insert rate] % [; might be increased to [insert number] % by the Issuer on the Initial Valuation Date.]

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Interest Initial Reference Price.]]

[Interest Lower Barrier [*]]	Interest Upper Barrier [*]]	Interest Pyramid Rate
[Insert Underlying Currency] [Insert Interest Lower Barrier] [●]% [; might be reduced to [insert number] % by the Issuer on the Initial Valuation Date.]	[Insert Underlying Currency] [Insert Interest Upper Barrier] [●]% [; might be increased to [insert number] % by the Issuer on the Initial Valuation Date.]	[Insert rate] % [; might be increased to [insert number] % by the Issuer on the Initial Valuation Date.]

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Interest Initial Reference Price.]]

[Interest Distribution Amount: *[insert amount]*]]

*[insert “predecessor definition” as follows:*

["**Yearly Predecessor Date**”, in respect of a reference date, means any date with the same day of month and the same month as the reference date in any year before the year of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.]

["**Semi-Annual Predecessor Date**”, in respect of a reference date, means any date with the same day of month as the reference date, but six months before either (i) the reference date or (ii) any Semi-Annual Predecessor Date of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.]

["**Quarterly Predecessor Date**”, in respect of a reference date, means any date with the same day of month as the reference date, but three months before either (i) the reference date or (ii) any Quarterly Predecessor Date of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.]

]

["**Interest Rate**” means the sum of (i) the Base Interest Rate plus (ii) the Variable Interest Rate.]

[Whereby the Interest Rate for the relevant Interest Period is at least the highest Interest Rate which has been determined by the Calculation Agent for any previous Interest Period for the relevant Securities.]

[Whereby the following applies to every Interest Period starting with the second: If (i) the Variable Interest Rate of the relevant Interest Period is equal to the respective Digital Interest Rate and (ii) the Variable Interest Rate of the immediately preceding Interest Period is not equal to the respective Digital Interest Rate, all Memorized Interest Rates are summed up and added to the Interest Rate. “**Memorized Interest Rate**” means, with respect to

a specific Interest Period, each Digital Interest Rate for Interest Periods starting with either (x) the Interest Period immediately following the latest previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate if there exists a previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate, or (y) the first Interest Period if there exists no previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate, and ending with the immediately preceding Interest Period.]

***[In case of Barrier Digital Interest, insert:***

The “**Variable Interest Rate**” shall be the Digital Interest Rate [if an Interest Barrier Event has occurred] [if no Interest Barrier Event has occurred]. In any other case the Variable Interest Rate shall be zero.

An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was [less than or equal to] [greater than or equal to] the respective Interest Barrier. ]

***[In case of Range Digital Interest, insert:***

The “**Variable Interest Rate**” shall be the Digital Interest Rate [if an Interest Barrier Event has occurred] [if no Interest Barrier Event has occurred]. In any other case the Variable Interest Rate shall be zero.

An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was (i) less than or equal to the Interest Lower Barrier, or (ii) greater than or equal to the Interest Upper Barrier each as set out above.]

***[In case of Reference Rate Interest, insert:***

The “**Variable Interest Rate**” shall be the Interest Final Reference Price multiplied by the Interest Participation.]

***[In case of Capped Reference Rate Performance Interest, insert:***

“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (b) Otherwise the Variable Interest Rate shall be the difference between (i) either the Interest Cap Level or the Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently multiplied by the Interest Participation.]

***[In case of Capped Reference Rate Reverse Performance Interest, insert:***

“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is greater than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (b) Otherwise the Variable Interest Rate shall be the difference between (i) the Interest Strike, and (ii) either the Interest Floor Level or the Interest Final Reference Price, whichever is greater, subsequently multiplied by the Interest Participation.]

**[In case of *Barrier Reference Rate Performance Interest*, insert:**  
“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If [an] [no] Interest Barrier Event has occurred, the Variable Interest Rate shall be the Fallback Interest Rate.
- (b) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (c) In any other case the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently multiplied by the Interest Participation.

An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was [less than or equal to] [greater than or equal to] the respective Interest Barrier.]

**[In case of *Performance Interest*, insert:**  
“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (b) Otherwise the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.]

**[In case of *Capped Performance Interest*, insert:**  
“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (b) Otherwise the Variable Interest Rate shall be the difference between (i) either the Interest Cap Level or the Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.]

**[In case of *Capped Absolute Performance Interest*, insert:**  
The “**Variable Interest Rate**” shall be the greater of (i) the Interest Positive Performance and (ii) the Interest Negative Performance.

Whereby:

“**Interest Positive Performance**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Interest Positive Performance shall be zero.
- (b) Otherwise the Interest Positive Performance shall be the difference between (i) either Interest Cap Level or Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Positive Participation.

“**Interest Negative Performance**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is greater than or equal to the Interest Strike, the Interest Negative Performance shall be zero.
- (b) Otherwise the Interest Negative Performance shall be the difference between (i) the Interest Strike and (ii) either Interest Floor Level or Interest Final Reference Price, whichever is greater, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Negative Participation.]

***[In case of Barrier Performance Interest, insert:***

“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If [an] [no] Interest Barrier Event has occurred, the Variable Interest Rate shall be the Fallback Interest Rate.
- (b) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (c) In any other case the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.

An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was [less than or equal to] [greater than or equal to] the respective Interest Barrier.]

***[In case of Capped Barrier Performance Interest, insert:***

“**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If [an] [no] Interest Barrier Event has occurred, the Variable Interest Rate shall be the Fallback Interest Rate.
- (b) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (c) In any other case the Variable Interest Rate shall be the difference between (i) either Interest Cap Level or Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.

An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was [less than or equal to] [greater than or equal to] the respective Interest Barrier.]

***[In case of Cliquet Interest, insert:***

The “**Variable Interest Rate**” shall be the Interest Participation multiplied by the sum of all Interest Performances of the relevant Interest Period. If the Variable Interest Rate is greater than the Variable Interest Rate Cap, it shall be deemed to be the Variable Interest Rate Cap. If the Variable Interest Rate is less than the Variable Interest Rate Floor, it shall be deemed to be the Variable

Interest Rate Floor.

Whereby:

The “**Interest Performance**” shall be the Interest Performance Reference Price on any Interest Performance Valuation Date, except the first, divided by the Interest Performance Reference Price on the immediately preceding Interest Performance Valuation Date and subsequently reduced by one. If the Interest Performance is greater than the Interest Performance Cap, it shall be deemed to be the Interest Performance Cap. If the Interest Performance is less than the Interest Performance Floor, it shall be deemed to be the Interest Performance Floor.]

***[In case of Ladder Interest, insert:***

The “**Variable Interest Rate**” shall be the greatest Interest Ladder Rate for which the associated Interest Ladder Level is less than or equal to the Interest Final Reference Price. If no Interest Ladder Level is less than or equal to the Interest Final Reference Price, the Variable Interest Rate shall be zero.]

***[In case of Accumulated Distribution Interest, insert:***

The “**Variable Interest Rate**” shall be the sum of all Interest Distribution Amounts, if necessary converted into the Underlying Currency, whose ex-day is within the respective Interest Observation Period, divided by the Interest Initial Reference Price.]

***[In case of Range Accrual Interest, insert:***

The “**Variable Interest Rate**” shall be the Digital Interest Rate multiplied by the number of Range Accrual Days and divided by the number of Range Observation Days, both within the respective Interest Barrier Observation Period.

Whereby:

“**Range Observation Day**” means [any calendar day] [any Underlying Business Day] *[insert days]*. If such day is not an Underlying Business Day, the relevant day for the determination of any Reference Price for such day shall be the immediately preceding Underlying Business Day.

“**Range Accrual Day**” means any Range Observation Day on which [no][an] Interest Barrier Event has occurred.

An “**Interest Barrier Event**” has occurred if any Interest Barrier Reference Price was (i) less than or equal to the Interest Lower Barrier, or (ii) greater than or equal to the Interest Upper Barrier.]

***[In case of Pyramid Interest, insert:***

The “**Variable Interest Rate**” shall be the greatest Interest Pyramid Rate for which during the respective Interest Barrier Observation Period every Interest Barrier Reference Price was greater than the respective Interest Lower Barrier and less than the respective Interest Upper Barrier. If no Interest Pyramid Rate is specified for which during the respective Interest Barrier Observation Period every Interest Barrier Reference Price was greater than the respective Interest Lower Barrier and less than the respective Interest Upper Barrier, the Variable Interest Rate shall be the Fallback Interest Rate.]

***End of Interest Provisions]***

#### **Redemption**

Each Security entitles each relevant Securityholder to receive

from the Issuer [in respect of each Specified Denomination] [per unit] [in case the Physical Settlement Condition is not fulfilled,] [payment of the Redemption Amount (which shall always be equal to or greater than zero and, in the event that such amount will be less than zero, shall be deemed to be zero)] [and] [in case the Physical Settlement Condition is fulfilled] [delivery of an amount of Reference Assets equal to the Reference Asset Quantity] [delivery of an amount of Reference Assets equal to the Reference Asset Quantity against payment of the Strike] [payment of the Strike against delivery of an amount of Reference Assets equal to the Reference Asset Quantity].

[The “**Physical Settlement Condition**” is fulfilled if [a Barrier Event has occurred] [no Barrier Event has occurred] [and] [the Final Reference Price is] [greater than the Strike] [and] [less than the Cap] [less than the Strike].]

The obligation described above falls due on [*insert Maturity Date*] [the Maturity Date], provided that if the Final Valuation Date is moved forwards or backwards pursuant to the Terms and Conditions (e.g. by reason of the exercise of an Exercisable Security or of adjustments due to a Market Disruption Event, if any), the Maturity Date shall be moved to the next Business Day following a period of time which is equal to the period of time by which the Final Valuation Date was moved, when the Security is duly exercised or redeemed in each case subject to market disruption provisions.

**[Reference Asset**

Reference Asset: [●] [the Underlying] [the Underlying Currency] [the Base Currency of the Underlying] [the Basket Component, for which the product of (i) [its Closing Price][its Settlement Price][its Fixing Rate][its Settlement Rate] on the Final Valuation Date [converted into the Underlying Currency][expressed (“Quanto”) in the Underlying Currency] and (ii) its Component Quantity is the [least][greatest], whereby provided that such product is the [least][greatest] for more than one Basket Component, the Reference Asset shall be the Basket Component, for which (a) such product is the [least][greatest] and (b) the liquidity as determined by the Calculation Agent is the highest].

Reference Asset Quantity: [*Insert number*] [[[*Insert number*] % of the Issue Price] [[*Insert number*] % of the Non-par Value] [[*Insert number*] % of the Specified Denomination] [divided by the Multiplier of the Reference Asset, which is in effect on the Final Valuation Date of the Security, and] [multiplied by the Component Quantity of the Reference Asset, and] [divided by the Strike] [divided by the Initial Reference Price]] [, the latter being converted into the Product Currency.] [, the latter being expressed (“Quanto”) in the Product Currency.] [The resulting value will be rounded to [●] digits after the comma.] [The Multiplier][The Multiplier of the Security divided by the Multiplier of the Reference Asset, which is in effect on the Final Valuation Date of the Security] [The Multiplier multiplied by the Component Quantity of the Reference Asset] [The Component Quantity of the Reference Asset] ]

**[Redemption Amount**

*Certain specifications regarding the Redemption Amount*

Initial Reference Price: [●] [The [Closing Price] [Settlement Price] [Fixing Rate] [Settlement Rate] of the Underlying [on [*insert date*]] [on the Interest Initial Valuation Date] [on the Initial Valuation Date] [on the Interest Final Valuation Date] [on the

Final Valuation Date].] [The [lowest][highest][average (i.e. the arithmetic mean)] of all Closing Prices of the Underlying on the following dates: *[insert dates]*] [The [lowest][highest][average (i.e. the arithmetic mean)] of all Settlement Prices of the Underlying on the following dates: *[insert dates]*] [The [lowest][highest][average (i.e. the arithmetic mean)] of all Fixing Rates of the Underlying on the following dates: *[insert dates]*] [The [lowest][highest][average (i.e. the arithmetic mean)] of all Settlement Rates of the Underlying on the following dates: *[insert dates]*]

Initial Valuation Date: *[insert date]*

[Protection Amount: *[[insert Product Currency] [insert amount] [insert percentage]* % of the Specified Denomination] [; might be increased to *[[Product Currency] [insert amount] [insert percentage]* % of the Specified Denomination] by the Issuer on the Initial Valuation Date] [, subject to a Most-Favourable-Value Adjustment] ]

[Minimum Redemption Amount: ● ]

[Maximum Redemption Amount: ● ]

[Strike: *[[insert Underlying Currency] [insert level]*] *[[insert percentage]* % of the Initial Reference Price] [; might be reduced to *[insert percentage]* % of the Initial Reference Price by the Issuer on the Initial Valuation Date.] [; might be increased to *[insert percentage]* % of the Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]]

[Multiplier: *[Insert number]* *[[[Insert number]* % of the Issue Price] *[[Insert number]* % of the Non-par Value] [divided by the Strike] [divided by the Initial Reference Price]] [, the latter being converted into the Product Currency.] [, the latter being expressed (“Quanto”) in the Product Currency.] [The resulting value will be rounded to [●] digits after the comma.] [The Multiplier is subject to Issuer Fee related adjustments.] [The Multiplier is subject to Reinvestment Adjustments.] [The Multiplier is subject to Issuer Fee related adjustments and Reinvestment Adjustments.]]

[Participation: *[insert percentage]* % [; might be increased to *[insert percentage]* % by the Issuer on the Initial Valuation Date.] [, subject to a Most-Favourable-Value Adjustment]]

[Cap: ● ]

[Floor: ● ]

[Barrier: ● ]

[Barrier Observation Period: ● ]

[Barrier Reference Price: ● ]

[Bonus Level: ● ]

[Bonus Amount: ● ]

[Fallback Amount: ● ]

[Step-[Up] [Down] Level [*]]	Step-[Up] [Down] Redemption Amount [**])
<i>[Insert Underlying Currency] [Insert level]</i> [%] [; might be reduced/increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert Product Currency] [Insert amount]</i> [%] [; might be increased to <i>[insert Product Currency] [insert amount]</i> [%] by the Issuer on the Initial Valuation Date.]
[● ]	[● ]

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Initial Reference Price.]

[\*\*]) The values below are specified as percentage of the Specified Denomination.]

[\*\*]) The values below are specified as percentage of the Non-par Value.]]



<b>[Range Lower Level [*]]</b>	<b>Range Upper Level [*]]</b>	<b>Range Participation</b>
<i>[Insert Underlying Currency]</i> <i>[Insert level]</i> [%] [; might be reduced to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert Underlying Currency]</i> <i>[Insert level]</i> [%] [; might be increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[insert number]</i> % [; might be increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]
<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Initial Reference Price.] ]

<b>[Number of Basket Components</b>	<b>Stay-Above Redemption Amount [*]]</b>
<i>[insert number]</i>	<i>[Insert Product Currency]</i> <i>[Insert amount]</i> [%] [; might be increased to <i>[insert Product Currency]</i> <i>[insert amount]</i> [%] by the Issuer on the Initial Valuation Date.]
<b>[•]</b>	<b>[•]</b>

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Specified Denomination.]]

<b>[Barrier [*]]</b>	<b>Bonus Amount [**]]</b>
<i>[Insert Underlying Currency]</i> <i>[Insert level]</i> [%] [; might be reduced/increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert Product Currency]</i> <i>[Insert amount]</i> [%] [; might be increased to <i>[insert Product Currency]</i> <i>[insert amount]</i> [%] by the Issuer on the Initial Valuation Date.]
<b>[•]</b>	<b>[•]</b>

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Initial Reference Price.]

[\*\*] The values below are specified as percentage of the Specified Denomination.]

[\*\*] The values below are specified as percentage of the Non-par Value.]]

<b>[Express Valuation Date</b>	<b>Express Valuation Level [*]]</b>	<b>Express Redemption Date</b>	<b>Express Redemption Level [*]]</b>
<i>[Insert date]</i>	<i>[Insert Underlying Currency]</i> <i>[Insert Express Valuation Level]</i> [%] [; might be reduced to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert date]</i>	<i>[Insert Underlying Currency]</i> <i>[Insert Express Redemption Level]</i> [%] [; might be increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]
<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Initial Reference Price.] ]

<b>[Express Valuation Date</b>	<b>Express Valuation Level [*]]</b>	<b>Express Redemption Date</b>	<b>Express Redemption Amount [**]]</b>
<i>[Insert date]</i>	<i>[Insert Underlying Currency]</i> <i>[Insert Express Valuation Level]</i> [%] [; might be reduced to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert date]</i>	<i>[Insert Product Currency]</i> <i>[Insert Express Redemption Amount]</i> [%] [; might be increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]
<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

[Continue table as appropriate.]

[\*] The values below are specified as percentage of the Initial Reference Price.]

[\*\*] The values below are specified as percentage of the Specified Denomination.]

[\*\*] The values below are specified as percentage of the Non-par Value.]]

[Express Reference Price: ●]  
[Security Level: ●]  
[Reverse Level: ●]  
[Distribution Amount: *insert amount*]  
[Financing Rate: *insert rate*]  
[Financing Rate Margin: [●] % at the Issue Date. The Issuer reserves the right to change the Financing Rate Margin within the range of 0% to twice the value at the Issue Date after giving notice to the Securityholder.]  
[Leverage Factor: ●]

**[In case of *Winner Guarantee Certificates (eusipa 1100)* or *Winner Certificates (eusipa 1100)*, insert:**

The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the Participation multiplied by:

- (a) zero if the Final Reference Price is less than the Strike; otherwise
- (b) the difference between (i) the Final Reference Price and (ii) the Strike.

The resulting Participation Amount shall be [[divided by the Initial Reference Price] [,] [expressed (“Quanto”) in the Product Currency] [, divided by the Initial Exchange Rate] [converted from the original currency to the Product Currency] [and] multiplied by the Specified Denomination.] [The resulting Participation Amount shall be [converted to the Product Currency and] [expressed (“Quanto”) in the Product Currency and] multiplied by the Multiplier.]

**[In case of *Capped Winner Guarantee Certificates (eusipa 1120)* or *Capped Winner Certificates (eusipa 1120)*, insert:**

The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the Participation multiplied by:

- (a) zero if the Final Reference Price is less than the Strike; otherwise
- (b) the difference between (i) either the Final Reference Price or the Cap, whichever is less, and (ii) the Strike.

The resulting Participation Amount shall be [*insert the relevant adjustment rules as specified above*]

**[In case of *Barrier Winner Guarantee Certificates (eusipa 1130)* or *Barrier Winner Certificates (eusipa 1130)*, insert:**

The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if a Barrier Event has occurred, the Participation Amount shall be the Fallback Amount; otherwise
- (b) if the Final Reference Price is equal to or less than the Strike, the Participation Amount shall be zero; otherwise
- (c) in any other case the Participation Amount shall be the Participation multiplied by the difference between (i) the Final Reference Price and (ii) the Strike. The resulting Participation Amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was greater than or equal to the Barrier.]

*[In case of Guarantee Certificates (eusipa 1140) or Protected Certificates (eusipa 1140), insert:*

The “**Redemption Amount**” shall be the Protection Amount.]

*[In case of Step-Up Guarantee Certificates (eusipa 1199) or Step-Up Certificates (eusipa 1199), insert:*

The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the greatest Step-Up Redemption Amount for which the associated Step-Up Level is less than or equal to the Final Reference Price. If no Step-Up Level is less than or equal to the Final Reference Price, the Redemption Amount shall be the Protection Amount.]

*[In case of Step-Down Guarantee Certificates (eusipa 1199) or Step-Down Certificates (eusipa 1199), insert:*

The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the greatest Step-Down Redemption Amount for which the associated Step-Down Level is greater than or equal to the Final Reference Price. If no Step-Down Level is greater than or equal to the Final Reference Price, the Redemption Amount shall be the Protection Amount.]

*[In case of Express Safe Guarantee Certificates (eusipa 1199) or Express Safe Certificates (eusipa 1199), insert:*

The “**Redemption Amount**” shall be the Protection Amount.

Whereby:

An “**Express Event**”, which is a “**Product Specific Termination Event**”, has occurred if the Express Reference Price on an Express Valuation Date was greater than or equal to the respective Express Valuation Level. In such an event the relevant Product Specific Termination Amount (the “**Product Specific Termination Amount**”) shall be the respective Express Redemption Amount and the Product Specific Termination Date (the “**Product Specific Termination Date**”) shall be the respective Express Redemption Date.]

*[In case of Reverse Express Safe Guarantee Certificates (eusipa 1199) or Reverse Express Safe Certificates (eusipa 1199), insert:*

The “**Redemption Amount**” shall be the Protection Amount.

Whereby:

An “**Express Event**”, which is a “**Product Specific Termination Event**”, has occurred if the Express Reference Price on an Express Valuation Date was less than or equal to the respective Express Valuation Level. In such an event the relevant Product

Specific Termination Amount (the “**Product Specific Termination Amount**”) shall be the respective Express Redemption Amount and the Product Specific Termination Date (the “**Product Specific Termination Date**”) shall be the respective Express Redemption Date.]

**[In case of Range Winner Guarantee Certificates (eusipa 1199) or Range Winner Certificates (eusipa 1199), insert:**

The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the sum of all Range Participation Amounts, for which the respective Range Lower Level is less than the Final Reference Price. The resulting Participation Amount shall be *[insert the relevant adjustment rules as specified above]*.

The “**Range Participation Amount**” for each Range Lower Level shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the respective Range Lower Level, the Range Participation Amount shall be zero; or
- (b) if the Final Reference Price is equal to or greater than the respective Range Upper Level, the Range Participation Amount shall be the respective Range Participation multiplied by the difference of (i) the respective Range Upper Level and (ii) the respective Range Lower Level;
- (c) in any other case the Range Participation Amount shall be the respective Range Participation multiplied by the difference of (i) the Final Reference Price and (ii) the respective Range Lower Level.]

**[In case of Stay-Above Guarantee Certificates (eusipa 1199) or Stay-Above Certificates (eusipa 1199), insert:**

The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the Stay-Above Redemption Amount, which is associated with the number of Basket Components present within the Basket after the determination of the Final Reference Price. If no Stay-Above Redemption Amount is specified for the actual number of Basket Components, the Redemption Amount shall be the Protection Amount.

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

**[In case of Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) or Capped Twin-Win Safe Certificates (eusipa 1199), insert:**

The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Participation Amount shall be the difference

between (i) the Cap and (ii) the Strike; otherwise

- (b) if the Final Reference Price is equal to or greater than the Strike, the Participation Amount shall be the difference between (i) the Final Reference Price and (ii) the Strike; otherwise
- (c) if no Barrier Event has occurred, the Participation Amount shall be the difference between (i) the Strike and (ii) the Final Reference Price; otherwise
- (d) the Participation Amount shall be zero.

The resulting Participation Amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

***[In case of Bonus Safe Guarantee Certificates (eusipa 1199) or Bonus Safe Certificates (eusipa 1199), insert:***

[If no Barrier Event has occurred, the “**Redemption Amount**” shall be the Bonus Amount; otherwise, it shall be the Protection Amount.]

[The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the greatest Bonus Amount for which no Barrier Event has occurred for the relevant Barrier. If for all Bonus Amounts a Barrier Event has occurred for the relevant Barrier, the Redemption Amount shall be the Protection Amount.]

A “**Barrier Event**” for a specific Barrier has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to such Barrier.]

***[In case of Discount Certificates (eusipa 1200), insert:***

The “**Redemption Amount**” shall be the lesser of (i) the Cap or (ii) the Final Reference Price. The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

***[In case of Reverse Convertibles (eusipa 1220), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the [Specified Denomination][Non-par Value];
- (b) Otherwise the Redemption Amount shall be the [Specified Denomination][Non-par Value] multiplied by the Final Reference Price and divided by the Strike.]

***[In case of Protected Reverse Convertibles (eusipa 1230), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike or no Barrier Event has occurred, the Redemption Amount shall be the [Specified Denomination][Non-par Value]; and
- (b) Otherwise the Redemption Amount shall be the [Specified Denomination][Non-par Value] multiplied by the Final Reference Price and divided by the Strike.

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

***[In case of Capped Bonus Certificates (eusipa 1250), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Redemption Amount shall be the Cap; otherwise
- (b) if no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Bonus Level; or
- (c) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

***[In case of Express Certificates (eusipa 1260), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Security Level.
- (b) Otherwise the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

Whereby:

An “**Express Event**”, which is a “**Product Specific Termination Event**”, has occurred if the Express Reference Price on an Express Valuation Date was greater than or equal to the respective Express Valuation Level. In such an event the relevant Product Specific Termination Amount (the “**Product Specific Termination Amount**”) shall be the respective Express Redemption Level and the Product Specific Termination Date (the “**Product Specific Termination Date**”) shall be the respective Express Redemption Date. The resulting Product Specific Termination Amount shall be *[insert the relevant adjustment rules as specified above]*.

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

***[In case of Capped Twin-Win Certificates (eusipa 1299), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Redemption Amount shall be the Cap; otherwise
- (b) if the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Final Reference

Price; otherwise

- (c) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) twice the Strike and (ii) the Final Reference Price; or
- (d) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

***[In case of Capped Reverse Bonus Certificates (eusipa 1299), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is less than the Cap, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) the Cap; or
- (b) if the Final Reference Price is equal to or greater than the Reverse Level, the Redemption Amount shall be zero; otherwise
- (c) if a Barrier Event has occurred, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) the Final Reference Price; or
- (d) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) either the Final Reference Price or the Bonus Level, whichever is less.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was greater than or equal to the Barrier.]

***[In case of Inversion Certificates (eusipa 1299), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be the [Specified Denomination][Non-par Value];
- (b) Otherwise the Redemption Amount shall be the greater of (i) the Minimum Redemption Amount or (ii) the [Specified Denomination][Non-par Value] multiplied by the Strike and divided by the Final Reference Price.]

***[In case of Reverse Inversion Certificates (eusipa 1299), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the [Specified Denomination][Non-par Value];
- (b) Otherwise the Redemption Amount shall be the lesser of (i)

the Maximum Redemption Amount or (ii) the [Specified Denomination][Non-par Value] multiplied by the Strike and divided by the Final Reference Price.]

**[In case of Index Certificates (eusipa 1300) or Participation Certificates (eusipa 1300), insert:**

The “**Redemption Amount**” shall be the Final Reference Price. The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

**[In case of Outperformance Certificates (eusipa 1310), insert:**

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be the Final Reference Price.
- (b) Otherwise the Redemption Amount shall be the sum of (i) the Participation multiplied by the difference between (a) the Final Reference Price and (b) the Strike, and (ii) the Strike.

The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

**[In case of Bonus Certificates (eusipa 1320), insert:**

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Bonus Level.
- (b) Otherwise the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

**[In case of Twin-Win Certificates (eusipa 1340), insert:**

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Final Reference Price; otherwise
- (b) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) twice the Strike and (ii) the Final Reference Price; or
- (c) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be *[insert the relevant adjustment rules as specified above]*

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier.]

**[In case of Call Warrants (eusipa 2100), insert:**



The “**Redemption Amount**” shall be the greater of (i) zero or (ii) the difference between (a) the Final Reference Price and (b) the Strike. The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

***[In case of Put Warrants (eusipa 2100), insert:***

The “**Redemption Amount**” shall be the greater of (i) zero or (ii) the difference between (a) the Strike and (b) the Final Reference Price. The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

***[In case of Capped Call Warrants (eusipa 2110), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be zero.
- (b) Otherwise the Redemption Amount shall be the difference between (i) either the Cap or the Final Reference Price, whichever is less, and (ii) the Strike.

The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

***[In case of Capped Put Warrants (eusipa 2110), insert:***

The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be zero.
- (b) Otherwise the Redemption Amount shall be the difference between (i) the Strike and (ii) either the Floor or the Final Reference Price, whichever is greater.

The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

***[In case of Turbo Long Certificates (eusipa 2210) or Turbo Short Certificates (eusipa 2210), insert:***

The “**Redemption Amount**” shall be [the difference between (i) the Final Reference Price and (ii) the Strike] [the difference between (i) the Strike and (ii) the Final Reference Price]. The resulting amount shall be *[insert the relevant adjustment rules as specified above].*

A “**Barrier Event**”, which is a “**Product Specific Termination Event**”, has occurred if during the Barrier Observation Period any Barrier Reference Price was [less than or equal to] [greater than or equal to] the Barrier in effect. Within a maximum of three Trading Hours after the occurrence of such Barrier Event, the Calculation Agent shall determine the residual value resulting from the closing of hedging positions concluded by the Issuer, taking into account all costs incurred in connection with such closing. The residual value is usually very small and may even be zero. The Product Specific Termination Amount (the “**Product Specific Termination Amount**”) shall be the residual value and the Product Specific Termination Date (the “**Product Specific Termination Date**”) shall be the fifth Business Day after the determination of the residual value.

“**Distribution Adjustment**” means the adjustment of the Strike and Barrier caused by distribution payments of the Underlying. If

the Underlying pays out distribution, the Calculation Agent will subtract the Distribution Amount from the Strike as well as from the Barrier. The adjustment will be effective on the ex-distribution day.

[If any component of the Underlying pays out distributions, which are not reinvested by the Underlying, those distribution payments will be weighted according to the weighting of the corresponding component within the Underlying on the cum-distribution day and then be treated as distributions paid out by the Underlying itself on the ex-distribution day.]

The “**Financing Costs**” of each day should be the Strike multiplied by the sum of (i) the Financing Rate and (ii) the Financing Rate Margin, subsequently divided by 360.

“**Trading Hour**” means any hour on which the Exchange and the Related Exchanges as well as the Vienna Stock Exchange and/or EUWAX are open for trading and there is no Market Disruption Event.

“**Ordinary Daily Adjustment**” means the adjustment of Strike and Barrier on a Business Day. The Financing Costs of the Securities are added to Strike and Barrier on a daily basis, whereby the Financing Costs for days which are no Business Days are added on the next following Business Day.]

*[In case of **Factor Certificates (eusipa 2300)**, insert:*

The “**Redemption Amount**” shall be [the difference between (i) the Final Reference Price and (ii) the Factor Level] [the difference between (i) the Factor Level and (ii) the Final Reference Price]. The resulting amount shall be *[insert the relevant adjustment rules as specified above]*.

“**Distribution Adjustment**” means the adjustment of the Factor Level and Protection Level caused by distribution payments of the Underlying. If the Underlying pays out distribution, the Calculation Agent will subtract the Distribution Amount from the Factor Level as well as from the Protection Level. The adjustment will be effective on the ex-distribution day.

[If any component of the Underlying pays out distributions, which are not reinvested by the Underlying, those distribution payments will be weighted according to the weighting of the corresponding component within the Underlying on the cum-distribution day and then be treated as distributions paid out by the Underlying itself on the ex-distribution day.]

“**Extraordinary Intraday Adjustment**” means the Factor Adjustment by the Calculation Agent in case the Intraday Price of the Underlying on any day during the term of the Securities is [equal to or less than] [equal to or greater than] the Protection Level.

The Factor Adjustment will be performed under the assumption that the Factor Adjustment Reference Price is exactly the Protection Level. This Extraordinary Intraday Adjustment efficiently prevents the value of the Securities from becoming less than zero. In case of a Hedging Disruption, the Issuer has the right to stipulate a Factor Adjustment Reference Price different to the Protection Level, but only in such a way, that the value of the Securities becomes not less than zero.

“**Factor Level**” means a level calculated on the Issue Date according to an Ordinary Daily Adjustment under the assumptions that  $d$  is zero and  $C_{prev}$  is equal to the Issue Price, converted, if necessary, to the Underlying Currency, subject to a Factor Adjustment and Distribution Adjustment.

“**Factor Adjustment**” means an Ordinary Daily Adjustment or an Extraordinary Intraday Adjustment. The Multiplier, Factor Level and Protection Level will be adjusted as follows:

$$\begin{aligned} \text{Multiplier} &= \underbrace{s \cdot l \cdot \frac{C_{prev}}{R_{prev}}}_{\text{Leverage reset}} \\ \text{Factor Level} &= \underbrace{\frac{l-1}{l} \cdot R_{prev}}_{\text{Value term}} + \underbrace{R_{prev} \cdot \frac{f \cdot l - 1}{l} \cdot \frac{r_{prev} + r_M}{360} \cdot d}_{\text{Interest term}} \end{aligned}$$

where:

- $s$  = [1 (one)] [-1 (minus one)].
- $C_{prev}$  = the value of the Factor Certificate immediately before this Factor Adjustment calculated under the assumption that the value of the Underlying is equal to the Factor Adjustment Reference Price, i.e.  $C_{prev} = s \cdot M_{prev} \cdot (R_{prev} - FL_{prev})$  [, subject to a Roll-Over Adjustment]
- $M_{prev}$  = the Multiplier in effect immediately before this Factor Adjustment
- $R_{prev}$  = Factor Adjustment Reference Price
- $FL_{prev}$  = the Factor Level in effect immediately before this Factor Adjustment
- $l$  = Leverage Factor
- $f$  = [0 (zero)] [1 (one)]
- $r_{prev}$  = Financing Rate in effect immediately before this Factor Adjustment
- $r_M$  = Financing Rate Margin of the Issuer
- $d$  = number of calendar days between the day of this Factor Adjustment and the previous Factor Adjustment

The Multiplier will be rounded to eight fractional digits and the Factor Level to four fractional digits. The Protection Level will be adjusted analogously to the provisions for the calculation of the Protection Level. The resulting Factor Level and Protection Level are subject to a Distribution Adjustment.

“**Factor Adjustment Reference Price**” is a Reference Price and means (i) in relation to an Ordinary Daily Adjustment the [●] of the Underlying; or (ii) in relation to an Extraordinary Intraday Adjustment the Protection Level in effect immediately before this Factor Adjustment.

“**Factor Adjustment Date**” is a Valuation Date and means any day after the Issue Date that is a banking business day in Austria or Germany and which is an Underlying Business Day.

“**Ordinary Daily Adjustment**” means the Factor Adjustment by the Calculation Agent on every Factor Adjustment Date at the time of the determination of the Factor Adjustment Reference Price by the Calculation Agent. The Multiplier, Factor Level and Protection Level are constant in the period between each

consecutive Ordinary Daily Adjustment, except in case of an Extraordinary Intraday Adjustment.

“**Protection Level**” means a level that [exceeds the Factor Adjustment Reference Price] [falls below the Factor Adjustment Reference Price] by the percentage of [●].

[“**Roll-Over Adjustment**” means the adjustment of the value  $C_{prev}$  of the Factor Certificate during the Ordinary Daily Adjustment caused by a Roll-Over Event of the Underlying. During the Ordinary Daily Adjustment on the Effective Date of the Roll-Over the value  $C_{prev}$  is calculated based on the Roll-Over Future, i.e.  $C_{prev} = s \cdot M_{prev} \cdot (R_{prev}^{roll} - FL_{prev})$ , where  $R_{prev}^{roll}$  means the [●] of the Roll-Over Future on the preceding Factor Adjustment Date and “**Roll-Over Future**” means the Future, which was applicable as the Underlying immediately before the Roll-Over Event.]

[*Reinvesting Securities*. [Three Underlying Business Days][Five Underlying Business Days][Ten Underlying Business Days] after each [Scheduled Investment Valuation Date][Investment Valuation Date] (the “**Reinvestment Date**”), the Multiplier, the Non-par Value and every parameter subject to either a Relative-to-Fixing Adjustment or a Most-Favourable-Value Adjustment will be adjusted (the “**Reinvestment Adjustment**”). Parameters subject to a “**Relative-to-Fixing Adjustment**” will be adjusted so that the ratio of each parameter to the Investment Reference Price is identical to the ratio of that parameter to the Initial Reference Price. Parameters subject to a “**Most-Favourable-Value Adjustment**” will be adjusted in accordance with the prevailing market conditions. The fair market value of the Securities will not be affected solely by the Reinvestment Adjustment and will develop in analogy to a Security without reinvesting until the immediately following [Scheduled Investment Valuation Date][Investment Valuation Date].

“**Scheduled Investment Valuation Date**” means [*insert date*], and after such date, the [1<sup>st</sup>][5<sup>th</sup>][10<sup>th</sup>][15<sup>th</sup>][20<sup>th</sup>][25<sup>th</sup>] day of such month, which is [one month][three months][six months][one year][two years][three years][four years][five years][six years][seven years][eight years] after the immediately preceding Reinvestment Date.

[A “**Downward Trigger Event**” has occurred if during a pre-determined period the relevant price of the Underlying was less than or equal to [●]% of the [Barrier][Bonus Level][Cap][Reverse Level][Strike] in effect.]

[An “**Upward Trigger Event**” has occurred if during a pre-determined period the relevant price of the Underlying was greater than or equal to [●]% of the [Barrier][Bonus Level][Cap][Reverse Level][Strike] in effect.]

[“**Investment Valuation Date**” means, if [a Downward Trigger Event has occurred][an Upward Trigger Event has occurred][either a Downward Trigger Event or an Upward Trigger Event has occurred], the day on which the Calculation Agent was able to determine the fair market value of the Securities, otherwise, the relevant Scheduled Investment

Valuation Date.] ]

*[Issuer's Call.* The Issuer may redeem all (but not some) of the Securities then outstanding on any Optional Redemption Date at their Optional Redemption Amount [together with the fair market value of interest to but excluding the relevant Optional Redemption Date] upon having given not less than 5 Business Days' notice to the Securityholders.

Optional Redemption Date	Optional Redemption Amount
[●]	[●]

*[Continue table as appropriate.] ]*

*[Product Specific Termination.* The Issuer will redeem the Securities at any time until the Maturity Date (including) following the first occurrence of any of the **Product Specific Termination Events** (as defined above). The Issuer will redeem the Securities in whole (but not in part) on the Product Specific Termination Date (as specified above) and will pay or cause to be paid the Product Specific Termination Amount (as specified above) in respect of such Securities to the relevant Securityholders for value of such Product Specific Termination Date, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with these Terms and Conditions. Payments of any applicable taxes and redemption expenses will be made by the relevant Securityholder and the Issuer shall not have any liability in respect thereof. The Securityholders will neither receive any further payments (including interest, if any) or deliveries under the Securities, nor receive any compensation for such early redemption.]

***End of Redemption Provisions***

*[Reduced payments in case of a Credit Event.* The Securityholder's claim to receive [the (entire) Redemption Amount] [and] [interest] is conditional upon the non-occurrence of a Credit Event (as defined below). If a Credit Event occurs, [no further interest will be paid] [and] [the Redemption Amount will be reduced accordingly].

For the purposes of this additional provision:

["**Credit Amount**" means [[●]% of the Specified Denomination] [[●] per unit]. [The Issuer might reduce the Credit Amount to a minimum of [[●]% of the Specified Denomination] [[●] per unit] on the Initial Valuation Date.] ]

["**Credit Reference Entity**" means [●]. Information on the Credit Reference Entity can be found on [●].

"**Credit Reference Obligation**" means [●].]

"**Credit Event Agent**" means [the Issuer] [●].

["**Credit Reduction Amount**" means the amount by which the Credit Amount is to be reduced (potentially down to zero but never below zero) in order to compensate the Issuer after the occurrence of a Credit Event, so that the economic situation of the Issuer as a creditor under the Credit Reference Obligation as of the Final Valuation Date is not affected by the Credit Event.]

"**Credit Event**" means any of the following events as determined by the Credit Event Agent:

- (i) a bankruptcy or insolvency of the Credit Reference Entity

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[or the Credit Reference Entity Founder] or a moratorium is declared in respect of any Credit Reference Entity's indebtedness in an amount of not less than EUR 10,000,000 equivalent; or

- (ii) any amount of not less than EUR 10,000,000 equivalent due from the Credit Reference Entity under any agreement is or is capable of being accelerated or become due prior to its stated maturity as a result of occurrence of an event of default or a similar condition or event; or
- (iii) the Credit Reference Entity does not pay when due any amount not less than EUR 1,000,000 equivalent under any agreement; or
- (iv) a repudiation of a claim (or claims) in an amount of not less than EUR 10,000,000 equivalent; or
- (v) a restructuring of an obligation (or obligations) not less than an amount of EUR 10,000,000 equivalent; or
- (vi) the Credit Reference Obligation (including interest thereon) is not, or not fully, paid when due, which means in particular that the amount to discharge the Credit Reference Obligation (including interest thereon) is not or not in full received on the due date by the Issuer on the specified account, regardless of the reasons, in particular irrespective of whether such failure of receipt is caused by a non-ability of the Credit Reference Entity to make payment, or any factual obstacle or other barrier in connection with the transfer of such funds, including but not limited to disruptions of payment systems or transfer restrictions imposed by the country in which the Credit Reference Entity is headquartered.

Upon the occurrence of a Credit Event:

- [(i) no further interest will be paid;]
- [[i/ii)]the Credit Event Agent will determine the Credit Reduction Amount;
- [( ] ) if not all information necessary for the determination of the Credit Reduction Amount is available to the Credit Event Agent on the Final Valuation Date, the determination of the Credit Reduction Amount will be postponed until all information necessary is available. In such event the Maturity Date of the Security will be postponed by the same number of Business Days.
- [( ] ) the determination of the Credit Reduction Amount will be published;
- [( ] ) after the regular determination of the Redemption Amount by the Calculation Agent the Redemption Amount will be further reduced by the Credit Reduction Amount. In the event that the reduced Redemption Amount will be less than zero it shall be deemed to be zero.]

By acquiring a Security each investor agrees to [the termination of interest payments] [and] [the reduction of the Redemption Amount] as well as the possible postponement of the Maturity Date in case of the occurrence of a Credit Event.

**WARNING:** See the section headed "PARTICULAR RISKS OF

THE SECURITIES” in D.3, D.6 for detailed information about the **high risk of total loss** associated with this Security.]

- C.16** The expiration or maturity date of the derivative securities - the exercise date or final reference date. Maturity Date: [●] [The Securities do not have a fixed maturity date (“open-end”)]  
[Scheduled Exercise Date(s): [●]]  
Final Valuation Date: [●] [The Securities do not have a fixed maturity date (“open-end”).]
- C.17** A description of the settlement procedure of the derivative securities. All payments [*in case of physical delivery insert*: and deliveries] under the Securities shall be made by the Issuer to the clearing systems for on-payment to the depository banks of the Securityholders.
- C.18** A description of how the return on derivative securities takes place. [Payment of the Redemption Amount] [or] [delivery of the Reference Assets] at [maturity] [or] [exercise] [and payments of interest on the Interest Payment Dates.]
- C.19** The exercise price or the final reference price of the underlying. Final Reference Price: [*insert same information as specified above for “Initial Reference Price”*]  
[Interest Final Reference Price: [Final Reference Price] [*insert same information as specified above for “Initial Reference Price”*]]  
[*insert predecessor definition as described above*]
- C.20** A description of the type of the underlying and where the information on the underlying can be found. [Underlying [for the Redemption Amount]:  
Type: [Index] [Equity] [Fund Share] [Commodity] [FX Rate] [Interest Rate] [Future] [Basket]  
[Basket Type: [Cappuccino Basket] [Value-weighted Basket] [Best-of Basket] [Worst-of Basket] [Minimum-deviation] [Maximum-deviation] [Conventional Basket]]  
[Basket Adjustment: [Volatility Adjusted] [Reinvestment] [Weighting Reset] [Barrier Event Kick-Out] [Supervised Basket] [None]]  
[Name/identification: [●]]  
[Issuer] [Index Sponsor]: [●]  
[Basket Supervisor: [●]]  
[Supervised Basket Name: [●]]  
[Price source: [●]]  
[Exchange: [●]]

Information on the [Underlying, its past and further performance and its volatility] [Basket Components, their past and further performances and their respective volatilities] can be obtained on the following sources: [●][*Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.*]

[On predetermined dates, the weightings of the two Basket Components are adjusted based on the price fluctuations of the [Index][Equity][Fund Share][Commodity][FX Rate][Interest Rate][Future], whereas higher price fluctuations will result in an equal or higher weighting of Cash on Deposit.]

[On predetermined dates, the weighting of each Basket Component with a weighting above [*insert percentage*] will be reduced to [*insert percentage*], and the weightings of all other Basket Components will be increased proportionally to their respective weightings.]

[On predetermined dates, the weighting of each Basket Component with a weighting below [*insert percentage*] will be increased to [*insert percentage*], and the weightings of all other

Basket Components will be reduced proportionally to their respective weightings.]

[On predetermined dates, the weighting of each Basket Component with a weighting above *[insert percentage]* will be reduced to *[insert percentage]*, the weighting of each Basket Component with a weighting below *[insert percentage]* will be increased to *[insert percentage]*, and the weightings of all other Basket Components will be adjusted proportionally to their respective weightings.]

[As soon as a Barrier Event occurs and the number of Basket Components is greater than *[insert number]*, the Basket Component that triggered the Barrier Event shall be removed from the Basket.] [As soon as a Barrier Event occurs, all Basket Components except the one that triggered the Barrier Event shall be removed from the Basket.]

[On predetermined dates, the Basket Supervisor may change the weighting of any Basket Component and/or replace any Basket Component with another security of the same underlying type.]

["**Roll-Over Event**" means the replacement of the Future as Underlying.][The existing Underlying is replaced by the Calculation Agent by the Next Future on the Effective Date. "**Next Future**" means the future contract having its maturity date on the next possible date, but in any case not earlier than in the next following month, whereby the terms and conditions of the Next Future shall substantially correspond to the terms and conditions of the replaced Underlying.][The existing Underlying is replaced by the Calculation Agent by the New Future on the Effective Date. "**New Future**" means the future contract with the best liquidity, provided that the terms and conditions of the New Future shall substantially correspond to the terms and conditions of the original Underlying, except for the due date of maturity.]

["**Effective Date**" means *[insert date]*.] ]

[**Underlying [for the Variable Interest Rate]** *[If applicable, insert same information as above under the heading "Underlying [for the Redemption Amount]"*]] ]

[**Credit Reference Entity:** [●]]

[Information on the Credit Reference Entity can be found on [●].]  
[The Credit Reference Entity was founded by the Credit Reference Entity Founder (as defined below) with the sole purpose of issuing notes. The funds invested in such notes will be granted to the Credit Reference Entity Founder as loan (the "**Loan**"). If, for whatever reason, the Loan is not repaid to the Credit Reference Entity by the Credit Reference Entity Founder when due, the Credit Reference Entity might be unable to redeem the Credit Reference Obligation (as defined below) in full or in part. Furthermore, individual trading activities by the Credit Reference Entity might limit its ability to redeem the Credit Reference Obligation.

**Credit Reference Entity Founder:** [●]]

[A summary of selected information on the Credit Reference Entity and the Credit Reference Entity Founder is attached to this Summary.] [Detailed information on the Credit Reference Entity



Founder can be found on [●].]

**Credit Reference Obligation:** [●]

[Information on the Credit Reference Obligation can be found on [●].]

*[For offers of Securities which have been issued under the 2013 Base Prospectus, insert Part C of the Summary of the Programme of the 2013 Base Prospectus which is incorporated into this Base Prospectus by reference.]*

## **D. RISKS**

### **D.2 Key information on the key risks that are specific to the Issuer**

- The Raiffeisen Centrobank may be adversely impacted by business and economic conditions and geopolitical risks, and difficult market conditions have adversely affected the Raiffeisen Centrobank.
- Raiffeisen Centrobank is dependent on the economic environment in the markets where it operates.
- Raiffeisen Centrobank is exposed to credit, counterparty and concentration risk as well as to liquidity, market and currency risk.
- Raiffeisen Centrobank may be adversely impacted by declining asset values. The trading results of Raiffeisen Centrobank may be volatile and depend on many factors that are outside its control.
- Raiffeisen Centrobank faces risks stemming from its investments in other companies and is furthermore exposed to risks related to its former commodities business.
- Raiffeisen Centrobank is exposed to a risk of losses due to any inadequacy or failure of internal proceedings, people, systems (in particular IT systems), or external events, whether caused deliberately or accidentally or by natural circumstances (operational risk).
- New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Raiffeisen Centrobank to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.
- Risk of changes in the tax framework, in particular regarding bank tax and the introduction of a financial transaction tax.
- Raiffeisen Centrobank's business model is dependent on its diversified and competitive mix of products and services.
- The results of Raiffeisen Centrobank's operations are significantly impacted by Raiffeisen Centrobank's ability to identify and manage risks. Raiffeisen Centrobank's operations have inherent reputational risk. In addition there is a risk of potential conflicts of interest of members of the administrative, managing and supervisory bodies of Raiffeisen Centrobank.

### **D.3, Key information on the key risks that are specific to the securities**

**D.6 RISK WARNING: Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. However, each investor's liability is limited to the value of his investment (including incidental costs).**

#### **GENERAL RISKS RELATING TO THE SECURITIES**

- As market prices of the Securities depend on various factors (like e.g. market expectations, credit ratings and foreign exchange or interest rates) there is the risk that

they may be significantly lower than the purchase price, and there is no guarantee that tradable market prices will be available at all times during the term of the Securities.

- Investors are exposed to the risk that payments in connection with the securities which fall due in addition to the direct acquisition costs of the Securities (like e.g. transaction or financing costs, loan instalments or taxes) may significantly lower the achievable yield of the Securities.
- The interpretation, adoption or change of laws, regulations or regulatory policies may have a significant negative impact on the Securities or the Securityholders.
- Payments under the Securities may depend on complex conditions and/or rules, and therefore the Securities may require knowledge of similar products or financial experience from the potential investor, and/or he/she has to obtain financial advice.

#### **GENERAL RISKS OF SECURITIES LINKED TO UNDERLYINGS**

- Securityholders may lose all or a substantial portion of their investment if the price of the relevant Underlying develops unfavourably (risk of substantial or total loss).
- Securityholders bear the risk of fluctuations in exchange rates.
- [Securityholders are exposed to the risk that the Underlying becomes restricted or unavailable.]

#### **RISKS RELATING TO THE UNDERLYING(S)**

- [Securities relating to an index are exposed to the risk of the index composition and calculation method as well as the risk originating from each index component among other risks.]
- [Securities relating to a share are exposed to the price and dividend risk of the share as well as the risk of low liquidity among other risks.]
- [Securities relating to a fund are exposed to the risk of the fund composition, risk relating to the investment company and the risk originating from each asset contained in the fund among other risks. Additional risk is associated with hedge funds.]
- [Securities relating to a commodity are exposed to the price risk of the commodity as well as the risk of low liquidity among other risks. If the Securities are not relating to the spot price of the commodity but instead to a futures contract on that commodity, they bear additional risks.]
- [Securities relating to an exchange rate are exposed to the risk of supply and demand, central bank decisions, macroeconomic effects and political decisions among other risks.]
- [Securities relating to an interest rate are exposed to the risk of supply and demand, changes in credit-worthiness of the debt issuer, central bank decisions, macroeconomic effects and political decisions among other risks.]
- [Securities relating to a futures contract are exposed to the price risk, the risk of the futures contracts underlying as well as the risk of low liquidity among other risks.]
- [Securities relating to cash on deposit are exposed to the risk of changes in interest rates as well as credit risk among other risks.]
- [Securities relating to a basket are exposed to the risk of the basket composition, the risk originating from each basket component, the risk of the calculation method, exchange rate risk and the risk of unfavourable basket adjustments among other risks.]

#### **PARTICULAR RISKS OF THE SECURITIES**

- The Securities are exposed to risk(s) originating from [unfavourable price movements of the Underlying(s)] [and] [changes in interest rates] [and] [expectations of future price fluctuations of the Underlying(s)] [and] [unfavourable exchange rates] [and] [possible delays of payments] [and] [time decay] [and] [the expiration of the Security which may result in an actual loss] [and] [a leverage effect which causes high price fluctuations of

the Security even if the Underlying(s) price change(s) [is] [are] only small] [and] [significant value changes due to barrier effects] [and] [postponed or reduced distribution payments].

- [Securityholders bear the additional risks of Reinvesting Securities, including the risk that [the financial institutions selected by the Issuer for any determination of market conditions necessary for applicable adjustments provide terms less advantageous to the investor compared to the terms other financial institutions would have provided][,][future interest amounts might be materially reduced due to the reduction of the Non-par Value during the application of a Reinvestment Adjustment][and][an early reinvestment upon certain trigger events might be less favourable than the ordinary reinvestment at the relevant Scheduled Investment Valuation Date would have been].]
- **[The Securityholders of Securities which the relevant Final Terms specify to be Credit Linked Securities are exposed to high additional risks of total loss.**

The Securityholders have, in addition to the risks associated with the Issuer, to bear risks, in particular the insolvency risk, relating to the Credit Reference Entity. If the Credit Reference Entity becomes insolvent or unable to pay its debt and/or repay the Credit Reference Obligation, there is a **high risk of total loss** of [the investment] [and] [interest payments] for the Securityholders. [The aforesaid is also true for the Credit Reference Entity Founder.] Before investing in such Securities, investors are required by the Issuer to inform themselves about and conduct their own analysis of the credit-worthiness of the Credit Reference Entity [and the Credit Reference Entity Founder] and the likelihood of a default by the Credit Reference Entity to repay the Credit Reference Obligation. Securityholders should be aware that it **could significantly increase the risk of a total loss** of the investment if they fail to obtain such information or make a mistake when assessing such information. In addition, Securityholders are subject to the risk that the Credit Reference Obligation cannot be repaid for other reasons than the insolvency of the Credit Reference Entity, including payment transfer restrictions imposed by the jurisdiction of incorporation of the Credit Reference Entity.

- **The volatility of the price of the Securities is dependent, amongst others, on the creditworthiness of the Credit Reference Entity and the general credit derivatives market.**
- **Holders may not rely on ratings of the Credit Reference Entity given in the Final Terms, if applicable, and neither the Issuer nor the rating agency assumes any responsibility for the correctness of any such rating.**
- [The Issuer may redeem the Securities at any time prior to the Maturity Date following the occurrence of a Change of Control. “**Change of Control**” means that any person or any persons acting in concert or any third person or persons acting on behalf of any such person(s) at any time directly or indirectly acquire(s) a Controlling Participation in the Credit Reference Entity [and/or Credit Reference Entity Founder]. A “**Controlling Participation**” exists in relation to an entity if (i) more than 50% of the capital or the shares entitled to vote, or (ii) the majority of the voting rights associated with the participations in such entity, or (iii) the right to appoint or dismiss the majority of the directors of such entity, or (iv) the right to exercise a controlling influence on such entity by other means is maintained.]]

## **E. OFFER**

- |             |   |  |
|-------------|---|--|
| <b>E.2b</b> | Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks: | The net proceeds from the issue of any Securities may be used by the Issuer for any whatsoever purpose and will, generally, be used by the Issuer for the generation of profits and its general funding purposes. [The net proceeds (and the costs) will be attributed to the Paying Agent.] |
| <b>E.3</b>  | Description of the terms and conditions of the  | <b>Terms and conditions to which the offer is subject</b><br>[Not applicable; there are no conditions to which the offer is  |

offer:

subject.]

A public offer of Securities may be made by Raiffeisen Centrobank Aktiengesellschaft [and *[specify, if applicable]*] other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdiction(s) where the Base Prospectus has been approved and/or passported]* (the “**Public Offer Jurisdiction(s)**”) during the period from, and including, the [Issue Date] [first day of the Subscription Period (as defined below)] to, and including, [the Final Valuation Date]*[specify date]* (the “**Offer Period**”), subject to early termination and extension within the discretion of the Issuer. [From and including the Issue Date up to and including the last day of the Offer Period the Securities will be publicly offered as a tap issue.]

[The Securities will be placed without a subscription period.] [The Securities may be subscribed from, and including, *[insert date]* up to, and including, *[insert time]* on *[insert date]* (the “**Subscription Period**”), subject to early termination and extension within the discretion of the Issuer. During the Subscription Period, investors are invited to place offers for the purchase of Securities (i.e. to subscribe Securities) subject to (i) such offers being valid for at least [**•**] [business days] [weeks] and (ii) the Issuer being entitled in its sole discretion to accept or reject such offers entirely or partly without giving any reason.]

The Issue Date is [**•**].

#### **Initial issue price, costs and taxes when purchasing the Securities**

Issue Price: *[Insert Product currency]* *[insert amount]* / *[Insert number]* % [of the Specified Denomination] / *[Insert number]* % [of the Initial Reference Price [multiplied by the Multiplier] [and converted into the Product Currency] [and expressed (“Quanto”) in the Product Currency]]

Issue Surcharge: [An issue surcharge of *[[insert percentage]]%* of the Specified Denomination] *[[insert amount in Product Currency]* per Security] will be charged] [An issue surcharge of up to *[[insert percentage]]%* of the Specified Denomination] *[[insert amount in Product Currency]* per Security] may be charged] [Not applicable]

#### **Selling restrictions**

Securities may be offered, sold, or delivered within a jurisdiction or originating from a jurisdiction only, if this is permitted pursuant to applicable laws and other legal provisions and if no obligations arise for the Issuer.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States of America (“**United States**”), and may not be offered or sold (i) within the United States, except in transactions exempt from registration under the Securities Act, or (ii) outside the United States, except in offshore transactions in compliance with Regulation S under the Securities Act.

**E.4** Description of any interest [Not applicable; there are no such interests.]

that is material to the issue/offer including conflicting interest:

[The Issuer may from time to time act in other capacities with regard to the Securities, such as Calculation Agent which allow the Issuer to calculate the value of the Underlying or any other reference asset or determine the composition of the Underlying, which could raise conflicts of interest where securities or other assets issued by the Issuer can be chosen to be part of the Underlying, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or assets.

The Issuer may from time to time engage in transactions involving the Underlying for its proprietary accounts and for accounts under its management. Such transactions may have a positive or negative effect on the value of the Underlying or any other reference asset and consequently upon the value of the Securities.

The Issuer may issue other derivative instruments in respect of the Underlying and the introduction of such competing products into the marketplace may affect the value of the Securities.

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions which may affect the value of the Securities.

The Issuer may acquire non-public information with respect to the Underlying, and the Issuer does not undertake to disclose any such information to any Securityholder. The Issuer may also publish research reports with respect to the Underlying. Such activities could present conflicts of interest and may affect the value of the Securities.]

**[Insert description of any such interests.]**

**E.7** Estimated expenses charged to the investor by the Issuer or the offeror:

[No such expenses will be charged to the investor by the Issuer.]

[An issue surcharge as specified in E.3 applies.]

[[The Terms and Conditions of the Securities foresee an Issuer Fee which is **[Insert number]** % *[per annum]*.] [The Terms and Conditions of the Securities foresee an Issuer Fee which is **[insert description of interest rate]** divided by the exchange rate for the conversion of one unit of **[insert currency]** to **[insert currency]**, subsequently reduced by **[insert description of interest rate]** and increased by **[insert number]**%.] [The Terms and Conditions of the Securities foresee an Issuer Fee which is **[insert number]**% reduced by **[insert description of interest rate]**.] Thus starting with the first day after the Issue Date, [the Specified Denomination shall be daily multiplied by] [the Multiplier shall be daily multiplied by] [the Non-par Value and the Multiplier shall be daily multiplied by] the difference of (a) one and (b) the quotient of (i) the Issuer Fee and (ii) 360. [This adjustment reduces the Specified Denomination] [This adjustment reduces the Multiplier] [This adjustment reduces the Non-par Value and the Multiplier] and thus, all future payments under the Security and the value of the Security.]

Offerors may[, however,] charge expenses to investors. Such expenses (if any) will be determined by agreement between the offeror and the investors at the time of each issue.

[Save as disclosed above, no such expenses will be charged to the investor by the Issuer or the offeror/s.]

## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Securities. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on any payments which investors will receive in respect of the Securities. In addition, each of the risks highlighted below could adversely affect the trading price of the Securities or the rights of investors under the Securities and, as a result, investors could lose their entire investment or parts of it.*

*Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.*

### RISKS THAT MAY AFFECT THE ISSUER

**The Raiffeisen Centrobank may be adversely impacted by business and economic conditions and geopolitical risks, and difficult market conditions have adversely affected the Raiffeisen Centrobank.**

#### *Adverse business and economic conditions*

Raiffeisen Centrobank's business and earnings are affected by general business and economic conditions in Austria and abroad. Given the regional focus of Raiffeisen Centrobank's business activities in Austria, Germany and other countries in Europe especially in Central and Eastern Europe, Raiffeisen Centrobank is particularly exposed to downturns in these regions. For example, in a poor economic environment there is a greater likelihood that more of Raiffeisen Centrobank's customers or counterparties could become delinquent on their obligations to Raiffeisen Centrobank, which in turn, could result in a higher level of charge-offs and provisions for losses, all of which would adversely affect Raiffeisen Centrobank's earnings. Decreasing earnings prospects among businesses also leads to lower enterprise valuations and subsequently lowers the willingness to engage in mergers and acquisitions or capital market transactions such as initial public offerings, capital increases or takeovers; accordingly, the proceeds from investment advisory services and from the placement of issues decreases in a poor economic environment. Furthermore, lower company valuations and high volatilities cause investors to shift to investment forms with lower risks on which generally only lower commissions can be earned.

General business and economic conditions that could affect Raiffeisen Centrobank include the level and volatility of short-term and long-term interest rates, inflation (including negative inflation, i.e. deflation), home prices, employment levels, bankruptcies, household income, consumer spending, fluctuations in both debt and equity capital markets, liquidity of the global financial markets, the availability and costs of credit, investor confidence, and the strength of the Austrian economy and the local economies in which Raiffeisen Centrobank operates.

After global real gross domestic product ("GDP") declined slightly in 2009 (-0.4%) among sharp output declines in advanced economies and most notably in the Euro area, global GDP expanded again by more than five percent in 2010 (5.2%). Yet in subsequent years global growth lost momentum somewhat as business cycle dynamics both in advanced economies as well as in emerging markets slowed down.

Given the massive contraction of Euro area real GDP in 2009 (-4.4%), the subsequent recovery in 2010 and 2011 (real GDP: +1.9% and +1.6%, respectively) remained rather lacklustre. What is more, in Q1 2012 the Euro area slipped back into recession and only managed to leave it in mid-2013. A more pronounced recovery process was hindered by severe recessions in peripheral Euro area countries, where domestic demand was negatively affected by both private and public sector

expenditure cuts. Stagnating or declining nominal GDP coupled with elevated budget deficits resulted in a dramatic increase of government debt in terms of GDP. Debt sustainability became a key issue in peripheral countries, eventually leading to a haircut on Greek government bonds. Although tentative signs of a stabilisation have emerged, substantial risks still remain. Government debt is on an elevated level in many Euro area countries. In the absence of a material acceleration of economic activity in the years ahead, debt levels will not decline enough in order to provide a cushion in the next economic downturn. Thus, debt sustainability will remain a crucial issue in the years to come.

After the sharp decline in 2009 (-3.8%), Austrian real GDP recovered in the two subsequent years (2010: +1.8%, 2011: +2.8%). Yet in the course of 2012, business cycle dynamics slowed down, resulting in GDP growth rates of merely 0.9% (2012) and 0.3% (2013). Given its high degree of openness (exports in % of GDP: 57.2% as of 2012), a deteriorating external environment, especially in CEE countries, would have material impact on business cycle dynamics in Austria.

### ***Difficult market conditions***

The continuing lack of confidence in the international financial markets and worsening economic conditions have adversely affected Raiffeisen Centrobank's business and results of operations and may in the future adversely affect its financial condition. Raiffeisen Centrobank does not expect that the difficult conditions in the international financial markets and economic conditions in the countries where Raiffeisen Centrobank has operations will improve significantly in the near future, and they may in fact worsen. If this happens Raiffeisen Centrobank may experience a material adverse effect on its ability to access capital and on its business, financial condition and results of operations. This could affect the Issuer's ability to service payments under Securities issued under the Programme and potentially adversely affect the market value of such Securities.

### ***Governmental fiscal and monetary policy***

Raiffeisen Centrobank's businesses and earnings are affected by domestic and international fiscal and monetary policy. For example, the European Central Bank (the "ECB") regulates the supply of money and credit in the Euro-zone and its policies determine in large part Raiffeisen Centrobank's cost of funds for lending, investing and capital raising activities and the return Raiffeisen Centrobank earns on those loans and investments, both of which affect its net interest margin. The actions of the ECB also can materially affect the value of financial instruments Raiffeisen Centrobank holds, such as debt securities and mortgage servicing rights and its policies also can affect Raiffeisen Centrobank's borrowers, potentially increasing the risk that they may fail to repay their loans. Raiffeisen Centrobank's businesses and earnings also are affected by the fiscal or other policies that are adopted by various regulatory authorities of Austria, non-Austrian governments and international agencies. Changes in domestic and international fiscal and monetary policy are beyond Raiffeisen Centrobank's control and hard to predict and could have material negative effects of Raiffeisen Centrobank's business, financial position and results of operations and could thus, limit its ability to fulfil its obligations under the Securities.

### ***Geopolitical risks***

Geopolitical conditions can affect Raiffeisen Centrobank's earnings. Acts or threats of terrorism, actions taken by Austria, the EU or other governments in response to acts or threats of terrorism and/or military conflicts could affect business and economic conditions in Austria and other countries where Raiffeisen Centrobank operates and could thus negatively affect the Issuer's ability to fulfil its obligations under the Securities.

### ***Raiffeisen Centrobank is dependent on the economic environment in the markets where it operates.***

In the countries in Central and Eastern Europe ("CEE"), the Russian Federation, Ukraine, Kazakhstan and Turkey, the Issuer's business activities are subject to unsteadiness and the risks arising from uncertain economic and macroeconomic conditions. The following paragraphs contain brief descriptions of several material risks Raiffeisen Centrobank is exposed to in certain important

geographical markets, all of which could, if any of them realises, have a material adverse impact on the Raiffeisen Centrobank's operations and/or financial or trading positions (the below paragraphs are based on internal research and must not be taken as forecast or analysis):

***General political and economic environment in CE, SEE and Russia, Ukraine, Kazakhstan and Turkey***

In the 1990s, the economies in most Central European (“CE”) and South Eastern European (“SEE”) countries as well as Russia, Ukraine, Kazakhstan and Turkey were characterised by relatively high inflation, correspondingly high interest rates, moderate growth in real gross domestic product, low disposable income, declining real wages and high national convertible currency debt (in relation to gross domestic product and convertible currency reserves). However, the outlook for tangible improvements following the transition crises provided above-average business opportunities that are not fully exhausted yet (Source: Raiffeisen Research). Accession to the European Union (“EU”) has been the general main strategic and political focus for CE and SEE countries. Poland, the Czech Republic, the Slovak Republic, Hungary and Slovenia joined the EU on 1 May 2004, Romania and Bulgaria became members of the EU on 1 January 2007, while Croatia finally joined the EU in 2013. Other successor states to former Yugoslavia (Serbia, Bosnia and Herzegovina, Macedonia and Montenegro) and Albania attempt to progress in the EU integration process. It is possible that further delays in such progress occur or that countries will not accede due to political developments both within the EU and the candidate countries. This applies particularly to Turkey.

Russia, Kazakhstan and to some degree Ukraine profited from high commodity prices in the 2000s and again after the financial crisis. However, especially for Russia and Kazakhstan, the continued high reliance on a commodity based economic model bears risk for further development.

In case of Russia and in particular with Ukraine geopolitical risks have risen dramatically since 2013. This negatively affects market access for the public and private sector as well as foreign trade. Russia has been put under sanctions by the USA and the EU (and other Western states) and there is no certainty on the future extent or prolongation of sanctions. In 2016, political risks in Turkey increased and may remain increased for an unforeseeable time.

The global financial and economic crisis puts the sustainability of the economic model of some CEE countries, largely relying on the import of foreign capital, into question. This has not only affected investment (and consumption), but the necessary refinancing of maturing external debt became challenging for some countries. In some cases, CEE countries were forced to ask the International Monetary Fund (“IMF”) and the EU for support. A repetition of such developments cannot be ruled out for the future for certain CEE countries.

The currencies in CE and SEE are strongly aligned with and in some cases pegged to the Euro. During the period of EU accession and afterwards several CE and SEE currencies have been either on an appreciation path or were at least stable vis-à-vis the Euro. However, the situation changed significantly within the global financial and economic crisis that interrupted the past appreciation or stability. In the years after the financial crisis, exchange rate unsteadiness has again fallen. However, other phases of exchange rate unsteadiness cannot be ruled out for the years ahead if these problems on the global markets reappear or if there are renewed rebalancing needs in some CE or SEE economies. The global financial crisis, geopolitical risks and commodity price shocks also put pressure on currencies like the Russian Rouble or the Ukrainian Hryvnia. In case of the Rouble and Hryvnia future exchange rate unsteadiness is also likely to be higher than the one experienced from a long-term perspective.

Currencies in Russia and Ukraine: policies of pegging the currencies informally to the USD or a basket of currencies have been shifting toward the objective of more free floating currencies. Russia has reduced its interference with the foreign exchange rate (“FX”) since 2009 and has since late 2014 shifted to a regime of floating exchange rate with direct FX interventions only in times of high stress. However, some management of FX liquidity is continued and from early 2017 regular FX interventions initiated by the Russian Ministry of Finance have been introduced. Still, the sensitiveness of the rouble to external shocks is high and unsteadiness of the rouble is set to remain elevated. In



Ukraine, despite some progress in macroeconomic stabilisation, the economy and the FX rate remain highly fragile and prone to new phases of unsteadiness or devaluation. Attempts to float the Ukrainian currency in 2014 and early 2015 led to a sharp decrease in value and the introduction of tight administrative restrictions on the FX market, which are only slowly removed.

With the end of the Swiss central bank's lower bound for EUR/CHF of 1.20 in 2015, the CHF has experienced a sharp appreciation against the EUR. As no new lower bound for the currency has been announced, further major CHF appreciation cannot be excluded, especially in case of political/economic problems in the euro area. A stronger CHF could also cause economic problems in some CEE countries, where a large stock of CHF denominated private sector loans is outstanding. This is especially the case in Hungary, Poland and Croatia.

In addition to economic factors, certain countries within this region are subject to greater political risk than in Western Europe.

If the economic framework conditions would deteriorate further, this could have major negative effects on the assets, liabilities, financial position and results of operations of the Issuer and its ability to service payments under the Securities and potentially adversely affect the market value of such Securities.

### ***Recent macroeconomic trends***

*The below described macro-economic factors are entirely beyond the control of the Issuer. Negative developments in the macro-economic climate in the mentioned regions may have a material adverse effect on the overall stability of the named regions and subsequently on the assets, financial position and/or earnings of the Issuer and could thus, negatively affect the Issuer's ability to service payments under Securities issued under the Programme and potentially adversely affect the market value of such Securities.*

*Finally, the legal, regulatory and tax environment in the below mentioned regions is of particular importance for the Issuer. It may, depending on the degree of political stability and economic and legal development of the respective jurisdiction, be subject to rapid change. In particular, the Issuer faces the risk that due to a change in law, a repatriation of dividend payments will not, or only partially, be possible. Furthermore, the Issuer may be prohibited from transferring shares or other securities and assets cross-border, and the Issuer may be, from a legal and/or factual point of view, be deterred from exercising its rights as a shareholder in such jurisdictions (e.g. in connection with capital increases or other capital measures). All such changes or developments could materially adversely affect the liabilities, assets, earnings, financial and trading position of the Issuer.*

### **CE (Source: Raiffeisen Research)**

The Central European region (CE) recorded stronger year-on-year economic growth in 2017, with GDP growth of 4.4%, and was 1.6 percentage points above the previous year's level. The region benefited from strong economic growth in Germany, an ongoing recovery in the euro area, as well as expansionary monetary policies on the part of the ECB and CE central banks. Another factor was the step-up in investment activity from increased EU transfer payments in the region. Poland, the CE region's growth engine, gained considerable traction, posting 4.5% year-on-year growth. Overall, the economic data indicates balanced growth with solid export and dynamic domestic economic activity.

The strong economic growth that Central Europe (CE) achieved in 2017 should continue in 2018. Growth looks set to remain broad based, with increasing export demand, mostly supported by solid economic growth in Germany and in the euro area, rising investment spending and a pick-up in private consumer demand in the region's markets. Significant GDP growth of between 3.8% and 4.6% is expected for the Polish, Slovakian and Slovenian economies in 2018. Hungary and the Czech Republic should also enjoy continued growth of over 3%. Accordingly, the CE economies are projected to grow at a rate of 4.1% in 2018, following 4.4% in 2017.

## **SEE** (Source: Raiffeisen Research)

In SEE, the economy reported growth of 5.1% year-on-year in 2017, which was at a level not seen in years. Although a portion of this was due to temporary factors, it nonetheless highlights the fact that the weak phase of previous years has been overcome. In particular, the Romanian economy's growth rate was once again significantly higher than in the previous year, increasing to 7.0%. Its growth was partly caused by fiscal easing in the form of tax cuts and by wage increases. As Romania's growth rate is considerably higher than its potential growth rate, it is seen as unsustainable. Bulgaria enjoyed GDP growth of 4.0%, catching up somewhat with Romania. Serbia's growth disappointed in 2017. However, economic growth in Croatia came in stronger than expected.

The SEE region is also expected to continue its growth trend. Following very strong gross domestic product ("GDP") growth of 5.1% in 2017, SEE should increase its economic output in 2018 by 3.7%. Economic growth in Romania is expected to slow to a rate of 4.2% in 2018. Given that this is still above Romania's potential growth rate, however, external imbalances could widen further. Moreover, Romania's public deficit runs the risk of exceeding the 3% Maastricht ceiling. In Serbia, economic growth should recover somewhat in 2018, following the weak growth experienced in 2017. In Croatia, growth in 2018 is projected at 2.3%, which is less than in 2017.

At the turn of 2016/2017, CE and SEE saw inflation rates – in some cases negative – rise significantly, mainly driven by the positive trend in oil prices. As this levelled off again in the course of the year, however, overall inflation remained moderate. In 2017, inflation rates averaged 2.1% in CE and 1.6% in SEE. Consequently, inflation in 2017 only slightly raised the pressure to tighten monetary policy in the SEE region. Key interest rate hikes in 2017 only occurred in the Czech Republic. In Romania, however, money market rates have already increased significantly and the Romanian central bank has already raised its deposit rates as a result.

## **Russia and Ukraine** (Source: Raiffeisen Research)

Economic conditions in Eastern Europe continued to improve in 2017. Russia benefited from an oil price recovery relative to the previous year and private household demand also recovered again following an extended soft patch. Moreover, Moscow's prudent monetary and fiscal policy had a stabilizing effect, though failed to deliver any additional growth impetus. All in all, following stagnation in the previous year, Russia's economy returned to growth of 1.5% in 2017, slightly higher than expected at the beginning of the year. Inflation in Russia continued to retreat significantly against the backdrop of a more stable currency and at the end of the year fell to the historic mark of 2.5%. This allowed the Russian central bank to cautiously adjust its key rates downwards, albeit the interest rate level of 7.75% at the end of the calendar year 2017 is still very high.

Ukraine's economy grew by 2.2% – a slightly slower rate than in the previous year – but continued its moderate recovery.

According to current forecasts, the Russian economy is ready to continue its moderate recovery in 2018, with economic growth seen at around 1.5%. A slightly higher oil price should support the economy while ongoing comparatively tight monetary and fiscal policy is unlikely to provide any significant economic growth incentive. The Russian presidential election in March 2018 is not expected to have a major impact on the economic situation.

In Ukraine, parliamentary and presidential elections are on the agenda for 2019, which could heighten political uncertainty in 2018 and curb economic growth. As a result, economic growth in Ukraine is seen moderately at 2.5% in 2018.

## **Kazakhstan** (Source: Raiffeisen Research)

Following the significant slowdown of Kazakhstan's economy in 2016, GDP growth accelerated again in 2017, with the preliminary figures pointing to an increase of 3.3% year-on-year. This recovery is mainly due to the positive developments on the oil markets and the sharp increase of oil production by Kazakhstan (around 10% year-on-year for 2017) that can be largely attributed to the opening of its

very large oil field Kashagan. For 2018 the output coming from this field alone is planned to be raised by 33%, contributing 11 million tonnes to the planned 87 million in total. Compared to the previous year, inflation slowed down substantially to around 7.4% year-on-year but still exceeded expectations. The Kazakh Tenge exchange rate with the US Dollar remained quite stable for 2017 even though there have been minor turnarounds in the first six months of 2017. Going forward it is expected that the Kazakh economy continues to recover with GDP growth amounting to around 3% year-on-year for the foreseeable future provided that the oil price stabilisation is persistent. However, because of the quite high dependency of Kazakhstan on Russia and rising tensions between Russia and the West, awareness should be drawn to the fact that spill over effects that were and are expected to support Kazakhstans' recovery path could be less influential than expected.

The National Bank of Kazakhstan started cutting its policy rate from 12% at the beginning of the calendar year 2017 to 10.25% in August 2017 but had to postpone further cuts due to higher pressures on the currency and stronger than expected price increases. With the beginning of 2018 two further interest rate hikes have been conducted. The rationale of the national bank to introduce interest rate hikes have been the favourable outlooks for 2018. It remains committed to inflation targeting with the goal to keep inflation for 2018 within the range of 5% to 7%. Going forward, rate hike decisions will most probably depend on domestic demand and oil price developments.

#### **Turkey** (Source: Raiffeisen Research)

The extraordinary growth in 2017 (real GDP is estimated to have risen by 7.5%) exceeded consensus forecasts and can only partly be explained by the statistical base effect following the turbulences in 2016 resulting from the attempted coup and other disturbances. Even though such high growth rates are not sustainable and a cool-down of the economy can be expected, the forecasts for growth of the Turkish economy have been revised upwards to 3.5% for 2018 and 2.5% for 2019. Along with that development the current account gap is seen as narrowing a bit to around 4% of GDP for 2018 while also levels of inflation are seen to fall back below the 10%-mark again aligning with Raiffeisen Research's expectation with inflation rates of around 9% for 2018. Inflation hit an 14-year high in November of last year (13% year-on-year) forcing the Turkish national bank to reconsider their monetary stances and leading to a cautious tightening of monetary conditions. When it comes to industrial expansion, the most recent data on industrial production for January came in quite surprising with a growth of 12% year-on-year, thus outpacing market expectations by around five percentage points.

In general, for 2019 it could be possible that Turkish authorities try to keep the economy running at high steam in hindsight of multiple elections due in that year. Such attempts could have adverse effects in the medium- to long-run and in the worst case lead to a subsequent recession. This view is supported by the recent downgrade of Turkish sovereign ratings by Moody's that list as one of their main drivers the continued deterioration of institutional strength. Short-term growth is prioritised, while the medium-term consequences of such actions seem to be ignored by policymakers. Along with that the high need for external financing of the Turkish economy is extending and thus makes it even more vulnerable to shifts in international investor sentiment.

Regarding the significant devaluation of the Turkish Lira that was going on in 2017 there is moderate potential for a stabilisation, at least for the first quarters in 2018. Such predictions are of course dependent on the actions set by the Turkish Central Bank concerning tightening/loosening monetary policy and thus are hard to make but the significant undervaluation of the Turkish Lira against the US Dollar supports these views. The ratio of US Dollar and the Turkish Lira could be passing the 4.0-threshold in the course of the second half of 2018 but without such extreme phases of weakening of the Lira as there were in Q1 and Q4 2017. Of course political tensions with the US because of the intervention in Syria should not be ignored as possible intensification of such tensions could have adverse effects for the Turkish economy and thus the Turkish Lira.

**Raiffeisen Centrobank is exposed to credit, counterparty and concentration risk as well as to liquidity, market and currency risk.**

#### *Credit risk*

When Raiffeisen Centrobank loans money, commits to loan money or enters into a letter of credit or other contract with a counterparty, it incurs credit risk, i.e. the risk of losses if its borrowers do not repay their loans or its other counterparties fail to perform according to the terms of their contracts. A number of Raiffeisen Centrobank's contracts expose it to credit risk. The credit risk comprises in addition to the classical credit risk of default also country risk and issuer risks as well as counterparty credit risk and settlement risks arising from commercial transactions.

#### *Counterparty risk*

Raiffeisen Centrobank estimates and establishes reserves for counterparty credit risks and potential credit losses inherent in its exposure. This process, which is critical to Raiffeisen Centrobank's financial results and condition, requires difficult, subjective and complex judgements, including forecasts of economic conditions and how these economic conditions might impair the ability of Raiffeisen Centrobank's counterparties to perform according to the terms of their contracts. There is the risk that Raiffeisen Centrobank will fail to identify the relevant factors or that Raiffeisen Centrobank will fail to accurately estimate the impacts of factors that it identifies. Raiffeisen Centrobank's ability to assess the creditworthiness of its counterparts may be impaired if the models and approaches it uses become less predictive of future behaviours, valuations, assumptions or estimates.

#### *Concentration risk*

Raiffeisen Centrobank is also subject to a concentration of credit risk to a particular industry, counterparty, borrower or issuer. A deterioration in the financial conditions or prospects of a particular industry or failure or downgrade of, or default by, any particular entity or group of entities could negatively impact Raiffeisen Centrobank's businesses, perhaps materially, and the systems by which Raiffeisen Centrobank sets limits and monitors the level of its credit exposure to individual entities, industries or countries may not function as the management of Raiffeisen Centrobank has anticipated. While the Raiffeisen Centrobank's activities expose it to many different industries and counterparties, Raiffeisen Centrobank routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment funds and insurers. This has resulted in significant credit concentration with respect to this industry. In particular, Raiffeisen Centrobank has a **material part of its liquid funds deposited with Raiffeisen Bank International AG ("RBI")** and is thus, to a **high level exposed to the credit risk of RBI**.

The development of Raiffeisen Centrobank's operating performance, loan loss levels or write-downs and impairments could adversely affect its results and may result in capital requirements that could constrain its operations, reducing the Issuer's ability to service payments under the Securities and potentially adversely affecting the trading price of the Securities.

#### *Liquidity risk*

Liquidity is essential to Raiffeisen Centrobank's businesses. Raiffeisen Centrobank's liquidity could be impaired by an inability to access the capital markets or by unforeseen outflows of cash. This situation may arise due to circumstances that Raiffeisen Centrobank may be unable to control, such as a general market disruption, negative views about the financial services industry generally, or an operational problem that affects third parties or Raiffeisen Centrobank. Raiffeisen Centrobank's ability to raise funding in the capital markets at favourable conditions has been and could continue to be adversely affected by conditions in the Euro-zone and international markets and economy. Global capital and credit markets have been and still are experiencing high volatilities and volatility of government spreads reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit availability for issuers without regard to those issuers' underlying financial strength. Raiffeisen Centrobank's ability to borrow from other financial

institutions or to engage in other funding transactions on favourable terms or at all could be adversely affected by further disruptions in the capital markets or by other events, including actions by rating agencies and deteriorating investor expectations. The materialisation of liquidity risk could reduce Raiffeisen Centrobank's ability to service payments under the Securities and potentially adversely affecting the trading price of the Securities.

### ***Market risk***

Raiffeisen Centrobank is directly and indirectly affected by changes in market conditions. Market risk generally represents the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions. For example, changes in interest rates could adversely affect Raiffeisen Centrobank's net interest margin - the difference between the yield Raiffeisen Centrobank earns on its assets and the interest rate Raiffeisen Centrobank pays for deposits and other sources of funding - which could in turn affect its net interest income and earnings. Market risk is inherent in the financial instruments associated with Raiffeisen Centrobank's operations and activities including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives. Just a few of the market conditions that may shift from time to time, thereby exposing Raiffeisen Centrobank to market risk, include fluctuations in interest and currency exchange rates, equity and futures prices, changes in the implied volatility of interest rates, credit spreads and price deterioration or changes in value due to changes in market perception or actual credit quality of either the issuer or its country of origin. Accordingly, depending on the instruments or activities impacted, market risks can have wide ranging, complex adverse effects on Raiffeisen Centrobank's results from operations and Raiffeisen Centrobank's overall financial condition.

### ***Currency risk***

A large part of the Raiffeisen Centrobank's operations, assets and customers are located in CEE and (other) countries that are not part of the Euro-zone (as defined herein), and financial transactions in currencies other than the euro give rise to foreign currency risks, leading to a material adverse effect on Raiffeisen Centrobank's operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of payments which investors will receive in respect of the Securities.

**Raiffeisen Centrobank may be adversely impacted by declining asset values. The trading results of Raiffeisen Centrobank may be volatile and depend on many factors that are outside its control.**

### ***Adverse impacts by declining asset values***

Raiffeisen Centrobank has a large portfolio of trading assets. These positions include a stock portfolio and other securities, warrants, and purchased structured products representing hedge positions for certificates and warrants issued by Raiffeisen Centrobank. As the trading assets are accounted for at fair value, declines in the values of assets could have a direct and significant negative impact on the earnings of Raiffeisen Centrobank.

Raiffeisen Centrobank may incur additional losses as a result of increased market volatility or decreased market liquidity, which may adversely impact the valuation of its trading and investment positions. If an asset is marked to market, declines in asset values directly and immediately impact Raiffeisen Centrobank's earnings, unless Raiffeisen Centrobank has effectively "hedged" its exposures against such declines. These exposures may continue to be impacted by declining values of the underlying assets. In addition, the prices at which observable market transactions occur and the continued availability of these transactions, and the financial strength of counterparties, such as financial guarantors, with whom Raiffeisen Centrobank has economically hedged some of its exposure to these assets, will affect the value of these assets. Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading activity for these assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces Raiffeisen Centrobank's ability to limit losses in such positions and the difficulty in valuing

assets may increase its risk-weighted assets which requires Raiffeisen Centrobank to maintain additional capital and increases its funding costs.

Negative impacts of declines in asset values could lead to material adverse effects on Raiffeisen Centrobank's financial condition.

Asset values also directly impact revenues from Raiffeisen Centrobank's asset management business. Raiffeisen Centrobank receives asset-based management fees based on the value of its clients' portfolios or investment in funds managed by Raiffeisen Centrobank and, in some cases, Raiffeisen Centrobank also receives incentive fees based on increases in the value of such investments. Declines in asset values could reduce the value of Raiffeisen Centrobank's clients' portfolios or fund assets, which in turn could have reduced the fees Raiffeisen Centrobank earns for managing such assets. This could reduce the Issuer's ability to service payments under the Securities and potentially adversely affecting the trading price of the Securities.

### ***Volatile trading results***

The trading results of the Issuer may be volatile and depend on many factors that are outside the control of Raiffeisen Centrobank such as the general market environment, interest rates, currency fluctuations and general market volatility. Trading suspensions or market disruptions are outside the control of Raiffeisen Centrobank and could materially restrict Raiffeisen Centrobank's ability to conduct its business of trading securities. Therefore, there is no guarantee that the trading result achieved in the last business years will be retained or even improved. A material decline in the trading result of Raiffeisen Centrobank could detract from Raiffeisen Centrobank's capacity to operate profitably and could have a material adverse impact on the financial and earnings position of Raiffeisen Centrobank.

### ***Factors outside of control***

In the case of certain securities issues, Raiffeisen Centrobank enters into hedging transactions. In such hedging transactions, Raiffeisen Centrobank depends, on the one hand, on the reliability of its hedging partners, and on the other hand, on its own assessment regarding the scope of the required hedging transactions. If a partner to a hedging transaction is not in a position to meet its contractual obligations, this could lead to open positions for Raiffeisen Centrobank that could have a negative effect on Raiffeisen Centrobank's earning, financial and trading position. Should Raiffeisen Centrobank falsely assess the scope of the required hedging transactions, this could also have a negative influence on Raiffeisen Centrobank's earning, financial and trading position and thus, limit Raiffeisen Centrobank's ability to service payments under the Securities and potentially adversely affecting the trading price of the Securities.

### **Raiffeisen Centrobank faces risks stemming from its investments in other companies and is furthermore exposed to risks related to its former commodities business.**

Raiffeisen Centrobank holds shares in diverse unlisted companies. To efficiently control the development of such portfolios, management expenses and refinancing costs are incurred. There is no guarantee that these investments will contribute positively to the results of Raiffeisen Centrobank in the future and that Raiffeisen Centrobank will not be required to write-down the value of such investments. Accordingly, risks stemming from its investments in other companies could limit Raiffeisen Centrobank's ability to service payments under the Securities and potentially adversely affecting the trading price of the Securities.

Raiffeisen Centrobank is exposed to environmental, reputational, regulatory, market and credit risk as a result of its former commodities related activities (i.e. rubber and olefin trading) conducted by the subsidiaries of Centrotrade Holding GmbH, a 100% subsidiary of Raiffeisen Centrobank, which is currently in liquidation. For example, Centrotrade Holding GmbH may incur civil or criminal liability under certain environmental laws. These risks stemming from the Issuer's former commodity business could affect the Issuer's business, financial position and results of operations and could thus, limit its ability to fulfil its obligations under the Securities.

**The Raiffeisen Centrobank is exposed to a risk of losses due to any inadequacy or failure of internal proceedings, people, systems (in particular IT systems), or external events, whether caused deliberately or accidentally or by natural circumstances (operational risk).**

Raiffeisen Centrobank is exposed to various risks due to potential inadequacies or failures of internal controls, proceedings, people, systems, or external events, whether caused deliberately or accidentally or by natural circumstances, and which may cause material losses. Such operational risks include the risk of unexpected losses incurred as a consequence of individual events resulting, among other things, from faulty information systems, inadequate organisational structures or ineffective control mechanisms. Such risks also include the risk of cost increases or losses due to unfavourable overall economic or trade-specific trends. Any reputational damage to the Issuer as a result of the occurrence of one of these events also falls into this risk category.

The operational risk is inherent in all activities of the Issuer and cannot be eliminated. In particular, investors should be aware that Raiffeisen Centrobank, like other banks, is increasingly dependent on highly sophisticated information technology (“IT”) systems. IT systems are vulnerable to a number of problems, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions.

Furthermore, the economic development of Raiffeisen Centrobank is significantly depended upon its management and key personnel. There is the risk, that current members of the management or key personnel may not be available to the Issuer in the future.

Failure to manage such risks may affect Raiffeisen Centrobank’s ability to fulfil its obligations under the Securities.

**New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Raiffeisen Centrobank to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.**

In response to the global financial crisis and the European sovereign debt crisis, a number of initiatives relating to the regulatory requirements applicable to European credit institutions, including Raiffeisen Centrobank and RBI Group, have been (and are currently being) implemented, adopted, or developed. These include the following:

- *Basel III and CRD IV Package.*

In June 2011, January 2013 and October 2014, the Basel Committee on Banking Supervision (“BCBS”) published its (final) international regulatory framework for credit institutions (known as “Basel III”), which is a comprehensive set of reform measures to strengthen the regulation, supervision and risk management of the banking sector. The main parts of Basel III have been transposed into European law by the CRD IV package, i.e. the “Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC” (*Capital Requirements Directive IV - “CRD IV”*) and the “Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012” (*Capital Requirements Regulation - “CRR”*).

The CRD IV-package in particular (further) increased the qualitative and quantitative requirements for regulatory capital (own funds) and the required capital for derivative positions as well as newly introduced requirements for liquidity standards and a leverage ratio.

The CRR (an EU regulation which directly applies in all EU Member States without any national implementation) as well as the Austrian federal law implementing the CRD IV into Austrian law, which includes amendments to the Austrian Banking Act (*Bankwesengesetz – “BWG”*) (and certain related regulations), are applicable since 1 January 2014 subject to certain transitional provisions.

- *MiFID II / MiFIR.*

The regulatory framework for investment services and regulated markets is updated by the “Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU” (*Markets in Financial Instruments Directive II – “MiFID II”*) and by the “Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012” (*Markets in Financial Instruments Regulation – “MiFIR”*) and applies since 3 January 2018. In Austria, MiFID II has been implemented by the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018 – “WAG 2018”*). Due to increased regulatory requirements, there are also increased costs for RCB and RBI Group. As many issues with regard to the application of these changes currently remain unclear in practice, the full impact of MiFID II and MiFIR remains uncertain for RCB and RBI Group.

- *Changes in Recognition of Own Funds.*

Due to regulatory changes, certain existing capital instruments (which have been issued in the past) will be subject to (gradual) exclusion from own funds (grandfathering) or reclassification as a lower category of own funds. For example, existing hybrid capital instruments will, over time, be phased out.

- *SREP Requirements.*

RBI Group is subject to SREP requirements stipulated in § 70 (4a) and (4b) in connection with § 77c and § 77d BWG, implementing Articles 97, 98 and 104 (1) CRD IV and Article 16 of the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (*Single Supervisory Mechanism Regulation*) determined by the annual Supervisory Review and Evaluation Process (“SREP”) by the ECB. Depending on the business model, governance and risk management, capital adequacy and the liquidity situation of the credit institution, each year the ECB sets an individual additional own funds requirement for each credit institution. This requirement also takes into account results from the latest stress tests and needs to be met by the sort of capital (Common Equity Tier 1 (“CET 1”) capital, Additional Tier 1 (“AT 1”) capital or Tier 2 (“Tier 2”) capital) set by the ECB. Depending on the financial situation of the credit institution group, SREP requirements may vary annually. According to the SREP methodology communicated by the ECB in July 2016, the SREP requirements has been split into a hard Pillar 2 requirement located above the 4.5% CET 1 Pillar 1 requirement, but below the combined buffer requirement (capital conservation buffer plus countercyclical buffer plus systemic/G-SIB buffer, see below), and a soft Pillar 2 guidance located above the combined buffer requirement. A breach of the Pillar 2 guidance may result in increased non-public supervisory action to improve capitalisation of the relevant credit institution. Increasing Pillar 2 requirements for RBI Group or its individual members could trigger additional pressure on the capitalisation of RBI Group and/or its individual entities requiring unplanned adaptations.

- *Stricter and Changing Accounting Standards.*

Prospective changes in accounting standards as well as those imposing stricter or more extensive requirements to carry assets at fair value, could also impact RCB's capital needs. RCB expects that prospective changes in accounting standards due to IFRS 9 will have a significant effect on balance sheet items and measurement methods for financial instruments. Thus, in the area of classification and measurement, RCB identified a risk that part of its loan portfolio will have to be re-measured at fair value through profit or loss, due to the contractual cash flow characteristics. On the other hand, some debt securities currently measured at fair value through other comprehensive income may be measured at amortised cost due to the "held-to-collect contractual cash flows" business model applied to them. In the area of impairment loss, allowances are expected to increase materially for a limited range of non-defaulted exposures.

- *Bank Recovery and Resolution Legislation.*

The “Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment



firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms” (*Bank Recovery and Resolution Directive - “BRRD”*) has been implemented in Austria into national law by the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – “BaSAG”*). Institutions, *inter alia*, have to meet, at all times, minimum requirement for own funds and eligible liabilities (“MREL”) set by the resolution authority on a case-by-case basis. Measures undertaken under the BRRD/BaSAG may also have a negative impact on debt instruments (in particular subordinated notes, but under certain circumstances also senior notes) by allowing resolution authorities to order the write-down of such instruments or convert them into CET 1 instruments (see also the risk factor “*The Securities may be subject to write-down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).*”). Where no such resolution tools and powers as set out above are applied, the Issuer may be subject to national insolvency proceedings.

- *Single Resolution Mechanism for European Banks.*

The Single Resolution Mechanism (“SRM”) which started operationally in January 2016 is one of the components of the Banking Union, alongside the Single Supervisory Mechanism (“SSM”) and a common deposit guarantee scheme. It is set to centralise key competences and resources for managing the failure of a credit institution in the participating Member States of the Banking Union. Under the SRM, the Single Resolution Board (“SRB”) is, in particular, responsible for adopting resolution decisions in close cooperation with the ECB, the European Commission and the national resolution authorities in case of a failing (or likely failing) of a significant entity subject to direct supervision of the ECB, such as RBI (see also the risk factor “*The Securities may be subject to write-down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).*”). The SRM complements the SSM and aims to ensure that if a credit institution subject to the SSM faces serious difficulties, its resolution can be managed efficiently with minimal costs to taxpayers and the real economy.

The SRM is governed by: (i) the “Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010” (*Single Resolution Mechanism Regulation – “SRM Regulation”*) covering the main aspects of the mechanism and broadly replicating the BRRD rules on the recovery and resolution of credit institutions; and (ii) an intergovernmental agreement related to some specific aspects of the Single Resolution Fund (“SRF”).

- *EU Banking Reform Package of the European Commission.*

On 23 November 2016, the European Commission published proposals for the revision of the CRD IV and the CRR as well as of the BRRD and the SRM Regulation. The proposal builds on existing EU banking rules and aims to complete the post-crisis regulatory agenda of the European Commission. The proposals, which have been submitted to the European Parliament and to the Council for their consideration and adoption, include the following key elements: (i) more risk-sensitive capital requirements, in particular in the area of market risk, counterparty credit risk, and for exposures to central counterparties; (ii) a binding leverage ratio to prevent institutions from excessive leverage; (iii) a binding net stable funding ratio to address the excessive reliance on short-term wholesale funding and to reduce long-term funding risk; and (iv) the total loss absorbing capacity (“TLAC”) requirement for global systemically important banks (“G-SIBs”) which will be integrated into the MREL logic applicable to all credit institutions. It also proposes a harmonised national insolvency ranking of unsecured debt instruments to facilitate credit institutions' issuance of such loss absorbing debt instruments. The “Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy” was published in the Official Journal of the EU on 27 December 2017 and has to be transposed into national law by the Member States by 29 December 2018.

Currently, no firm conclusions regarding the impact on the potential future capital requirements and consequently how this will affect the capital requirements for RCB and/or RBI Group can be made.

- *MREL.*

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all institutions must meet an individual MREL requirement, currently to be calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities, with effect from 1 January 2016. In this regard, the European Commission issued a Delegated Regulation supplementing the BRRD, which specifies the current criteria for setting MREL (“**MREL Delegated Regulation**”). The MREL Delegated Regulation requires each resolution authority to make a separate determination of the appropriate MREL requirement for each group or institution within its jurisdiction, depending on the institution’s resolvability, risk profile, systemic importance and other characteristics. As of the date of the Prospectus, no MREL has been set for RBI Group.

On 9 November 2015, the Financial Stability Board (“**FSB**”) published its final principles and term sheet containing an international standard to enhance the loss absorbing capacity of G-SIBs. In the most recent updated G-SIB list published by the FSB on 21 November 2017, RBI Group is not included and therefore, currently would not be subject to the TLAC standard as such. However, on-going work on the EU level intended to align TLAC implementation with the existing MREL framework, may have an impact on RBI Group.

The EU banking reform package of the European Commission published on 23 November 2016 also includes proposals for the revision of the CRR, the BRRD and the SRM Regulation in order to implement the TLAC standard rules by avoiding the application of two parallel requirements. Although TLAC and MREL pursue the same regulatory objective, there are some differences between them in the way they are constructed. The European Commission proposals intend to integrate the TLAC requirements into the existing MREL requirements and intend to ensure that both requirements are met with mainly similar instruments defined for TLAC and MREL in the revised CRR and via reference to the revised CRR in the revised BRRD and SRM Regulation respectively, except for the subordination requirement, which, for the purposes of MREL, will be institution-specific and determined by the resolution authority. The proposals require the introduction of limited adjustments to the existing MREL rules ensuring technical consistency with the structure of any requirements for G-SIBs. In particular, technical amendments to the existing rules on MREL are needed to align them with the TLAC standard regarding inter alia the denominators used for measuring loss-absorbing capacity, the interaction with capital buffer requirements, disclosure of risks to investors, and their application in relation to different resolution strategies.

On 20 December 2017, the EBA has published an updated quantitative analysis on the MREL, based on the same methodology and assumptions developed in the context of its (final) MREL report published in December 2016.

While the general goal of these proposals is now well understood, it is too early to confirm the exact amendments that will be introduced, the timing of their introduction and consequently the precise impact on the Issuer.

It is possible that the Issuer has to issue additional eligible liabilities, which qualify for MREL purposes (including, potentially, further Tier 2 instruments, other subordinated debt and/or certain other types of debt ranking senior to subordinated notes) in order to meet the additional requirements (see also the risk factor “*The Issuer may not be able to meet the minimum requirement for own funds and eligible liabilities.*”).

- *Structural Reform of the European Banking Sector.*

On 19 June 2015, the European Council agreed its negotiating stance on structural measures to improve the resilience of EU credit institutions. The proposal is aimed at further strengthening the stability by protecting the deposit-taking business of the largest and most complex EU credit institutions from potentially risky trading (see the risk factor “*In future, the Issuer may be obliged to stop proprietary trading and/or separate certain trading activities from its core*”).

*banking business.*”). For the time being, it remains unclear whether the Issuer would be subject to the proposal once implemented.

- *Combined Buffer Requirements.*

§§ 23 to 23d BWG which implement Articles 128 to 140 CRD IV into national law in Austria require institutions to maintain in addition to the CET 1 capital maintained to meet the own funds requirements imposed by the CRR and potentially any Pillar 2 additional own funds requirement specific capital buffers to be met with CET 1 capital. The Austrian Capital Buffers Regulation (*Kapitalpuffer-Verordnung* – “**KP-V**”) of the FMA further stipulates the calculation, determination and recognition of the countercyclical buffer rate pursuant to § 23a (3) BWG, the determination of the capital buffer rate for systemic vulnerability and for systemic concentration risk (systemic risk buffer) pursuant to § 23d (3) BWG and of the capital buffer for other systemically important institutions (“**O-SIIs**”) pursuant to § 23c (5) BWG, and the more precise elaboration of the calculation basis pursuant to § 24 (2) BWG concerning the calculation of the maximum distributable amount. These buffer requirements are gradually being phased in from 1 January 2016 until 1 January 2019.

§ 23 (1) BWG requires credit institutions to maintain a capital conservation buffer equal to 2.50% of their total risk exposure amount calculated in accordance with Article 92 (3) CRR and the respective phasing-in rules.

§ 23a (1) BWG requires credit institutions to also maintain a countercyclical capital buffer. Pursuant to the KP-V, the countercyclical buffer rate is currently set at 0.00% for significant credit exposures located in Austria. In addition, national countercyclical buffers determined by the designated authorities of other Member States and third countries for significant credit exposures located in their respective territories apply. However, if a (national) countercyclical buffer rate has been determined in excess of 2.50%, a rate of 2.50% shall apply, unless the FMA has recognised a rate exceeding 2.50%. The KP-V specifies that the institution specific countercyclical capital buffer rate is a weighted average of all applicable national countercyclical capital buffers based on the respective total risk exposure.

In this regard, at the date of the approval of this prospectus the following countercyclical buffer rates above 0.00% apply to RCB on the total risk exposure in other EU jurisdictions: 0.001%. According to the BWG (and therefore in the case of RCB), in general, the higher of such capital buffer rates at any given time applies.

As a result, the combined buffer requirement for RCB is the total CET 1 capital required to meet the capital conservation buffer extended by an institution-specific countercyclical buffer, an O-SII buffer and a systemic buffer (in each case, on an individual and on a consolidated level).

On 23 November 2016, the European Commission published a proposal for a European Directive amending the CRD IV. The proposed amendments, inter alia, are intended to clarify the conditions for the application of Pillar 2 capital add-ons stemming from the CRD IV (Article 104(1)(a) CRD IV), distinguishing between:

- o Pillar 2 capital requirements that are mandatory and imposed by supervisors to address risks not covered or not sufficiently covered by Pillar 1 and buffer capital requirements; and
- o Pillar 2 capital guidance that refers to the possibility of competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of Pillar 1 capital requirement, Pillar 2 capital requirements and combined buffer requirements in order to cope with forward looking and remote situations.

The proposal furthermore clarifies that the use of Pillar 2 capital add-ons are institution-specific measures that should be used to address specific situations, but not to deal with macro-prudential or systemic risks. It further provides that Pillar 2 capital add-ons should be confined to a purely micro-prudential perspective.

- *BCBS’ Reviews of Banking Regulatory Framework.*

As part of its continuous effort to enhance the banking regulatory framework, the Basel Committee of Banking Supervision (“**BCBS**”) has reviewed different aspects and approaches

under the Basel III framework. In this regard, on 7 December 2017, the BCBS announced to have finalised the Basel III framework reforms. A key objective of the revisions incorporated into the framework is to reduce excessive variability of RWA which will help restoring credibility in the calculation of RWA by: (i) enhancing the robustness and risk sensitivity of the standardised approaches for credit risk and operational risk, which will facilitate the comparability of credit institutions' capital ratios; (ii) constraining the use of internally modelled approaches; and (iii) complementing the risk-weighted capital ratio with a finalised leverage ratio and a revised and robust capital floor. The revised standards will take effect from 1 January 2022 (which will constitute both the implementation and regulatory reporting date for the revised framework) – parts of the reform including the output floor, will be phased in over a period of five years commencing in 2022. As the agreed standards constitute minimum standards, jurisdictions may elect to adopt more conservative standards. Accordingly, the implementation of the amendments to the Basel III framework within the European Union may go beyond the Basel standards and provide for European specificities. Moreover, jurisdictions will be considered compliant with the Basel III framework if they do not implement any of the internally modelled approaches and instead implement the standardised approaches. In addition, BCBS also announced that a high-level task force set up to review the regulatory treatment of sovereign exposures in the Basel III framework and to recommend potential policy options has not reached a consensus at this stage to make any changes to the treatment of sovereign exposures, but for the time being only has published a discussion paper. Therefore, currently no firm conclusions regarding the impact on the future capital requirements and their impact on the capital requirements for RCB can be made.

- Increased regulation and public sector influence.

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the European Union and Austria have provided additional capital and funding facilities to financial institutions and are implementing other measures including increased regulatory control in their respective banking sectors including additional capital requirements. Where the public domain invests directly in a financial institution, it is possible that it will also interfere with that institution's business decisions. It is uncertain how the more rigorous regulatory climate will impact financial institutions including Raiffeisen Centrobank and it may in fact significantly negatively affect Raiffeisen Centrobank's business and results of operations and could reduce its ability to fulfil its obligations under the Securities.

Additional, stricter and/or new regulatory requirements may be adopted in the future, and the existing regulatory environment in many markets in which RCB and the RBI Group operate continues to evolve. The substance and scope of any such (new or amended) laws and regulations as well as the manner in which they are (or will be) adopted, enforced or interpreted may increase RBI Group's financing costs and could have an adverse effect on RCB and RBI Group's business, financial condition, results of operations and prospects.

In addition to complying with capital requirements on a consolidated basis of RBI Group, the Issuer itself is also subject to capital requirements on an unconsolidated basis. Furthermore, members of RBI Group which are subject to local supervision in their country of incorporation are, on an unconsolidated and/or on a (sub-)consolidated basis, also required to comply with applicable local regulatory capital requirements. It is therefore possible that individual entities within RBI Group or sub-groups require additional capital, even though the own funds of RBI Group on a consolidated basis are sufficient.

Legislative and/or regulatory changes in the current definitions of what is deemed to qualify as own funds could reduce RCB's and RBI Group's eligible capital and/or require reducing the risk weighted assets ("RWA") of RCB on an individual and RBI Group on a consolidated basis. There can be no assurance that, in the event of any further changes of the applicable rules, adequate grandfathering or transition periods will be implemented to allow RCB and/or RBI Group to repay or replace such derecognised capital instruments in a timely fashion or on favourable terms. RCB and/or RBI Group may therefore need to obtain additional capital in the future which may not be available on attractive terms or at all.

Further, any such regulatory development may expose RCB and/or RBI Group to additional costs and liabilities which may require RCB and/or RBI Group to change how to conduct their business or otherwise have a negative impact on their business, the offered products and services as well as the value of their assets. There can be no assurance that RCB and/or RBI Group would be able to increase their eligible capital (respectively, their capital ratios) sufficiently or on time. If RCB and/or RBI Group are unable to increase their capital ratios sufficiently and/or comply with (other) regulatory requirements, their credit ratings may drop and their cost of funding may increase, and/or the competent authorities may impose fines, penalties or other regulatory measures. The occurrence of all such consequences could have a material adverse effect on RCB's and/or RBI Group's business, financial condition and results of operations.

**Risk of changes in the tax framework, in particular regarding bank tax and the introduction of a financial transaction tax.**

The future development of the Issuer's assets, financial and profit position, *inter alia*, depends on the tax framework. Every future change in legislation, case law and the tax authorities' administrative practice may negatively impact on the Issuer's assets, financial and profit position.

The Issuer is subject to bank tax (*Stabilitätsabgabe*) pursuant to the Austrian Bank Tax Act (*Stabilitätsabgabegesetz*). The tax basis is the average unconsolidated balance sheet total. It is reduced, *inter alia*, by secured deposits, subscribed capital and reserves, certain liabilities of credit institutions that are being wound up or that are being restructured, certain export finance related liabilities for which the Republic of Austria has posted guarantees and certain liabilities resulting from the holding of assets on trust. The tax rate is 0.024% for that part of the tax basis exceeding EUR 300 million but not exceeding EUR 20 billion and 0.029% for that part exceeding EUR 20 billion. However, the bank tax must neither exceed certain statutorily defined limits (*Zumutbarkeitsgrenze* and *Belastungsobergrenze*) nor undercut a minimum amount. In addition, a special payment of 0.211% for that part of the tax basis exceeding EUR 300 million but not exceeding EUR 20 billion and of 0.258% for that part exceeding EUR 20 billion shall be paid generally in four instalments in the first quarters of the years 2017 to 2020.

Pursuant to the proposal by the European Commission for a “Council Directive implementing enhanced cooperation in the area of financial transaction tax” eleven EU Member States, i.e. Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, the Slovak Republic, Slovenia and Spain (“**Participating Member States**”) shall charge a financial transaction tax (“**FTT**”) on financial transactions as defined if at least one party to the transaction is established in the territory of a Participating Member State and a financial institution established in the territory of a Participating Member State is party to the transaction, acting either for its own account or for the account of another person, or is acting in the name of a party to the transaction (residency principle). In addition, the proposal contains rules pursuant to which a financial institution and, respectively, a person which is not a financial institution are deemed to be established in the territory of a Participating Member State if they are parties to a financial transaction in certain instruments issued within the territory of that Participating Member State (issuance principle). According to a publication by the Council of the European Union dated 8 December 2015, shares and derivatives shall be taxed initially. All Participating Member States except for Estonia have agreed on main features of the tax base, but not on the respective tax rates. It is unclear whether an FTT will be introduced at all. The FTT as proposed by the European Commission has a very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. If an FTT is introduced, due to higher costs for investors there is a risk that it would result in fewer transactions taking place, thereby negatively affecting the earnings of the Issuer. Prospective holders of the Securities are advised to seek their own professional advice in relation to FTT.

**Raiffeisen Centrobank's business model is dependent on its diversified and competitive mix of products and services. Competitive pressures in the financial services industry could adversely affect Raiffeisen Centrobank's business and results of operations.**

*Diversified and competitive mix of products and services*

Raiffeisen Centrobank's business model is based on a diversified mix of businesses that provides a broad range of financial products and services, delivered through multiple distribution channels. Raiffeisen Centrobank's performance depends, in part, on its ability to adapt its products and services to evolving industry standards. There is increasing pressure by competition to provide products and services at lower prices. This can reduce Raiffeisen Centrobank's net interest margin and revenues from its fee-based products and services.

In addition, the widespread adoption of new technologies, including internet services, could require Raiffeisen Centrobank to incur substantial expenditures to modify or adapt its existing products and services. Raiffeisen Centrobank might not be successful in developing and introducing new products and services, responding or adapting to changes in consumer spending and saving habits, achieving market acceptance of its products and services, or developing and maintaining loyal customers.

Any failure of Raiffeisen Centrobank in adapting its products and services to evolving industry standards and/or in developing and introducing new products and services, responding or adapting to changes in consumer habits could have material negative effect on Raiffeisen Centrobank's business, and financial position and results of operations and could thus, limit its ability to fulfil its obligations under the Securities.

#### *Adversely affected business and results of operations due to competitive pressures*

Raiffeisen Centrobank operates in a highly competitive environment. In business dealings with corporate customers, particularly in the area of investments banking, the Issuer is active in the same market as a number of foreign competitors, which have considerably expanded their presence in the markets which are relevant for the Issuer in the past years. Furthermore, substantial consolidation among companies in the financial services industry took place, and this trend accelerated due to the financial crises in the recent years together with increased regulatory demands and has led to numerous mergers and asset acquisitions among industry participants and in certain cases to reorganisation, restructuring, or even bankruptcy. This trend also has hastened the globalisation of the securities and financial services markets. Raiffeisen Centrobank will continue to experience intensified competition as continued consolidation in the financial services industry in connection with current market conditions may produce larger and better capitalised companies that are capable of offering a wider array of financial products and services at more competitive prices. To the extent Raiffeisen Centrobank expands into new business areas and new geographic regions, it may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect its ability to compete. In addition, technological advances and the growth of e-commerce have made it possible for financial institutions to compete with technology companies in providing electronic and internet-based financial solutions. As a consequence of this intense competition, it is frequently not possible to obtain reasonable margins in some areas of business and some business must compensate other low-margin or no-margin business in other areas.

Increased competition may affect Raiffeisen Centrobank's results of operations by creating pressure to lower prices on its products and services and reducing market share and could thus limit Raiffeisen Centrobank's ability to service payments under Securities issued under the Programme and potentially adversely affect the market value of such Securities.

**The results of Raiffeisen Centrobank's operations are significantly impacted by Raiffeisen Centrobank's ability to identify and manage risks. Raiffeisen Centrobank's operations have inherent reputational risk. In addition there is a risk of potential conflicts of interest of members of the administrative, managing and supervisory bodies of Raiffeisen Centrobank.**

#### *Ability to identify and manage risks*

Raiffeisen Centrobank's risk monitoring and risk mitigation techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Accordingly, Raiffeisen Centrobank's ability to identify and manage risks it is facing is an important factor and if Raiffeisen Centrobank fails to do so, that can significantly

negatively impact Raiffeisen Centrobank's results and limit its ability to fulfil its obligations under the Securities.

#### ***Inherent reputational risk***

Raiffeisen Centrobank's ability to attract and retain customers and employees could be adversely affected to the extent its reputation is damaged. Raiffeisen Centrobank's actual or perceived failure to address various issues could give rise to reputational risk that could cause harm to Raiffeisen Centrobank and its business prospects. These issues include, but are not limited to, appropriately addressing potential conflicts of interest; legal and regulatory requirements; ethical issues; money-laundering; privacy; properly maintaining customer and associate personal information; record keeping; sales and trading practices; and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in Raiffeisen Centrobank's products. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions, reputational harm and legal risks, which could among other things increase the size and number of litigation claims and damages asserted or subject Raiffeisen Centrobank to enforcement actions, fines and penalties and cause Raiffeisen Centrobank to incur related costs and expenses which could, in turn, reduce the Issuer's ability to service payments under the Securities.

#### ***Potential conflicts of interest***

Certain members of the administrative, managing and supervisory bodies of Raiffeisen Centrobank are also members of administrative, managing and supervisory bodies of other entities within the RBI Group or have other functions in these entities. Accordingly, conflicts of interests between the duties of such members of administrative, managing and supervisory bodies vis-à-vis the Issuer and their duties vis-à-vis other entities cannot be excluded.

If members of the administrative, managing and supervisory bodies of the Issuer have such conflicts of interests they may make decisions which are detrimental to Raiffeisen Centrobank which could have a material adverse effect on Raiffeisen Centrobank and could reduce its ability to service payments under the Securities.

### **GENERAL RISKS RELATING TO THE SECURITIES**

**As market prices of the Securities depend on various factors (like e.g. market expectations, credit ratings and foreign exchange or interest rates) there is the risk that they may be significantly lower than the purchase price, and there is no guarantee that tradable market prices will be available at all times during the term of the Securities.**

***There can be no assurance that a liquid secondary market for the Securities will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Securities at fair market prices (liquidity risk).***

Securities issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Securities are traded after their initial issuance, they may trade below their initial offering price, depending *inter alia* on prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

There is no assurance that applications which may be made for the Securities issued under the Programme to be admitted to listing on any stock exchange - or admitted to trading on any market - within the European Economic Area or any other stock exchange will be accepted, that any particular Series of Securities will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Series of Securities.

As a consequence, the Issuer can give no assurance that a holder of a Security will be able to sell its Securities prior to their maturity (if any) at all or at fair prices.

***The market value of the Securities is dependent on various factors and may be significantly lower than the purchase price.***

The market value of the Securities will be affected by the creditworthiness of the Issuer and certain additional factors, including, the price of the Underlyings. The price of the Underlyings will again be dependent *inter alia* on the volatility of such Underlyings and further factors like possible returns of the Underlying (for example if the underlying is an index, basket or fund, the dividend or return on the securities comprised in the relevant Underlying). The market price of the Securities will further be affected by market interest and yield rates and the remaining tenor of the Securities. The price of the Securities and any Underlyings to which the Securities are linked further depends on a number of correlating factors, including economic, financial and political events such as factors affecting capital markets generally and the stock exchanges on which the Securities and, as the case may be, the Underlyings, to which the Securities are linked, are traded. The price at which a holder of a Security will be able to sell the Securities prior to maturity (if at all) may be (substantially) below the issue price or the purchase price paid by such purchaser. The historical market prices of the Underlyings should not be taken as a reliable indication of their future performance. Furthermore, also historical interest rates and correlation details which applied in the past cannot be taken into account regarding its future performance.

If an investor decides to sell the Securities prior to their maturity (if this is possible at all) such investor may receive a significantly lower amount of money than such investor has invested in the Securities.

***Exchange rates may affect the value of the Securities or the Underlying(s).***

Prospective investors in the Securities should be aware that their investment may involve exchange rate risks. The Securities may be denominated in a currency other than the currency in which the Investor seeks to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are *inter alia* affected by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities or the underlying(s).

In the case that an investor purchases Securities denominated in another currency than the currency in which he requires funds such investor bears the risk of any unfavourable development in the value of the currency in which he requires funds against the currency in which the respective Securities are denominated. Any Securityholder is exposed to the risk of negative impacts that changes in currency rates may have on Securities.

***There is a risk that trading in the Securities and/or Underlyings will be suspended, interrupted or terminated.***

If Securities are listed on one (or more) markets (which may be regulated or unregulated), the listing of such Securities may – depending *inter alia* on the rules applicable to such stock exchange and applicable law - be suspended or interrupted by the respective stock exchange or a competent regulatory authority upon the occurrence of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the market or generally if deemed required in order to secure a functioning market or to safeguard the interests of investors. Furthermore, trading in the Securities may be terminated, either upon decision of the market, a regulatory authority or upon application by the Issuer. Where trading in an Underlying of the Securities is suspended, interrupted or terminated, trading in the respective Securities will usually also be suspended, interrupted or terminated and existing orders for the sale or purchase of such Securities will usually be cancelled. Investors should note that the Issuer has no influence on trading suspension or interruptions (other than where trading in the Securities is terminated upon the Issuer's decision) and that investors must bear the risks connected therewith. In particular, investors may not be able to sell their Securities where trading is suspended, interrupted or terminated, and the market quotations of such Securities may not adequately reflect the value of such Securities. Furthermore, a trading suspension, interruption or termination of Underlyings of the Securities may cause a suspension, interruption or termination of trading in the Securities and may as well result in an artificial or wrong valuation of the Securities. Finally, investors should note that even if trading in Securities or Underlyings is suspended, interrupted or terminated, such measures may neither be sufficient nor adequate nor in time to prevent disruptions of the market price or to safeguard the investors' interests;



for example, where trading in Securities is suspended after price-sensitive information relating to such Securities has been published, the market price of such Securities may already have been adversely affected. All these risks could have a material adverse effect on the investors.

***Hedging transactions concluded by the Issuer may influence the price of the Securities.***

In order to partially or fully hedge itself against financial risks associated with the Securities, the Issuer may trade the Underlyings of the Securities on any exchange, any public or non-public trading platform or directly with any other financial institution (over-the-counter).

These hedging activities may influence the market price of the Underlyings and therefore also the market value of the Securities, any related payments and/or any deliveries to be received by the Securityholders.

The Issuer has no obligation to notify the Securityholders about such hedging activities.

The Securityholders are therefore required to keep themselves informed about the development of the market prices of the Underlyings as they are exposed to the risk that the market values of their Securities develop negatively due to the hedging activities of the Issuer in the Underlyings.

***The Issuer is not prohibited from issuing further debt instruments or incurring further liabilities.***

The Terms and Conditions of the Securities place no restriction on the amount of debt that the Issuer may issue, incur and/or guarantee. Furthermore, the Issuer is not obliged to inform Securityholders about issuing, incurring or guaranteeing further debt. Issuing, incurring or guaranteeing further debt may have a negative impact on the market price of the Securities and the Issuer's ability to meet all obligations under the issued Securities and may also reduce the amount recoverable by Securityholders upon the Issuer's insolvency. If the Issuer's financial situation were to deteriorate, the Securityholders could suffer direct and materially adverse consequences, including, in case of the Issuer's liquidation, loss of their entire investment. All these factors may have a negative impact on the Securityholders.

***Securityholders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Securities.***

A credit spread is the margin payable by the issuer to the holder of a debt instrument (like the Securities) as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Securities and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Securityholders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Securities.

***As no conclusion may be drawn from the indicated Aggregate Principal Amount or Number of Units in case where the Aggregate Principal Amount or Number of Units is specified in the Final Terms as "up to", investors are exposed to the risk of not being able to estimate the actual volume of the issue and thus the possible liquidity of the Securities.***

In case of Securities offered and issued as tap issues ("up to" Securities) the indicated aggregate principal amount or number of units of such "up to" Securities as set out in the relevant Final Terms will represent the maximum issue volume of such "up to" Securities to be offered. The actual volume issued, however, may be lower than the maximum issue volume and may vary during the life of the "up to" Securities depending in particular on the demand for the "up to" Securities offered. No conclusion may therefore be drawn from the indicated aggregate principal amount or number of units of "up to" Securities offered and issued as tap issues with regard as to the liquidity of the "up to" Securities in the secondary market.

**Investors are exposed to the risk that payments in connection with the securities which fall due in addition to the direct acquisition costs of the Securities (like e.g. transaction or financing costs, loan instalments or taxes) may significantly lower the achievable yield of the Securities.**

***Securityholders may be required to pay taxes or other documentary charges or duties.***

Prospective purchasers and sellers of Securities should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred to or held or other jurisdictions. In some jurisdictions, no official statements, rulings and/or guidelines of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities may be. Potential investors are advised not to rely on the tax summary contained in this document but to ask for their own tax advisers' advice on their individual taxation with respect to the acquisition, sale or redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the prospective investor.

Taxes or other documentary charges or duties triggered by the holding of or any transaction related to the Securities may have to be borne by investors and could have material negative impacts on any earnings Securityholders may receive in connection with the Securities or could even make such earnings become negative.

***Financing the purchase of Securities by loan or credit significantly increases the volume of potential losses.***

If a prospective investor in the Securities decides to finance the purchase of Securities through funds borrowed from a third party, it should make sure in advance that it can still continue to service the interest and principal payments on the loan or credit in the event of a loss in connections with the Securities. It should not rely on gains or profits from the investment in the Securities which could enable it to repay interest and principal of the loans when due and payable. Investors financing the acquisition of any Securities by loan or credit must bear in mind that in the event they do not receive payments under the Securities for whatsoever reasons such investors will still be required to pay interest on and repay the principal of the loan or credit. Thus, the volume of any loss suffered in connection with the Securities can be significant higher than if the acquisition of such Securities would be financed by own funds.

***Transaction costs related in particular to the purchase and sale of the Securities have a significant impact on the profit potential of the Securities.***

Commissions and other transaction costs which may be incurred in connection with the purchase and/or sale of the Securities may, in particular in combination with a low invested amount, lead to cost burdens which may substantially reduce any potential profit connected with such Security down to zero (total loss). It is therefore recommended that prior to the sale or purchase of a Security, an investor should keep itself informed of all costs connected with such investment.

If an investor fails to obtain information on transaction costs or to properly include such information in his investment considerations, this may lead to significant lower profit potentials of the Securities or render them even worthless.

***Securityholders should note that the applicable tax regime may change to the disadvantage of the Securityholders and therefore, the tax impact of an investment in the Securities should be carefully considered.***

Payments on Securities, or profits realised by a Securityholder upon the sale or repayment of Securities, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. Prospective investors should contact their own tax advisors for advice on the tax impact of an investment in the Securities. Furthermore, the applicable tax regime may change to the disadvantage of the investors in the future.

*Any redemption or interest payment of the Securities to Securityholders that (i) fail to comply with tax certifications or identification requirements relevant to FATCA (including providing a waiver of any laws prohibiting the disclosure of such information to a taxing authority) or (ii) are financial institutions that fail to comply with the FATCA or any analogous provisions of non-U.S. laws, including any voluntary agreements entered into with a taxing authority pursuant thereto, may be subject to a withholding tax of 30 percent.*

Sections 1471 through 1474 of the United States Internal Revenue Code 1986 (the “Code”), its accompanying U.S. Treasury Regulations §§ 1.1471 through 1.1474, any agreement entered into by a Foreign Financial Institution with the United States Internal Revenue Service (the “IRS”) pursuant to such sections of the Code (“**FFI-Agreement**”), or an intergovernmental agreement (“**IGA**”) between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-U.S. laws implementing such an intergovernmental agreement) (referred to as the Foreign Account Tax Compliance Act – FATCA) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a foreign financial institution or “**FFI**”, as defined by FATCA) that does not become a “**Participating FFI**” by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors, unless otherwise exempt from or deemed to be in compliance with FATCA, or, where applicable, the FFI complies with any local laws enacted in respect of an intergovernmental agreement with the United States and (ii) any investor that – unless otherwise exempted – does not provide certain tax certifications or ownership information, or, if applicable, a waiver of any laws prohibiting disclosure of such information to a taxing authority (a “**Recalcitrant Holder**”). There can be no assurances that the Issuer, a financial intermediary, or the Securities will not be subject to the requirements imposed under FATCA.

Withholding under FATCA will be phased in beginning 1 July, 2014 for “withholdable payments”, i.e. certain payments from sources within the United States as defined by FATCA, and will apply to “foreign passthru payments” no earlier than 1 January, 2019 or the date of publication in the U.S. Federal Register of final regulations defining the term “foreign passthru payments”.

The United States have negotiated several intergovernmental agreements (each, an “**IGA**”) with other jurisdictions, including Austria, to facilitate the implementation of FATCA. Under the terms of the IGA with Austria (the “**Austrian IGA**”), an Austrian FFI is required to register with the IRS and agree to comply with the terms of FATCA, as modified by the Austrian IGA. The requirements applicable to the Issuer and Securityholders to achieve FATCA compliance under the Austrian IGA may therefore differ in some respects from those described herein.

As at the date of this Base Prospectus, the Issuer has registered with the IRS and certified its status as a “Participating Financial Institution not covered by an IGA or a Reporting Financial Institution under a Model 2 IGA (Reporting Model 2 FFI)” and has received “28CWN4.00013.ME.040” as Global Intermediary Identification Number (GIIN).

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

In the event that the Issuer or an intermediary is required to deduct a withholding tax on payments on Securities in compliance with FATCA, no additional amounts will be payable to the Securityholder of a Security under the Terms and Conditions of the Securities in order to compensate for the withheld amount.

FATCA is particularly complex and the full extent of its application to the Issuer, intermediaries and the Securities is uncertain. The Issuer's ability to avoid the withholding taxes under FATCA may not be within its control. In addition, there can be no assurance that payments on a Security will not be subject to withholding under FATCA. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to change or may be implemented in a materially different form. Accordingly, potential investors should consult their own tax advisers about how FATCA may affect an investment in the Securities.

The following notice (IRS Circular 230 notice) is based on U.S. Treasury Regulations governing Practice before the U.S. Internal Revenue Service: (i) any U.S. federal tax discussion contained herein is not intended or written to be used, and cannot be used by any taxpayer for the purpose of avoiding U.S. federal tax penalties that may be imposed on the taxpayer; (ii) any such advice is written to support the promotion or marketing of the transactions described herein; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

**The interpretation, adoption or change of laws, regulations or regulatory policies may have a significant negative impact on the Securities or the Securityholders.**

***The legality of the purchase of Securities is not guaranteed.***

The Issuer does not assume any responsibility vis-à-vis any prospective investor for the legality of the acquisition of any Securities, whether under the laws of the jurisdiction of the investor's incorporation or residence or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. Accordingly, each prospective investor is required in its sole responsibility to gather information on any applicable laws, regulations and regulatory policies which could restrict the legality of the acquisition of the Securities.

In the case that an investment in the Securities is illegal for any investor such investor could suffer material adverse effects, including, but not limited to, criminal sanctions or embargoes and the purchase of the Securities being null and void. In this case the investor is not entitled to claim the Issuer for any damages and must carry these sanctions itself.

***An Austrian court can appoint a trustee (Kurator) for the Securities to exercise the rights and represent the interests of Securityholders on their behalf in which case the ability of Securityholders to pursue their rights under the Securities individually may be limited.***

Pursuant to the Austrian Notes Trustee Act (*Kuratorenengesetz*), a trustee (*Kurator*) can be appointed by an Austrian court upon the request of any interested party (e.g. a Securityholder) or upon the initiative of the competent court, for the purposes of representing the common interests of the Securityholders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the terms and conditions of the Securities or changes relating to the Issuer, or under other similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Securityholders and will be entitled to make statements on their behalf which shall be binding on all Securityholders. Where a trustee represents the interests and exercises the rights of Securityholders, this may conflict with or otherwise adversely affect the interests of individual or all Securityholders.

***The Securities are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Securities and the Securityholders.***

The Terms and Conditions of the Securities are governed by Austrian law. Securityholders should thus note that the governing law may not be the law of their own home jurisdiction and that the law applicable to the Securities may not provide them with similar protection as their own law. Furthermore, no assurance can be given as to the impact of any possible judicial decision or change to Austrian law, or administrative practice after the date of this Base Prospectus.

***The Securities may be subject to write down or conversion to equity upon the occurrence of a certain trigger event, which may result in Securityholders losing some or all of their investment in the Securities (statutory loss absorption).***

The stated aim of the SRM is to provide relevant resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers provided to such resolution authorities include write down and conversion powers which may be used prior to or on entry into resolution to ensure that, *inter alia*, relevant capital instruments fully absorb losses at the point of non-viability (defined below) of the issuing institution and/or the group. The relevant resolution authority may also apply the bail-in tool in resolution with the objective of restoring the capital of the failing institution to enable it to continue to operate as a going concern.

Accordingly, resolution authorities will be required to order the write down of such capital instruments on a permanent basis, or convert them into Common Equity Tier 1 items (“**CET 1**”) (such as ordinary shares or other instruments of ownership), at the point of non-viability and before any resolution tool other than the bail-in tool is made use of (statutory loss absorption). Resolution authorities shall exercise the write-down or conversion in relation to statutory loss absorption in a way that results in: (i) CET 1 items being reduced first in proportion to the relevant losses; and (ii) thereafter, if CET 1 is not sufficient to cover the relevant losses, the principal amount of Additional Tier 1 instruments (“**AT 1**”) being reduced or converted to cover the relevant losses and recapitalise the institution; and (iii) thereafter, if CET 1 and AT 1 are not sufficient, the principal amount of Tier 2 instruments (“**Tier 2**”) being reduced or converted; and in case of a bail-in tool also; (iv) thereafter, if CET 1, AT 1 and Tier 2 are not sufficient to cover the relevant losses and recapitalise the institution, other subordinated debt (in accordance with the hierarchy of claims in the normal insolvency proceedings); and (v) if still insufficient, the rest of eligible liabilities including certain senior debt (such as the Securities may be) (in accordance with the hierarchy of claims in the normal insolvency proceedings) being reduced down to zero on a permanent basis or converted. When the bail-in tool is applied for the purpose of restoring the capital of the institution, write-down or conversion of non-equity instruments into CET 1 items is to be made in the same order.

For the purposes of statutory loss absorption, the point of non-viability is the point at which the following conditions are met:

1. the competent authority or the resolution authority determines that the institution is failing or likely to fail, i.e.:
  - (a) the conditions for the withdrawal of the authorisation by the competent authority are met or there are objective elements to support a determination that this will be the case in the near future, including but not limited to because the institution has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
  - (b) the assets of the institution are or there are objective elements to support a determination that the assets of the institution will, in the near future, be less than its liabilities;
  - (c) the institution is or there are objective elements to support a determination that the institution will, in the near future, be unable to pay its debts or other liabilities as they fall due;
  - (d) extraordinary public financial support is required except when the extraordinary public financial support takes certain forms in order to remedy a serious disturbance in the economy of a Member State and preserve financial stability; and
2. having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and
3. in case of the application of the bail-in tool, a resolution action is necessary in the public interest; or
4. in case of exercising the power to write down or conversion of capital instruments, a group shall be deemed to be failing or likely to fail where the group infringes, or there are objective elements to support a determination that the group, in the near future, will infringe, its consolidated prudential requirements in a way that would justify action by the competent authority including but not limited to because the group has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds.

Any write-down or conversion of all or part of the principal amount of any instrument, including accrued but unpaid interest in respect thereof, in accordance with the bail-in tool or the write-down and conversion powers would not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down or converted would be irrevocably lost and the holders of

such instruments would cease to have any claims thereunder, regardless whether or not the institution's financial position is restored.

Hence, the Securities may be subject to write down or conversion into CET 1 upon the occurrence of the relevant trigger event (either in case of a resolution of the Issuer on an individual basis and/or in case of a group resolution), which may result in Securityholders losing some or all of their investment in the Securities. The exercise of any such power is highly unpredictable and any suggestion or anticipation of such exercise could materially adversely affect the market price of the Securities.

Apart from potentially being subject to resolution tools and powers as set out above, the Issuer may also be subject to national insolvency proceedings.

***The Issuer may be subject to resolution powers which may also have a negative impact on the Securities.***

Provided that the Issuer meets the applicable conditions for resolution, the resolution authority has certain resolution powers which it may exercise either individually or in any combination together with or in preparation of applying a resolution instrument. Such resolution powers in particular include:

the power to transfer liabilities of the Issuer to another entity;

the power to reduce, including to reduce to zero, the nominal value of or outstanding amount due in respect of eligible liabilities of the Issuer;

the power to convert eligible liabilities of the Issuer into ordinary shares or other instruments of ownership of the Issuer, a relevant parent institution or a bridge institution to which assets, rights or liabilities of the Issuer are transferred;

the power to cancel debt instruments issued by the Issuer;

the power to require the Issuer a relevant parent institution to issue new shares or other instruments of ownership or other capital instruments, including preference shares and continent convertible instruments; and/or

the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by the Issuer or the amount of interest payable under such debt instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

The exercise of such resolution powers could have a negative impact on the Issuer and/or the Securities.

***In an Issuer's insolvency, deposits have a higher ranking than their claims under the Securities.***

Pursuant to § 131 BaSAG, which implements Article 108 BRRD in Austria, the following insolvency hierarchy for deposits applies in insolvency proceedings opened in relation to the Issuer:

The following claims have the same ranking, which is higher than the ranking of the claims of ordinary unsecured, non-preferred creditors: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in Article 6 of DGSD; and (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU.

The following claims have the same priority ranking, which is higher than the ranking of claims provided for under point (a) above: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency.

Therefore, Securityholders should bear in mind that in case of insolvency proceedings opened in relation to the Issuer and in any comparable proceedings (such as resolution proceedings pursuant to the BaSAG), their claims will be junior to the claims listed above in points (a) and (b), and that therefore they will only receive payment of their claims if and to the extent that such claims listed above in points (a) and (b) have been discharged in full.

**Payments under the Securities may depend on complex conditions and/or rules, and therefore the Securities may require knowledge of similar products or financial experience from the potential investor, and/or he/she has to obtain financial advice.**

*The Securities may not be a suitable investment for investors if they do not have sufficient knowledge and/or experience in the financial markets and/or access to information and/or financial resources and liquidity to bear all the risks of an investment and/or a thorough understanding of the terms and conditions of the Securities and/or the ability to evaluate possible scenarios for interest and foreign exchange rates, asset prices and other economic and non-economic factors that may affect their investment.*

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- 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 Base Prospectus or any applicable supplement hereto;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all the risks of an investment in the Securities;
- understand thoroughly the terms and conditions of the Securities and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, Underlyings and other factors that may affect its investment and its ability to bear the applicable risks.

***Prospective investors are required to obtain independent review and advice.***

Each prospective holder of Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the substantial risks inherent in investing in or holding the Securities. A prospective investor may not rely on the Issuer or any of its affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above.

If a prospective investor fails to obtain proper independent review and advice as to the suitability of an investment in the Securities, such Securityholder must solely bear such risks and any related disadvantages and may not rely on the Issuer.

***Securityholders may not be able to hedge the risks associated with the Securities.***

Other than the Issuer, investors in Securities may not be able to make transactions to preclude or limit risks at all times during the term of the Securities. Their ability to do so will depend on market conditions and the underlying terms and conditions. Furthermore, in certain cases investors may be able to make such transactions only at a market price that is disadvantageous to them, so that a significant loss could be incurred.

***Securities with redemption by physical delivery bear particular risks and may not be suitable for many investors.***

In case of Securities redeemed by physical delivery of a certain quantity of reference assets (each, a “**Reference Asset**”; see Terms and Conditions), the holders of such Securities will instead of a monetary amount receive a right to the respective Reference Assets that is transferable in accordance

with the terms and conditions of the relevant clearing system for the redemption of the Securities. In such a case, as the holders of such Securities will be exposed to the specific issuer and security risks associated with the Reference Assets, the holder of such Securities should exercise their own due diligence with respect to the Reference Assets and their issuers when purchasing the Securities. Furthermore, holders of such Securities should not assume that they will be able to sell the Reference Assets delivered as redemption for the Securities for a specific price, in particular not for a price corresponding to the original investment including any acquisition costs of the Securities. The Reference Assets delivered at redemption of the Securities might have a substantially lower market price or its market price might even be zero. In this case the holder of such Securities would lose its entire (total loss) investment (including the associated transaction costs). Commissions and other transaction costs that, as the case may be, may arise on disposal or redemption of the Reference Assets may – in particular in the case of a low order value – lead to an exceptionally negative effect on the costs and therefore lower the proceeds (if any) from the Reference Assets.

***Open-end Securities (which have no pre-determined maturity) expose Securityholders to the risk that the Issuer may determine a maturity date at a time which is unfavourable for the Securityholders.***

Securities without a specified maturity date (Open-end Securities) give their holder an entitlement to receive the payment of a redemption amount or the delivery of Reference Assets on (i) an exercise date, (ii) a termination date and (iii) a maturity date determined by the Issuer after the issuance of the Securities. No automatic payment of the redemption amount is specified for any date. In order for such payment or delivery to take place, either (i) the holder of such Securities must exercise the Securities (if foreseen by the applicable Terms and Conditions), or (ii) the Issuer must redeem the Securities early upon the occurrence of a specific event (see “risk of early redemption” below) or (iii) the Issuer must determine a maturity date in accordance with the relevant Terms and Conditions. Because the Issuer has a right to determine a maturity date, the term of open-end Securities may still be limited. The Issuer may e.g. determine a maturity date at a time when the price for the Securities in the secondary market is lower than the purchase price paid by the holder of the Security. In that case, there can be no assurance that the price of the Securities will recover before the maturity date.

***In the event that any Securities are redeemed prior to their maturity, a holder of such Securities is exposed to particular additional risks, including the risk that his investment will have a lower than expected yield (risk of early redemption).***

The Issuer may have the right to redeem the Securities prior to their maturity if either (i) the Final Terms indicate that the Issuer has a right to call the Securities prior to maturity on one or several dates determined beforehand, or (ii) the Securities are subject to early redemption upon the occurrence of an event specified in the applicable Terms and Conditions, or (iii) the Terms and Conditions grant the Issuer the right to redeem the Securities in certain extraordinary circumstances.

Where the Final Terms indicate that the Issuer has a right to call the Securities prior to maturity on one or several dates, the Issuer can be expected to exercise such call right if the fair market value of the Securities reaches or exceeds the optional redemption amount on any optional redemption date, i.e. the holder of the Securities may consider the optional redemption amount as maximum market price of the Securities on such date. It should be noted, however, that the Issuer may or may not exercise any optional call right irrespective of the fair market value of the Securities on any optional redemption date.

If the Securities are redeemed by the Issuer due to certain extraordinary circumstances, the redemption will occur at the fair market value. As such circumstances are usually of significant magnitude, it cannot be ruled out that those circumstances negatively affect the fair market value of the Securities. Therefore the Terms and Conditions grant in some situations the Issuer the right to delay such redemption for up to six months if the Issuer expects such negative circumstance to cease and the fair market value to recover to a value more favourable to the investor. Nonetheless, the holder of the Securities may neither rely (i) on the Issuer to delay the redemption nor (ii) that the decision of the Issuer (x) if at all and (y) for how long to delay the redemption will influence the fair market value not to the disadvantage of the holder of the Securities. Therefore the holder of the Securities are exposed to the risk that after the occurrence of certain extraordinary circumstances the Securities will be cancelled, but (i) the relevant redemption will be delayed up to six months and (ii) the circumstances



themselves and/or the decisions of the Issuer materially reduce the fair market value of the Securities potentially even to a total loss of the invested capital.

In any aforementioned case a holder of such Securities is exposed to the risk that due to such early redemption his investment will have a lower yield than possibly expected and the holder of such Securities may only be able to reinvest the redemption proceeds in comparable instruments with a lower yield.

## **GENERAL RISKS OF SECURITIES LINKED TO UNDERLYINGS**

In general, an investment in Securities which are, either directly or inversely, linked to an Underlying (e.g., a share, an index, a commodity, a future, a fund, cash on deposit or a basket of such assets) may entail significant risks not associated with similar investments in a conventional debt security.

Such risks include the risks that the holder of such Security will receive no payments under the Securities at all, or that the resulting yield will be less than that payable on a conventional debt security at the same time and/or that the holder of such Security could lose all or a substantial portion of its investment.

**Securityholders may lose all or a substantial portion of their investment if the price of the relevant Underlying develops unfavourably (risk of substantial or total loss).**

Investors should be aware that the market price of Securities linked to Underlyings may be very volatile (depending on the volatility of the relevant Underlying). Neither the current nor the historical value of the relevant Underlying should be taken as an indication of future performance of such Underlying during the term of any such Security.

Usually the market value of the relevant Underlying is mainly driven by market expectations, but the investors should note that also the application, adoption or change of any applicable law or regulation may have a material adverse effect on the market value of the Underlying and therefore on any amount payable under the Securities. At the date of this Base Prospectus, the European Council's regulation on indices used as benchmarks in financial instruments and financial contracts is already in force, which puts extensive obligations and restrictions on the administrators of certain financial assets (each a "**Benchmark**"). Such obligations and restrictions may increase the costs of administering a Benchmark and therefore encourage its administrator to apply changes to the methodology which could adversely affect the market value of the Benchmark.

As a rule, the market value of a Security is not an exact reflection of the performance of the Underlying because other factors will also influence prices of the Securities, e.g. market expectations and the liquidity of the relevant Underlying, the credit spread of the issuer, etc. In case of Securities being redeemed at a redemption amount linked to an Underlying, where no kind of principal protection element (e.g. by an unconditional minimum redemption amount or a redemption amount equal to the specified denomination of a Security) is provided by the relevant Terms and Conditions investors may lose all (total loss) or a substantial portion of their investment if the market value of the relevant Underlying performs unfavourable.

**Securityholders bear the risk of fluctuations in exchange rates.**

Underlying(s) of the Securities may be denominated in a currency other than the currency of the purchaser's home jurisdiction and/or in a currency other than the currency in which a purchaser seeks to receive funds. If the currency exchange risk remains with the investor in the Securities the investor may incur additional losses. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Underlyings.

**Securityholders are exposed to the risk that the Underlying becomes restricted or unavailable.**

Due to (i) decisions or actions of the provider, administrator or issuer of an Underlying or (ii) the application, adoption or change of any applicable law or regulation, (a) market values of an Underlying or an Underlying itself may become unavailable or (b) the use of or the reference to an Underlying may be restricted or prohibited, both with regard to the Securities. In this case, either (i) the affected Underlying will be replaced or (ii) the Securities will be redeemed early.

At the date of this Base Prospectus, the European Council's regulation on indices used as benchmarks in financial instruments and financial contracts (the "**Benchmark Regulation**") is already in force, which puts extensive obligations and restrictions on the administrators of certain financial assets (each a "**Benchmark**") and prevents certain uses of Benchmarks of unauthorised administrators by other

market participants. Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

The Terms and Conditions of the Securities foresee detailed provisions for the replacement of affected Underlyings or early redemption of the Securities and the section “Replacement plans” on page 127 outline plans on how to determine an appropriate replacement for an affected Underlying. The Securityholders bear (i) the risk of early redemption and (ii) the risk that the Securities with the replacement Underlying perform less favourable than they would have with the original Underlying.

## **RISKS RELATING TO PARTICULAR TYPES OF UNDERLYINGS**

*This section explains several typical risks dependent on the Underlyings to which the Securities may be linked. Investors should be aware that each of the below mentioned factors which may influence the Underlying and accordingly the price of their Securities – dependent on the structure of the relevant Security – may have a significant stronger material adverse effect on the Securities than on the Underlying.*

Particular types of Underlyings carry different risks and investors should be aware that each effect on the Underlying may have an even stronger adverse effect on the Securities.

### **Indices as Underlyings**

An index is a value calculated by the respective index sponsor which reflects the performance of prices and volumes, e.g. of certain shares on a regulated market. Depending on the index, the risks connected with the Security relating thereto may vary, depending on the index components (which may include bonds, shares, warrants, derivatives, real estate or other values) that the index comprises. In certain situations, this may lead to a total loss of the capital invested in Securities.

Securities relating to an index are exposed to the risk of the index composition and calculation method as well as the risk originating from each index component among other risks.

The risk of the index composition comprises the decisions of the index sponsor relating to the selection of the index components and their weighting within the index. Furthermore, the index sponsor may have the right, generally or only in certain circumstances, to adjust the composition of the index and every such adjustment – or even its omission – may be detrimental to the investor, while the investor has no influence on decisions of the index sponsor relating to the index composition or adjustments to it.

The method of calculating the index value has a substantial influence on the value of the index and the index sponsor will calculate the index without consideration of the Issuer and the Securities. Even if the index components perform favourable from the investor's point of view, the value of the index itself may perform adverse, and this may even lead to a total loss of the invested capital.

As the value of an index is derived from the index components, their value is of fundamental importance to the value of the index itself. So, the risk originating from each index component is equal to the risk of such a component itself, and therefore the risk of the index as a whole contains the risk of all the index components which may include the risk of a total loss of the invested capital. Additionally, if index components are priced in another currency than the currency of the index, current exchange rates will be used for the calculation of the index value, which exposes the investor to exchange rate risk.

### **Equity Securities (Shares) as Underlyings**

Equity securities or shares are securities which represent a participation right in a stock corporation that issued the shares (the “**Share Issuer**”). The holder of a share, i.e. the shareholder, participates in the share capital of the Share Issuer and may receive from time to time dividend payments.

Securities relating to a share are exposed to the price and dividend risk of the share as well as the risk of low liquidity among other risks.

Generally, the price of a share depends upon the performance of the stock corporation as well as general economic and political factors and, in addition, irrational factors like e.g. market predictions and speculations.

The amount of dividend payments – if any at all – and their payment dates can change at any time. Dividends, which are not paid out by the Securities to the Securityholders, are usually taken into account by the Issuer for the pricing of the Securities, and changes in the amount or the payment date of dividends may therefore adversely affect the value of the Security. If, on the other hand, dividends are paid out by the Security, the Securityholder cannot trust in receiving regular dividend payments.

Shares trading with low liquidity entail the risk that they may not easily be bought or sold and therefore are prone to increased cost of hedging.

None of the Issuer or any of its respective affiliates makes any representation as to any Share Issuer. Any of such persons may have acquired, or during the term of the Securities may acquire, non-public information with respect to the Share Issuer that is or may be material in the context of the Securities. The issue of the Securities will not create any obligation on the part of any such persons to disclose to the Securityholders or any other party such information (whether or not confidential). Securityholders should therefore bear in mind that it may well be that the Issuer or any of its respective affiliates have more information about the shares underlying the Securities and/or obtain such information earlier than the investors. Therefore, investors have to bear the risk that the Issuer may take actions (e.g. early redemption or exercising any other options for the Issuer under the Securities) with regard to any equity linked Security which are based on better quality of information than the investors have and at an earlier point in time. This preferred position of the Issuer with respect to information of the Securities' underlyings may have negative effects on the Securityholders.

### **Funds as Underlyings**

An investment fund pools the money of its investors and invests it on their behalf in different assets like shares, commodities, bonds, indices or other values. The investment company issuing such funds is then responsible for managing those assets and will assign one or more fund managers to this task. The value of an investment fund is called net asset value and is equal to the value of all assets of the investment fund less the value of its liabilities. The method for calculating this may vary between different funds.

Hedge funds are a special kind of investment funds. They are generally not supervised by regulatory authorities and may invest in a wide range of assets. Usually they are managed much more aggressively than conventional investment funds. Their ability to invest in derivative securities and to short sell assets will typically increase the leverage of the fund.

Securities relating to a fund are exposed to the risk of the fund composition, risk relating to the investment company and the risk originating from each asset contained in the fund among other risks. If the fund shares are traded on an exchange, Securities are also exposed to the price risk of the fund shares as well as the risk of low liquidity. Additional risk is associated with hedge funds.

The risk of the fund composition comprises the decisions of the fund manager relating to the selection of the fund assets and their weighting within the fund. Furthermore, the fund manager will generally adjust the composition of the fund and every such adjustment – or even its omission – may be detrimental to the investor, while the investor has no influence on decisions of the fund manager relating to the fund composition or adjustments to it.

The risk relating to the investment company is similar to the risk an investor in unsecured securities has relating to the issuer of such securities and may include amongst others: market risk, liquidity risk, credit risk, changes in law or regulations, general political risks (doubled issuer risk).

As the net asset value of a fund is derived from its assets, their value is of fundamental importance to the value of the fund itself. So, the risk originating from each fund asset is equal to the risk of that asset itself, and therefore the risk of the fund as a whole contains the risk of all the fund assets which may include the risk of a total loss of the invested capital. Additionally, if fund assets are priced in another currency than the currency of the fund, current exchange rates will be used for the calculation of the net asset value, which exposes the investor to exchange rate risk.

If the fund shares are traded on an exchange, the traded price of such fund shares depends upon the net asset value of the fund as well as general economic and political factors and, in addition, irrational factors like e.g. market predictions and speculations.

Investment fund shares are either not continuously traded at all or, if they are continuously traded on an exchange, might be traded with low liquidity and therefore are prone to increased cost of hedging.

The risk of a **hedge fund** is typically higher, as the net asset value of a hedge fund may be subject to significant volatility and may be affected by, amongst others, lack of diversification of its assets, risks relating to low equity ratios as there are no regulatory limits for the use of debt facilities by hedge funds, risks relating to the availability of skilled management and risks relating to engagements in

future and forward transactions, derivatives, the use of short selling and investments in highly illiquid assets.

An investment in fund-linked Securities may bear similar risks to those associated with a direct investment in the funds which serve as Underlyings to such Securities, and investors should take advice accordingly. In particular, an investor may be exposed to the market risk associated with the investments made by the fund as well as the risk that the management of the fund may act negligently or fraudulently. The performance (positive or negative) of the fund may have a direct impact on the fund-linked Security. In certain cases, an investor may lose all or a substantial part of the invested capital.

### **Commodities**

Commodities like gold, oil, copper, corn, etc. are traded worldwide either as spot trades that must be settled immediately (spot market) or as forward transactions which are settled at a future point in time (futures market).

Securities relating to a commodity are exposed to the price risk of the commodity as well as the risk of low liquidity among other risks. If the Securities are not relating to the spot price of the commodity but instead to a futures contract on that commodity, they bear additional risks (see Futures as Underlying).

Generally, the price of a commodity depends strongly on supply and demand but also on general economic, political and technical factors and, in addition, irrational factors like e.g. market predictions and speculations. Some commodities may also exhibit some kind of seasonality, e.g. natural gas, which may be used for heating, will usually trade higher in winter rather than in summer. Transport costs for commodities in regions where these are needed also affect their prices. Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can influence the prices for commodities which are agricultural products. Commodities are often produced in emerging market countries, with demand stemming from industrialized nations. The political and economic situation of emerging markets is often far less stable than in industrialized nations. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect investor confidence, which can as a consequence influence commodity prices. Armed conflicts can also have impact on the supply and demand for certain commodities. It is also possible for industrialized nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organizations or cartels in order to regulate supply and influence prices.

Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a limited number of market participants active on the commodities markets means that large speculative investments can have negative consequences and may distort prices. Commodities trading with low liquidity entail the risk that they may not easily be bought or sold and therefore are prone to increased cost of hedging.

The risk of these issues is therefore in a false assessment of expected developments for world market prices for the relevant commodities. Fluctuations in the price of the respective commodity may result in a total loss of the capital invested in the commodity linked Securities. Accordingly, an investment in Securities linked to commodities may bear similar risks as a direct commodity investment and investors should take advice accordingly.

### **FX Rates (foreign exchange rates) as Underlyings**

The exchange rate of two currencies defines the rate at which one currency can be exchanged for another.

Securities relating to an exchange rate are exposed to the risk of supply and demand, central bank decisions, macroeconomic effects and political decisions among other risks.

Supply and demand of a currency strongly influence the exchange rate of this currency to another. Supply and demand are mainly driven by transaction demand originating from economic activity, expectations about development of inflation and purchasing power as well as speculations of market participants.

The central bank responsible for a currency may at any time decide to increase or decrease its supply of the respective currency, set minimum or maximum exchange rates to other currencies, peg its currency to another currency, restrict the currencies convertibility or similar actions. Interest rate decisions by the central bank may also influence the exchange rates of its currency.

Exchange rates may be influenced by macroeconomic effects including among others inflation, unemployment, purchasing power, productivity and output of a country.

Political decisions may strongly affect economic situation of a country and therefore influence exchange rates of its currency.

### **Interest Rates as Underlyings**

An interest rate is the rate at which the lender of money will receive interest from the respective borrower. Depending on the characteristics of the debt and its borrower (debt issuer), different interest rates will be demanded by the lenders.

Securities relating to an interest rate are exposed to the risk of supply and demand, changes in creditworthiness of the debt issuer, central bank decisions, macroeconomic effects and political decisions among other risks.

Supply and demand of debt strongly influence its interest rate. Supply and demand are mainly driven by (re)financing needs of debt issuers, market expectations of interest rates and inflation, and creditworthiness of debt issuers.

The interest rate of debt strongly depends on the creditworthiness of the debt issuer. If the debt issuer faces financial or economic difficulties, interest rates may rise sharply. However, if the debt issuer has solid finances, interest rates usually trend lower.

The central bank responsible for a currency may at any time decide to change the prime rate or any related interest rate. These decisions may affect not only government bonds, but also any other debt issued in the respective currency.

Interest rates may be influenced by macroeconomic effects including among others inflation, unemployment, purchasing power, productivity and output of a country.

Political decisions may strongly affect economic situation of a country and therefore influence interest rates of debt issued in its currency.

### **Futures as Underlyings**

Futures (futures contracts) are standardised forward transactions relating to financial instruments (e.g. shares, indices, interest rates or currencies) – so-called financial futures – or to commodities (e.g. gold, oil, copper, corn) – so-called commodities futures. A futures contract represents a contractual obligation to buy or sell a fixed amount of the underlying commodity or financial instrument on a fixed date (delivery date) at an agreed price. Futures contracts are traded on futures exchanges and are, consequently, standardised with respect to contract amount, type, and quality of the futures underlying, as well as delivery locations and dates where applicable.

Securities relating to a futures contract are exposed to the price risk, the risk of the futures contracts underlying as well as the risk of low liquidity among other risks.

The price of a futures contract is usually equal to the spot price of its underlying plus some discount or premium. Generally, the discount or premium depends on interests, dividends, warehouse charges or similar earnings/payments and, in addition, irrational factors like e.g. market predictions and speculations.

The major part of the risk of a futures contract is equal to the risk of its underlying, but additional risk originates from its discount/premium. Especially interest rates, dividend expectations and market predictions may significantly contribute to the overall risk of a futures contract.

Futures trading with low liquidity entail the risk that they may not easily be bought or sold and therefore are prone to increased cost of hedging.

## **Cash on deposit as Underlyings**

Securities relating to cash on deposit are exposed to the risk of changes in interest rates as well as credit risk among other risks.

The interest rate levels on the money and capital markets may fluctuate and cause the value of cash deposits to change. They are strongly affected by public budget policy, the policies of the central bank, the overall economic development and inflation rates, as well as by foreign interest rate levels and exchange rate expectations.

If the cash deposit is held at an entity different to the issuer, the investor is exposed to the credit risk of that entity.

However, the importance of individual factors cannot be directly quantified and may change over time. The change of the underlying interest rates may cause price fluctuations during the term of any such Security, and may result in a loss of part or the whole capital invested by the investor.

## **Baskets as Underlyings**

The value of a basket is calculated by the Issuer and derived from other instruments (the basket components) like shares, commodities, cash, indices or other values. The calculated values of a basket are usually not published by the Issuer on a regular basis but only used as a basis for further calculations with regard to the Securities.

Securities relating to a basket are exposed to the risk of the basket composition, the risk originating from each basket component, the risk of the calculation method, exchange rate risk and the risk of unfavourable basket adjustments among other risks.

The risk of the basket composition comprises the decisions of the basket advisor (either the Issuer itself or an independent Basket Supervisor) relating to the selection of the basket components and their quantities within the basket.

As the value of a basket is derived from the basket components, their value is of fundamental importance to the value of the basket itself. So, the risk originating from each basket component is equal to the risk of such a component itself, and therefore the risk of the basket as a whole contains the risk of all the basket components which may include the risk of a total loss of the invested capital.

### ***Spread Baskets***

Baskets may have a negative quantity assigned to one or more basket components. In such a case the performance of those basket components has a reverse effect on the performance of the basket itself. Furthermore the value of such a basket can become zero or even negative. Spread Baskets therefore carry the additional risk that the value of the basket decreases even if all or the majority of the basket components perform favourable. To avoid doubt: a negative value of a Spread Basket does not imply a negative value of a security linked to such a basket.

### ***Calculation methods***

The method of calculating the basket value has a substantial influence on the value of the basket. Even if the basket components perform favourable from the investor's point of view, the value of the basket itself may perform adverse, and this may even lead to a total loss of the invested capital.

- If the calculation method of a basket is either **best-of** or **worst-of**, the value of the basket as a whole completely depends on the value of a single basket component (e.g. in case of a best-of basket the one which performs best and in case of a worst-of basket, the one which performs worst) and therefore the diversification effect of a basket – which typically reduces the overall-risk – is removed and so the risk of the basket increased.
- If the calculation method of a basket is **cappuccino**, the positive and/or negative contribution of each basket component may be limited by a cap and/or a floor and therefore the value of the basket as a whole is restricted and so the risk of the basket increased.



- If the calculation method of a basket is **value-weighted**, the value of the basket as a whole may depend on the value of just a few or even a single basket component and therefore the diversification effect of a basket – which typically reduces the overall-risk – is removed and so the risk of the basket increased.
- If the calculation method of a basket is either **minimum-deviation** or **maximum-deviation**, the value of the basket as a whole completely depends on the value of a single basket component (e.g. in case of a minimum-deviation basket the one with the smallest relative deviation from its reference level and in case of a maximum-deviation basket, the one with the greatest relative deviation from its reference level) and therefore the diversification effect of a basket – which typically reduces the overall-risk – is removed and so the risk of the basket increased.

### ***Currency conversion***

Special attention should be given to the kind of currency conversion, if basket components are priced in another currency than the currency of the basket.

- If the basket currency is **not** specified as **Quanto**, current exchange rates will be used for the calculation of the basket, which exposes the investor to exchange rate risk (i.e. it could happen that notwithstanding a price development of a basket component in favour of the Securityholder, the effect of such positive price movement could be negative to the investor due to an exchange rate between the basket component currency and the basket currency which is unfavourable to the investor).
- If, on the other hand, the basket currency is specified as **Quanto**, fixed rates will be used for the calculation of the basket, which poses the risk that the actually used (fixed) rates are disadvantageous compared to the current market exchange rates (i.e. the Quanto feature excludes the investor from the possibility to participate in favourable changes in the relevant currency exchange rates).

### ***Adjusted Baskets***

Some baskets may have their composition adjusted on a regular basis. Every such adjustment – or even its omission – may be detrimental to the investor, while the investor has no influence on decisions relating to the adjustments of the basket composition.

- A basket with **Volatility Adjusted** as basket adjustment method always consists of two basket components: one which is intended to have a high volatility (the “**Basket Volatility Component**”) and one which is intended to have a very low volatility (the “**Basket Cash Component**”). The realized volatility of the Basket Volatility Component is determined on a regular basis. Based on the determined realized volatility, the quantity of the components will be adjusted as follows: the higher the determined volatility is, the lower the quantity of the Basket Volatility Component will be set and the higher will be the quantity of the Basket Cash Component. If the determined volatility exceeds a certain limit, the quantity of the Basket Volatility Component might even be reduced to zero. If, on the other hand, the determined volatility is below another certain limit, the quantity of the Basket Cash Component might be reduced to zero. Such basket adjustments ensure that the volatility of the basket itself does not rise above a certain level.

For the definition of volatility see the section headed “PARTICULAR RISKS OF CERTAIN SECURITIES”.

- If the basket adjustment method is **Reinvestment**, distributions (like e.g. dividend payments) of the basket components will be reinvested into the basket either as a separate cash amount, investment in the basket component from which the distribution originates or into the basket as whole. These reinvestments will increase the quantity of one or more basket components and, therefore, increase the value of the basket.
- If the basket adjustment method is **Weighting Reset**, the weighting of each basket component has to be within some specific limits. On certain predetermined dates, the weightings of all basket components are verified and, if necessary, adjusted.

- If the basket adjustment method is **Barrier Event Kick-Out**, one or more basket components will be removed from the basket as soon as the value of the basket reaches a predetermined level and only if the number of basket components is not below a given limit.
- If the basket adjustment method is **Supervised Basket**, the basket supervisor may change on certain predetermined dates the weighting of any basket component and/or replace any basket component with another security of the same underlying type.

## **PARTICULAR RISKS OF CERTAIN SECURITIES**

This section describes these risks of Securities which do not originate from the Issuer (see the section headed “RISKS THAT MAY AFFECT THE ISSUER”) or risks which may be inherent to all kinds of Securities (see the section headed “GENERAL RISKS RELATING TO THE SECURITIES”) or which originate from the fact that Securities might generally be linked to Underlyings (see the section headed “GENERAL RISKS OF SECURITIES LINKED TO UNDERLYINGS”) or from certain kind of Underlying (see the section headed “RISKS RELATING TO PARTICULAR TYPES OF UNDERLYINGS”), but from the structure of the Security itself. For a detailed description of the Securities see section “DESCRIPTION OF THE SECURITIES”.

For a detailed description of the risks of Securities an understanding of the following terms is necessary:

- Volatility is an indicator of the magnitude of price fluctuations. While the historical volatility states, how much a price has fluctuated in the past, the implicit volatility expresses the market expectation of future price fluctuations.
- A Security is called “currency-hedged” or “Quanto” if necessary currency conversions are performed not with current foreign exchange rates but with fixed ratios instead. While this efficiently removes the risk of unfavourable exchange rates it introduces the risk that the fixed ratios are worse than the current foreign exchange rates.
- The leverage effect describes the situation in which a change in price of the underlying leads to a disproportionately higher change in price of the Security. Therefore a relatively small price move in the underlying could lead to a significant loss for the derivative.

**The risks connected with a specific Security must be divided into two categories: (1) the risks prevailing during the term of the Security and (2) the risks at the end of the term of the Security. Furthermore risks may be related to the redemption and to variable interest payments (if any) of the Security.**

All risks during the term of a Security have in common, that they prevent the investor from selling the Security at a price at least equal to the price at which the investor bought the Security. The payout profile – especially a guaranteed amount – is usually only valid on the redemption date(s) and the price of the Security at different, arbitrary dates during the term is typically determined by the issuer, taken several factors into account. Therefore these factors bear the following risks which are the main source of (pricing) risk during the term of a Security and they may include:

- “**Underlying Price Risk**” being the risk originating from the relevant price of the underlying at the valuation dates of the Security. If the price has developed unfavourable, this might result even in a total loss of the invested capital if no minimum redemption amount is specified for the Security.
- “**Interest Rate Risk**” being the risk originating from market interest rates of all currencies involved in the Security and its underlying. Changes in interest rates may have a significant influence on the price of a Security.
- “**Volatility Risk**” being the risk originating from implicit volatility of the underlying which expresses the market expectation of future price fluctuations. Changes in implicit volatility may have a significant influence on the price of a Security.
- “**Exchange Rate Risk**” being the risk originating from foreign exchange rates if the underlying is priced in a different currency than the Security. Even if a relevant price or value needed for the determination of the value of the Security performs favourable in one currency, it might be unfavourable after converted into the needed currency.

- “**Settlement Risk**” being the risk originating from settlement disruptions, which may cause the payment of the coupons, dividends or similar payments to be delayed.
- “**Term Risk**” being the risk originating from the remaining term of the Security. The value of a Security may depreciate only due to time decay.
- “**Leverage Risk**” being the risk originating from the leverage effect.

The redemption of a Security on the redemption date(s) (usually the end of the term) may face the following risks:

- “**Underlying Price Risk**” being the risk originating from the relevant price of the underlying at the valuation dates of the Security. If the price has developed unfavourable, this might result even in a total loss of the invested capital if no minimum redemption amount is specified for the Security.
- “**Exchange Rate Risk**” being the risk originating from foreign exchange rates if the underlying is priced in a different currency than the Security. Even if a relevant price or value needed for the determination of the value of the Security performs favourable in one currency, it might be unfavourable after converted into the needed currency.
- “**Settlement Risk**” being the risk originating from settlement disruptions, which cause the payment of the redemption amount or the delivery of assets to be delayed.
- “**Term Risk**” being the risk originating from the fact, that the investor might be forced to realize a loss at the end of the term.

**Although some Securities may pay out dividends, interests or comparable payments, the investor may not trust that these incomes will offset losses originating from those Securities.**

The below tables set out which of the above mentioned risks apply for certain Securities.

**IMPORTANT NOTICE:** *Please note that with respect to certain Securities the existence of certain risks, particularly the Leverage Risk during the term and the Interest Rate Risk may not be determined in before such Securities are issued as the existence of these risks is dependent on a variety of factors, such as the remaining term of the instrument, the interest rates, the distance from the reference price to any strike, etc. These risks are indicated below as “possible”.*

## **Risks related to the redemption of the Securities**

### **Investment Products: Capital Protection (11)**

*Winner Guarantee Certificates (1100) / Winner Certificates (1100) / Capped Winner Guarantee Certificates (1120) / Capped Winner Certificates (1120) / Step-Up Guarantee Certificates (1199) / Step-Up Certificates (1199) / Step-Down Guarantee Certificates (1199) / Step-Down Certificates (1199) / Range Winner Guarantee Certificates (1199) / Range Winner Certificates (1199)*

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

***Barrier Winner Guarantee Certificates (1130) / Barrier Winner Certificates (1130)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or exceeded, the investor will not be able to profit from the underlying raising above the strike.

***Guarantee Certificates (1140) / Protected Certificates (1140)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	No	No
Interest Rate Risk	Yes	-
Volatility Risk	No	-
Exchange Rate Risk	No	No
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

This Security will always feature variable interest payments.

***Stay-Above Guarantee Certificates (1199) / Stay-Above Certificates (1199)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

If the barrier of this Security is touched or fallen short of, the maximum achievable redemption amount will be reduced.

***Capped Twin-Win Safe Guarantee Certificates (1199) / Capped Twin-Win Safe Certificates (1199)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor will not be able to profit from the underlying falling below the strike.

***Bonus Safe Guarantee Certificates (1199) / Bonus Safe Certificates (1199)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If a barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive the associated bonus amount at the end of the term.

***Express Safe Guarantee Certificates (1199) / Express Safe Certificates (1199) / Reverse Express Safe Guarantee Certificates (1199) / Reverse Express Safe Certificates (1199)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

**Investment Products: Yield Enhancement Products (12)**

***Discount Certificates (1200)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

***Reverse Convertible (1220)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	No	-

***Protected Reverse Convertible (1230)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the nominal amount at the end of the term.

***Capped Bonus Certificates (1250)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the bonus amount at the end of the term.

***Express Certificates (1260)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the security amount at the end of the term.

***Capped Reverse Bonus Certificates (1299)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or exceeded, the investor forfeits its claim to receive at least the bonus amount at the end of the term.

### ***Capped Twin-Win Certificates (1299)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the strike amount at the end of the term.

### ***Inversion Certificates (1299) / Reverse Inversion Certificates (1299)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

## **Investment Products: Participation Products (13)**

### ***Index Certificates (1300) / Participation Certificates (1300)***

For open-end Index Certificates and Participation Certificates the following table applies:

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	If Quanto	-
Volatility Risk	If Quanto	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	No	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

For Index Certificates and Participation Certificates, for which a term was fixed at the start of the issue, the following applies:

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Possible	-
Volatility Risk	If Quanto	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	If Quanto	Yes
Settlement Risk	No	Yes
Leverage Risk	No	-

### ***Outperformance Certificates (1310)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes

Settlement Risk	No	Yes
Leverage Risk	Possible	-

***Bonus Certificates (1320)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the bonus amount at the end of the term.

***Twin-Win Certificates (1340)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Possible	-

If the barrier of this Security is touched or fallen short of, the investor forfeits its claim to receive at least the strike amount at the end of the term.

**Leverage Products without Knock-Out (21)**

***Call (2100) / Put (2100) / Capped Call (2110) / Capped Put Warrants (2110)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	If not European exercise	Yes
Leverage Risk	Yes	-

**Leverage Products with Knock-Out (22)**

***Turbo Long Certificates (2210) / Turbo Short Certificates (2210)***

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	No	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Yes	-

For all Turbo Certificates it is valid that as soon as a barrier event happens, the Turbo Certificate will be terminated and only a residual value will be paid, which might be zero.



## Constant Leverage Products (23)

### *Factor Certificates (2300)*

Risk	During the term	End of the term
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	If Quanto	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	No	Yes
Leverage Risk	Yes	-

Factor Certificates tend to lose value in sideways market, i.e. if the underlying raises/falls from some arbitrary value and then returns to the same value, a Factor Certificate usually will have lost some value.

### **Risks related to fixed interest payments**

Some Securities may bear the right to receive fixed interest payments. This section describes the risk of those fixed interest payments. **These risks are in addition to the Risks related to the redemption of the Securities described above.**

Risk	During the term	End of the term
Underlying Price Risk	No	No
Interest Rate Risk	Yes	-
Volatility Risk	No	-
Exchange Rate Risk	No	No
Term Risk	Yes	No
Settlement Risk	Yes	Yes
Leverage Risk	No	-

### **Risks related to variable interest payments**

Some Securities may bear the right to receive interest payments which depend on the development of the underlying. This section describes the risk of those interest payments. **These risks are in addition to the Risks related to the redemption of the Securities described above.**

### *Barrier Digital*

Risk	During the term	End of the term
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

If the barrier of down-and-out and up-and-out interest is triggered, the investor forfeits its claim to receive the interest. If the barrier of down-and-in and up-and-in interest is not triggered, the investor forfeits its claim to receive the interest.

### **Range Digital**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

If at least one of the barriers of Knock-out interest is triggered, the investor forfeits its claim to receive the interest. If none of the barriers of Knock-in interest is triggered, the investor forfeits its claim to receive the interest.

### **Reference Rate**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Possible	-
Volatility Risk	If Quanto	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	If Quanto	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible *)	-

\*) If the interest participation is greater than 100%.

### **Capped Reference Rate Performance / Capped Reference Rate Reverse Performance**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Yes	-

### **Barrier Reference Rate Performance**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Yes	-

If the barrier of down-and-out and up-and-out interest is triggered, the investor forfeits its claim to participate in the performance of the interest underlying and instead receives the fallback interest rate, which might be zero. If the barrier of down-and-in and up-and-in interest is not triggered, the investor forfeits its claim to participate in the performance of the interest underlying and instead receives the fallback interest rate, which might be zero.

**Performance / Capped Performance / Capped Absolute Performance**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Yes	-

**Barrier Performance / Capped Barrier Performance**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Yes	-

If the barrier of down-and-out and up-and-out interest is triggered, the investor forfeits its claim to participate in the performance of the interest underlying and instead receives the fallback interest rate, which might be zero. If the barrier of down-and-in and up-and-in interest is not triggered, the investor forfeits its claim to participate in the performance of the interest underlying and instead receives the fallback interest rate, which might be zero.

**Cliquet**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

**Ladder**

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

### *Accumulated Distribution*

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	No	No
Interest Rate Risk	No	-
Volatility Risk	No	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	No	No
Settlement Risk	Yes	Yes
Leverage Risk	No	-

If the distributions of the underlying are postponed or reduced, the coupon might be reduced or even be zero.

### *Range Accrual*

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

If the price of the underlying of Stay-in interest is every relevant day of the interest period not within the range specified by both barriers, the investor forfeits its claim to receive the interest. If the price of the underlying of Stay-out interest is every relevant day of the interest period within the range specified by both barriers, the investor forfeits its claim to receive the interest.

### *Pyramid*

<b>Risk</b>	<b>During the term</b>	<b>End of the term</b>
Underlying Price Risk	Yes	Yes
Interest Rate Risk	Yes	-
Volatility Risk	Yes	-
Exchange Rate Risk	If different currencies	If different currencies
Term Risk	Yes	Yes
Settlement Risk	Yes	Yes
Leverage Risk	Possible	-

If at least one of the barriers associated to a specific pyramid rate is triggered, the investor forfeits its claim to receive the respective pyramid rate. If for all specified pyramid rates at least one of the associated barriers is triggered, the investor receives only the fallback interest rate, which might be zero.

## **ADDITIONAL RISKS OF REINVESTING SECURITIES**

If the Final Terms specify a Security to be “reinvesting”, the Issuer will refer to a selection of third party financial institutions in order to determine (i) the fair market value of the Security and/or (ii) adjustments of the terms of the Security, which are most favourable to the investor. The Securityholders are exposed to the risk that financial institutions not selected by the Issuer would have provided terms more advantageous to the investor than the selected financial institutions.

If the Security bears interest, the interest rate is generally linked to the Non-par Value and therefore the payable interest amount also depends on the Non-par Value, which is adjusted along with other parameter values during each Reinvestment Period. In the case the Non-par Value is reduced by such adjustment, the Securityholders are exposed to the risk that the future interest amounts might be materially reduced due to such reduction of the Non-par Value.

Furthermore, the Final Terms may specify that “Downward Trigger” and/or “Upward Trigger” is applicable. In such case, a reinvestment prior to the scheduled investment valuation date may occur.

The Securityholders are exposed to the risk that such early reinvestment might be less favourable than the ordinary reinvestment at the scheduled investment valuation date would have been, e.g. in the case of a Capped Bonus Certificate, the Securityholder might receive less than the bonus amount.

## **ADDITIONAL RISKS OF CREDIT LINKED SECURITIES**

**The Securityholders of Securities which the relevant Final Terms specify to be Credit Linked Securities are exposed to high additional risks of total loss.**

If the Final Terms of a certain issue of Securities determine that the Securities are Credit Linked Securities, the Securityholder's claim to receive the (entire) Redemption Amount and/or interest is conditional upon the non-occurrence of a Credit Event. If a Credit Event occurs, the Redemption Amount in respect of each Security will be reduced accordingly and/or interest payments will be terminated. The Securityholders of such Securities have, in addition to the risks associated with the Issuer, to bear risks, in particular the insolvency risk, relating to the Credit Reference Entity. If the Credit Reference Entity becomes insolvent or unable to pay its debt and/or repay the Credit Reference Obligation, there is a **high risk of total loss** of the investment and/or interest payments for the Securityholders. If the Final Terms specify a Credit Reference Entity Founder, the aforesaid is also true for such Credit Reference Entity Founder. Before investing in such Securities, investors are required by the Issuer to inform themselves about and conduct their own analysis of the creditworthiness of the Credit Reference Entity (and the Credit Reference Entity Founder, if any) and the likelihood of a default by the Credit Reference Entity to repay the Credit Reference Obligation. Securityholders should be aware that it **could significantly increase the risk of a total loss** of the investment if they fail to obtain such information or make a mistake when assessing such information. In addition, Securityholders are subject to the risk that the Credit Reference Obligation cannot be repaid for other reasons than the insolvency of the Credit Reference Entity, including payment transfer restrictions imposed by the jurisdiction of incorporation of the Credit Reference Entity.

**The Securityholders do not have any rights of recourse in relation to the Credit Reference Entity**

Even if the amount of the payments to be made on the Securities is entirely dependent on the Credit Reference Entity, the Securities do not establish a legal relationship between the Securityholders and the Credit Reference Entity. In the event of loss, the Securityholders have no recourse against the Credit Reference Entity.

**The volatility of the price of the Securities is dependent, amongst others, on the creditworthiness of the Credit Reference Entity and the general credit derivatives market.**

Since the payments from the Securities are dependent on the non-occurrence of a credit event in relation to the Credit Reference Entity, the price of the Securities, amongst others, is dependent on the creditworthiness of the Credit Reference Entity, on the evaluation of this creditworthiness by rating agencies or the financial market participants as well as on the price development of other financial instruments which relate to the creditworthiness of the Credit Reference Entity such as, for example, credit derivatives (Credit Default Swaps) in relation to the Credit Reference Entity, Securities of the Credit Reference Entity, securities which relate to the Credit Reference Entity such as the existing credit-linked notes and other capital market instruments which relate to the Credit Reference Entity. The price development of these other financial instruments is, in addition, not only dependent on the expected creditworthiness of the Credit Reference Entity, but also for example in the case of credit derivatives on the market expectation in relation to the general default rates of debtors. This can for example result in the price of the Securities being negatively affected, due to price changes in the entire credit derivatives market, even if no change has occurred to the expected creditworthiness of the Credit Reference Entity.

**Holders may not rely on ratings of the Credit Reference Entity given in the Final Terms, if applicable, and neither the Issuer nor the rating agency assumes any responsibility for the correctness of this rating.**

The Credit Reference Entity may have been assigned credit ratings by one or more rating agencies. Within the context of a rating, it is evaluated whether an entity will be in the position in the future to fulfil its/their credit obligations as contractually agreed. Of great significance for such an evaluation is the evaluation of the business, financial position and results of operation of the relevant entity. A rating merely presents, despite its widespread application, a compressed rating parameter of an obligor's ability to pay. Parameters influencing the formation of a rating are not always transparent. The rating agencies expressly indicate that their ratings merely serve as support and not as a replacement for own analyses. There is the risk that a rating (if any) does not reflect the actual creditworthiness of the Credit Reference Entity because, for example, the respective rating agency did not have important information within the framework of the evaluation or unforeseen and short-term changes in the business, financial position and results of operation of the Credit Reference Entity do not allow for a prompt adjustment of the rating. Therefore, there is the risk that the Credit Reference Entity, despite good ratings, will not be able to fulfil its/their obligations or impose bankruptcy proceedings or a moratorium or it otherwise declares itself unable to pay. Should a rating by a rating agency be incorrect, holders of the Securities may not assert compensation claims against such a rating agency due to such incorrectness. Therefore, a rating of the Credit Reference Entity may not be the sole basis for an investment decision. No statement, estimation or assurance of the Issuer on the creditworthiness of the Credit Reference Entity or on the probability of a credit event occurring is linked with the issuance of the Securities. Such evaluations must be made by the investors themselves. There is, therefore, the risk of a false evaluation for the investor.

## DESCRIPTION OF THE SECURITIES

The following section provides explanations on the Securities which Raiffeisen Centrobank intends to issue most frequently under the Programme. This section is designed to help investors understand how the price of their investment is influenced by the value of the Underlying(s) particularly in cases where the risks are the most apparent.

**Warning:** Investors must bear in mind that the behaviour of a Security which may pay out interest depends on the development of both, (i) the Redemption Amount and (ii) the Interest Rate.

If not otherwise stated, the following descriptions assume that the security is quoted in non-par value with a multiplier of one.

The values given in the column “typical values” in the table in the respective “Specified at issue” section should be regarded as exemplary values for the most commonly used values and are provided for illustrative purposes only. The actual values may differ.

In some cases for one or more parameters of a security not only one value might be specified in the final terms but also an additional second value - which is more advantageous from the point of view of the investor - to which the parameter might be increased/reduced to by Raiffeisen Centrobank on or before the initial valuation date.

In the respective section “During the term” the price behaviour of the respective security during its term is described for the most common cases only. In certain circumstances the price behaviour may differ. For an explanation of the terms “implicit volatility” and “leverage effect” see section PARTICULAR RISKS OF CERTAIN SECURITIES.

### Reinvesting securities

The Securities to be issued under this Programme are designed to enable investors to follow specific investment strategies, e.g. a Capped Bonus Certificate shall enable investors to generate a fixed but limited profit in upward, sideways and partially also in downward trending markets for the relevant underlying, but with the risk of a total loss of the investment, while a Winner Guarantee Certificate usually shall provide full capital protection, but no profit at all in downward or sideways trending markets for the relevant underlying. However, most investment strategies are linked to the performance of the underlying during a specific and limited time period; hence any security reflecting such a strategy is usually issued with a fixed term. Therefore, investors with the intention to pursue such a strategy over an extended or even indefinite time period need to actively reinvest the proceeds of a security at the end of its term.

In order to provide investors with a possibility to invest in a specific, usually time-limited investment strategy, but without the need to continuously and actively reinvest the proceeds (upon maturity as is the case for securities which are not reinvesting), securities, which are usually issued with a fixed term, may also be issued as “reinvesting” securities with a prolonged or even unspecified term (“open-end”). In such case, after the issuance of the reinvesting security, two different time periods will alternate:

- An “investment period”, during which the security follows the underlying investment strategy and the value develops in accordance with the description in the respective section “During the term” below, subject to the aforementioned limitations. However, at the end of each investment period, the security is not redeemed but the proceeds are kept by the Issuer instead in order to be reinvested during the immediately following reinvestment period. Right at the end of each investment period, the value of a reinvesting security develops in accordance with the description in the respective section “End of term” below.
- A rather short “reinvestment period”, usually shorter than two weeks, during which the issuer adapts the investment strategy by adjusting certain pre-defined parameters of the security based on current market conditions and indications of independent third party financial institutions. During such period, the value of the reinvesting security usually reflects the proceeds of the immediately preceding investment period and therefore remains constant and independent of the performance of the underlying. At the end of the reinvestment period, the proceeds of the immediately preceding investment period are then invested into the adjusted strategy, which the reinvesting security will apply during the immediately succeeding investment period.

Reinvesting securities may be issued with the possibility of early reinvestments, i.e. reinvestments before the regular end of the investment period. Such early reinvestments may be triggered by the underlying falling below resp. rising above a specific level.

As reinvesting securities are issued with a prolonged or even unspecified term (“open-end”), the issuer always grants the investor the right to exercise the securities at certain days of the reinvestment period. This shall ensure that the investor is able to end the investment in the security even in cases of limited or non-existing trading possibilities for the securities.

If reinvesting securities are issued without a fixed term (“open-end”), the issuer is in accordance with the provisions for open-end securities entitled to specify a redemption date also for a reinvesting security, provided that only the end of an investment period may be specified as the end of the term of a reinvesting security. No early reinvestments will be performed after a term is fixed.

If any adjustments are based on the indications of independent third party financial institutions, generally only the final outcome of such adjustments will be published by the issuer, but each investor may request further details by an informal written request addressed to the issuer.

Not every security may be issued as reinvesting security pursuant to the Programme. The following restrictions apply:

- Reinvesting securities may be issued only as non-par value securities, whereas the multiplier at issue must be equal to the non-par value divided by the initial reference price, the latter being converted into the product currency, if necessary.
- The issue price and the non-par value of the security have to be equal.
- Only cash settlement is possible for reinvesting securities.
- Exercisable at least at certain days of the reinvestment period.
- All Securities may be issued as reinvesting securities, except for Index Certificates, Participation Certificates, Turbo Long Certificates, Turbo Short Certificates and Factor Certificates.

## **DESCRIPTION OF THE REDEMPTION AMOUNT**

### **INVESTMENT PRODUCTS WITH CAPITAL PROTECTION (11)**

#### **Winner Guarantee Certificates (1100) and Winner Certificates (1100)**

##### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Strike	Near or above the price of the underlying
Participation	100% or less

##### *End of term*

The investor receives at least the protection amount. If the price of the underlying is above the strike, the investor receives additionally an amount equal to the participation multiplied by the difference of the – possible averaged - price of the underlying and the strike.

##### *During the term*

The value of the certificate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the strike, a change in the underlying’s price may cause only a very small change in value of the certificate. If the price of the underlying is above the strike, the absolute change in value of the certificate might be very close to the absolute change in the price of the underlying multiplied by the participation.



<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises
Interest rates	decline
Remaining term	is shorter

### **Capped Winner Guarantee Certificates (1120) and Capped Winner Certificates (1120)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Strike	Near or above the price of the underlying
Cap	(Far) above the price of the underlying
Participation	100% or greater

#### *End of term*

The investor receives at least the protection amount. If the price of the underlying is equal to or above the strike, the investor receives additionally an amount equal to the participation multiplied by the difference of the – possible averaged - price of the underlying and the strike. The additional amount is in any case limited by the participation multiplied by the difference of the cap and the strike.

#### *During the term*

The value of the certificate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the strike or above the cap, a change in the underlying's price may cause only a very small change in value of the certificate. Otherwise the absolute change in value of the certificate might be very close to the absolute change in the price of the underlying multiplied by the participation.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises
Interest rates	decline
Remaining term	is shorter

### **Barrier Winner Guarantee Certificates (1130) and Barrier Winner Certificates (1130)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Strike	Near the price of the underlying
Barrier	(Far) Above the price of the underlying
Barrier observation period	The whole term
Fallback amount	(Far) Above zero
Participation	100% or greater

#### *End of term*

The investor receives at least the protection amount. If the price of the underlying during the barrier observation period has never touched or exceeded the barrier and the price of the underlying at the end of the term is above the strike, the investor receives additionally an amount equal to the participation multiplied by the difference of the – possible averaged - price of the underlying and the strike. Otherwise, if any price of the underlying during the barrier observation period has touched or exceeded the barrier, the investor receives additionally the fallback amount.

#### *During the term*

Near and above the strike but (far) below the barrier, the value of the certificate generally develops in the same direction as the underlying, but to a different extent. As the price of the underlying approaches the barrier, the value of the certificate develops in the opposite direction of the underlying, and a leverage effect might be present. Far below the strike, a change in the underlying's price may cause only a very small change in value of the certificate.

Price factor	Price will be higher when
Underlying price	<ul style="list-style-type: none"> <li>rises (near/above the strike and far below the barrier)</li> <li>declines (near the barrier)</li> </ul>
Implicit volatility	<ul style="list-style-type: none"> <li>rises (near/above the strike and far below the barrier)</li> <li>declines (near the barrier)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>decline (below the strike and near the barrier)</li> <li>rise (above the strike and far below the barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>is shorter (near the barrier)</li> <li>is longer (near/above the strike and far below the barrier)</li> </ul>

### Guarantee Certificates (1140) and Protected Certificates (1140)

#### *Specified at issue*

Parameter	Typical value
Protection amount	100% of the issue price

Guarantee Certificates and Protected Certificates will always feature variable interest payments.

#### *End of term*

The investor receives the protection amount.

#### *During the term*

The development of the value of the redemption amount of the certificate is usually not affected by changes in the price of the underlying.

Price factor	Price will be higher when
Underlying price	<i>no effect</i>
Implicit volatility	<i>no effect</i>
Interest rates	decline
Remaining term	is shorter

### Step-Up Guarantee Certificates (1199) and Step-Up Certificates (1199)

#### *Specified at issue*

Parameter	Typical value
Protection amount	100% of the issue price
Step-up level	Near or above the price of the underlying
Step-up redemption amount	Above 100% of the issue price

#### *End of term*

The investor receives an amount equal to the greatest step-up redemption amount for which the associated step-up level is less than or equal to the price of the underlying. In any case the investor receives at least the protection amount.

#### *During the term*

The value of the certificate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the smallest step-up level or above the largest step-up level, a change in the underlying's price may cause only a very small change in value of the certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (generally)</li> <li>• declines (if underlying's price is above the largest step-up level)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• rises (generally)</li> <li>• declines (if underlying's price is below the smallest step-up level or above the largest step-up level)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (generally)</li> <li>• is longer (slightly below any step-up level)</li> </ul>

### **Step-Down Guarantee Certificates (1199) and Step-Down Certificates (1199)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Step-down level	Near or below the price of the underlying
Step-down redemption amount	Above 100% of the issue price

#### *End of term*

The investor receives an amount equal to the greatest step-down redemption amount for which the associated step-down level is greater than or equal to the price of the underlying. In any case the investor receives at least the protection amount.

#### *During the term*

The value of the certificate generally develops in the opposite direction as the underlying, but to a different extent. If the price of the underlying is below the smallest step-down level or above the largest step-down level, a change in the underlying's price may cause only a very small change in value of the certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (generally)</li> <li>• declines (if underlying's price is below the smallest step-down level)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• rises (generally)</li> <li>• declines (if underlying's price is below the smallest step-down level or above the largest step-down level)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (generally)</li> <li>• is longer (slightly above any step-down level)</li> </ul>

### **Express Safe Guarantee Certificates (1199) and Express Safe Certificates (1199)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
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Protection amount	100% of the issue price
Express valuation date	Evenly distributed dates, including the date of the regular end of term
Express valuation level	Near the price of the underlying
Express redemption date	A few days after each express valuation date, including the maturity date
Express redemption amount	Above 100% of the issue price

***End of term***

If at any express valuation date the price of the underlying is at or above the respective express valuation level, the term of the certificate ends and the investor receives on the respective express redemption date the respective express redemption amount, which is at least the protection amount. The regular end of term is usually also an express valuation date.

On the regular end of term of the certificate the investor receives the protection amount.

***During the term***

The value of the certificate generally develops in the same direction as the underlying, but not to the same extent. Shortly before the next express valuation date a leverage effect might be present below the respective express valuation level.

Shortly before an express valuation date a change in the underlying's price above the respective express valuation level may cause only a very small change in value of the certificate. If in such case the price of the underlying continues to rise, the value of the certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"> <li>• declines (above the next express valuation level)</li> <li>• rises (below the next express valuation level)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• decline (above the next express valuation level)</li> <li>• rise (near the next express valuation level)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (generally)</li> <li>• is longer (slightly below the next express valuation level)</li> </ul>

**Reverse Express Safe Guarantee Certificates (1199) and Reverse Express Safe Certificates (1199)**

***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Express valuation date	Evenly distributed dates, including the date of the regular end of term
Express valuation level	Near the price of the underlying
Express redemption date	A few days after each express valuation date, including the maturity date
Express redemption amount	Above 100% of the issue price

***End of term***

If at any express valuation date the price of the underlying is at or below the respective express valuation level, the term of the certificate ends and the investor receives on the respective express

redemption date the respective express redemption amount, which is at least the protection amount. The regular end of term is usually also an express valuation date.

On the regular end of term of the certificate the investor receives the protection amount.

***During the term***

The value of the Reverse certificate generally develops in the opposite direction as the underlying, but not to the same extent. Shortly before the next express valuation date a leverage effect might be present above the respective express valuation level.

Shortly before an express valuation date a change in the underlying’s price below the respective express valuation level may cause only a very small change in value of the certificate. If in such case the price of the underlying continues to fall, the value of the certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	<ul style="list-style-type: none"> <li>• declines (below the next express valuation level)</li> <li>• rises (above the next express valuation level)</li> </ul>
Interest rates	declines
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (generally)</li> <li>• is longer (slightly above the next express valuation level)</li> </ul>

**Range Winner Guarantee Certificates (1199) and Range Winner Certificates (1199)**

***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Range lower level	Near or above the price of the underlying
Range upper level	(Far) above the price of the underlying
Range participation	100% or greater

***End of term***

The investor receives at least the protection amount. Within each range from one range lower level to the respective range upper level, the investor participates with the respective range participation in the performance of the underlying. Below the lowest range lower level, above the highest range upper level or between the specified ranges, the investor does not participate in the performance of the underlying.

***During the term***

The value of the certificate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the lowest range lower level or above the highest range upper level, a change in the underlying’s price may cause only a very small change in value of the certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"> <li>• declines (near a range upper level)</li> <li>• rises (near a range lower level)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• declines (near a range upper level)</li> <li>• rises (near a range lower level)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (generally)</li> <li>• is longer (near a range lower level)</li> </ul>

## Stay-Above Guarantee Certificates (1199) and Stay-Above Certificates (1199)

### *Specified at issue*

Parameter	Typical value
Protection amount	100% of the issue price
Stay-Above redemption amount	Above the issue price
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term

The underlying of this certificate is always a worst-of basket, where components are removed from as soon as they trigger a certain barrier.

### *End of term*

The investor receives at least the protection amount. If a Stay-Above redemption amount is specified for the number of basket components present within the basket at the end of the term, the investor receives such higher amount.

### *During the term*

The value of the certificate generally develops in the same direction as the underlying, but to a different extent. If the value of the underlying basket at any time during the barrier observation period is equal to or below the barrier, the basket component with the worst performance will be removed from the basket. If no more components may be removed from the basket, a change in the underlying's price may cause only a very small change in value of the certificate.

Price factor	Price will be higher when
Underlying price	rises
Implicit volatility	declines
Interest rates	declines
Remaining term	is shorter

## Capped Twin-Win Safe Guarantee Certificates (1199) and Capped Twin-Win Safe Certificates (1199)

### *Specified at issue*

Parameter	Typical value
Protection amount	100% of the issue price
Strike	At or above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term
Cap	At or above the strike

### *End of term*

The investor receives at least the protection amount. If the price of the underlying is equal to or above the strike, the investor receives in addition to the protection amount the difference between the price of the underlying (maximum the cap) and the strike. If the price of the underlying is below the strike, but has during the barrier observation period never touched or fallen below the barrier, the investor receives in addition to the protection amount the difference between the strike and the price of the underlying.

### *During the term*

Above resp. below the strike the value of the certificate generally develops in the same resp. opposite direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the strike or the cap a change in the underlying's price may cause only a

very small change in value of the certificate. If the price of the underlying rises above the cap, the value of the certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"> <li>• rises (above the strike)</li> <li>• declines (below the strike)</li> </ul>
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (far above the barrier)</li> <li>• declines (near the barrier)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• decline (far above the barrier)</li> <li>• rise (near the barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (below the strike or far above the strike)</li> <li>• is longer (near the strike)</li> </ul>

### **Bonus Safe Guarantee Certificates (1199) and Bonus Safe Certificates (1199)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Protection amount	100% of the issue price
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term
Bonus amount	Above the issue price

#### *End of term*

The investor receives an amount equal to the greatest bonus amount for which the associated barrier during the barrier observation period was less than any price of the underlying. In any case the investor receives at least the protection amount.

#### *During the term*

The value of the certificate generally develops in the same direction as the underlying, but not to the same extent. Especially slightly above a barrier a leverage effect might be present. If the price of the underlying is far above the largest barrier or below the smallest barrier, a change in the underlying's price may cause only a very small change in value of the certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	declines
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (slightly above a barrier)</li> </ul>
Remaining term	is shorter

### **INVESTMENT PRODUCTS: YIELD ENHANCEMENT PRODUCTS (12)**

#### **Discount Certificates (1200)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Cap	Near or above the price of the underlying

#### *End of term*

The investor receives an amount equal to the price of the underlying, whereby the amount is limited by the cap.

#### *During the term*

The value of the Discount Certificate generally develops in the same direction as the underlying, but to a lesser extent. The higher the underlying rises, the smaller the increase in value of the Discount Certificate usually will be. If the price of the underlying rises above the cap, the value of the Discount Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	declines
Interest rates	decline
Remaining term	is longer

### **Reverse Convertible (1220)**

#### *Specified at issue*

Reverse Convertibles usually are issued as par value securities.

<b>Parameter</b>	<b>Typical value</b>
Strike	Near the price of the underlying
Interest Rate	Above the market interest rate

#### *End of term*

If the price of the underlying is equal to or above the strike, the investor receives the nominal amount. Otherwise the investor either receives a number of underlyings or an amount equal to the monetary value of such number of underlyings, whereas the number of underlyings is equal to the nominal amount divided by the strike. Independent from the underlying's price the investor receives in any case an interest payment.

#### *During the term*

The value of the Reverse Convertible generally develops in the same direction as the underlying, but to a lesser extent. The higher the underlying rises, the smaller the increase in value of the Reverse Convertible usually will be. If the price of the underlying rises above the strike, the value of the Reverse Convertible may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	declines
Interest rates	decline
Remaining term	is longer

### **Protected Reverse Convertible (1230)**

#### *Specified at issue*

Protected Reverse Convertibles usually are issued as par value securities.

<b>Parameter</b>	<b>Typical value</b>
Strike	Near the price of the underlying
Interest Rate	Above the market interest rate
Barrier	(Far) below the strike
Barrier observation period	The whole term

#### *End of term*

The investor receives the nominal amount if the price of the underlying is equal to or above the strike or the price of the underlying during the barrier observation period has never touched or fallen below the barrier. Otherwise the investor either receives a number of underlyings or an amount equal to the monetary value of such number of underlyings, whereas the number of underlyings is equal to the nominal amount divided by the strike. Independent from the underlying's price the investor receives in any case an interest payment.



### *During the term*

The value of the Protected Reverse Convertible generally develops in the same direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the strike a change in the underlying's price may cause only a very small change in value of the Protected Reverse Convertible. If the price of the underlying rises above the strike, the value of the Protected Reverse Convertible may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	declines
Interest rates	decline
Remaining term	is shorter

### **Capped Bonus Certificates (1250)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Bonus level	At or above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term
Cap	At or above the bonus level

#### *End of term*

The investor receives an amount equal to the price of the underlying, but at least the bonus level, if the price of the underlying during the barrier observation period has never touched or fallen below the barrier. The amount is in any case limited by the cap.

### *During the term*

The value of the Capped Bonus Certificate generally develops in the same direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the bonus level or the cap a change in the underlying's price may cause only a very small change in value of the Capped Bonus Certificate. If the price of the underlying rises above the cap, the value of the Capped Bonus Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	declines
Interest rates	decline
Remaining term	is shorter

### **Express Certificates (1260)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Express valuation date	Evenly distributed dates, including the date of the regular end of term
Express valuation level	Near the price of the underlying
Express redemption date	A few days after each express valuation date, including the maturity date
Express redemption level	Above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The end of the (regular) term
Security level	Near of above the price of the underlying

### ***End of term***

If at any express valuation date the price of the underlying is at or above the respective express valuation level, the term of the Express Certificate ends and the investor receives on the respective express redemption date an amount equal to the respective express redemption level. The regular end of term is usually also an express valuation date.

On the regular end of term of the Express Certificate the investor receives an amount equal to the price of the underlying, but at least the security level, if the underlying's price during the barrier observation period has never touched or fallen below the barrier.

### ***During the term***

The value of the Express Certificate generally develops in the same direction as the underlying, but not to the same extent. Especially near the barrier or shortly before the next express valuation date and below the respective express valuation level a leverage effect might be present.

Shortly before an express valuation date and above the respective express valuation level a change in the underlying's price may cause only a very small change in value of the Express Certificate. If in such case the price of the underlying continues to rise, the value of the Express Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"><li>• declines (above the barrier)</li><li>• rises (near or below the barrier)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• decline (above the barrier)</li><li>• rise (near or below the barrier)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is shorter (generally)</li><li>• is longer (slightly below the barrier)</li></ul>

## **Capped Reverse Bonus Certificates (1299)**

### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Bonus level	At or below the price of the underlying
Barrier	(Far) above the price of the underlying
Barrier observation period	The whole term
Reverse level	Twice the price of the underlying
Cap	At or below the bonus level

### ***End of term***

The investor receives an amount equal to the difference of the reverse level and the price of the underlying. If the underlying's price during the barrier observation period has never touched or risen above the barrier, the investor receives at least the difference of the reverse level and the bonus level. The amount is in any case limited by the difference of the reverse level and the cap.

### ***During the term***

The value of the Capped Reverse Bonus Certificate generally develops in the opposite direction as the underlying, but not to the same extent. Especially slightly below the barrier a leverage effect might be present. Near the bonus level or the cap a change in the underlying's price may cause only a very small change in value of the Capped Reverse Bonus Certificate. If the price of the underlying falls below the cap, the value of the Capped Reverse Bonus Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	declines
Interest rates	decline
Remaining term	is shorter

### **Capped Twin-Win Certificates (1299)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Strike	At or above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term
Cap	At or above the strike

#### *End of term*

If the price of the underlying is equal to or above the strike or during the barrier observation period has touched or fallen below the barrier, the investor receives the price of the underlying but maximum the cap. Otherwise the investor receives an amount equal to difference of twice the strike and the price of the underlying.

#### *During the term*

Above resp. below the strike the value of the Capped Twin-Win Certificate generally develops in the same resp. opposite direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the strike or the cap a change in the underlying's price may cause only a very small change in value of the Capped Twin-Win Certificate. If the price of the underlying rises above the cap, the value of the Capped Twin-Win Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"> <li>• rises (above the strike)</li> <li>• declines (below the strike)</li> </ul>
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (far above the barrier)</li> <li>• declines (near the barrier)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• decline (far above the barrier)</li> <li>• rise (near the barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is shorter (below the strike or far above the strike)</li> <li>• is longer (near the strike)</li> </ul>

### **Inversion Certificates (1299)**

#### *Specified at issue*

The underlying of an Inversion Certificate is usually a foreign exchange rate.

<b>Parameter</b>	<b>Typical value</b>
Minimum redemption amount	(Far) below the issue price, possibly zero
Strike	Near the price of the underlying

#### *End of term*

The investor receives at least the minimum redemption amount. If the price of the underlying is equal to or below the strike, the investor receives the nominal amount. Otherwise the investor receives an amount equal to the nominal amount multiplied by the strike and divided by the price of the underlying, but at least the minimum redemption amount.

### ***During the term***

The value of Inversion Certificate generally develops in the opposite direction as the underlying, but to a different extent. Especially slightly above the strike a leverage effect might be present. Below the strike or far above the strike a change in the underlying's price may cause only a very small change in value of the Inversion Certificate. If the price of the underlying falls far below the strike, the value of the Inversion Certificate may not increase at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	<ul style="list-style-type: none"><li>• rises (above the strike)</li><li>• declines (near or below the strike)</li></ul>
Interest rates	decline
Remaining term	<ul style="list-style-type: none"><li>• is shorter (generally)</li><li>• is longer (far above the strike)</li></ul>

### **Reverse Inversion Certificates (1299)**

#### ***Specified at issue***

The underlying of a Reverse Inversion Certificate is usually a foreign exchange rate.

<b>Parameter</b>	<b>Typical value</b>
Maximum redemption amount	(Far) above the issue price
Strike	Near the price of the underlying

#### ***End of term***

If the price of the underlying is equal to or above the strike, the investor receives the nominal amount. Otherwise the investor receives an amount equal to the nominal amount multiplied by the strike and divided by the price of the underlying, whereby the amount is limited by the maximum redemption amount.

#### ***During the term***

The value of Reverse Inversion Certificate generally develops in the opposite direction as the underlying, but to a different extent. Especially far below the strike a leverage effect might be present. Slightly below the strike or above the strike a change in the underlying's price may cause only a very small change in value of the Reverse Inversion Certificate. If the price of the underlying rises above the strike, the value of the Reverse Inversion Certificate may not fall at all further.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	rises
Interest rates	decline
Remaining term	is shorter

### **INVESTMENT PRODUCTS: PARTICIPATION PRODUCTS (13)**

#### **Index Certificates (1300) and Participation Certificates (1300)**

These Securities may be issued either with a fixed term or as open-end securities, whereas the latter is the more common case. If no end of term was fixed, the issuer is entitled to specify one.

#### ***End of term***

The investor receives an amount equal to the price of the underlying.

#### ***During the term***

The value of the Securities develops identically with the price of the underlying.

For open-end Index Certificates and Participation Certificates the following table applies:

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	no effect
Interest rates	no effect
Remaining term	no effect

For Index Certificates and Participation Certificates, for which a term was fixed at the start of the issue, the following applies:

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"> <li>• no effect (generally)</li> <li>• situation-related (if Quanto)</li> </ul>
Interest rates	<i>situation-related</i>
Remaining term	<i>situation-related</i>

### **Outperformance Certificates (1310)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Strike	Near the price of the underlying
Participation	Above 100%

#### *End of term*

If the price of the underlying is equal to or below the strike, the investor receives an amount equal to the price of the underlying. Otherwise the investor receives an amount equal to the strike and additionally an amount equal to the participation multiplied with the difference of the price of the underlying and the strike.

#### *During the term*

The value of the Outperformance Certificate generally develops in the same direction as the underlying, but not to the same extent. Especially above the strike a leverage effect might be present.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises (generally)
Interest rates	decline
Remaining term	is longer (if underlying's price is near the strike)

### **Bonus Certificates (1320)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Bonus level	At or above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term

#### *End of term*

The investor receives an amount equal to the price of the underlying, but at least the bonus level, if the price of the underlying during the barrier observation period has never touched or fallen below the barrier.

### *During the term*

The value of the Bonus Certificate generally develops in the same direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the bonus level a change in the underlying's price may cause only a very small change in value of the Bonus Certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"><li>• declines (generally)</li><li>• rises (if underlying's price is above or slightly below the bonus level)</li></ul>
Interest rates	decline
Remaining term	<ul style="list-style-type: none"><li>• is shorter (generally)</li><li>• is longer (if underlying's price is above the bonus level)</li></ul>

### **Twin-Win Certificates (1340)**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Strike	At or above the price of the underlying
Barrier	(Far) below the price of the underlying
Barrier observation period	The whole term

#### *End of term*

If the price of the underlying is equal to or above the strike or during the barrier observation period has touched or fallen below the barrier, the investor receives the price of the underlying. Otherwise the investor receives an amount equal to difference of twice the strike and the price of the underlying.

#### *During the term*

Above resp. below the strike the value of the Twin-Win Certificate generally develops in the same resp. opposite direction as the underlying, but not to the same extent. Especially slightly above the barrier a leverage effect might be present. Near the strike a change in the underlying's price may cause only a very small change in value of the Twin-Win Certificate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"><li>• rises (above the strike)</li><li>• declines (below the strike)</li></ul>
Implicit volatility	<ul style="list-style-type: none"><li>• rises (far above the barrier)</li><li>• declines (near the barrier)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• decline (far above the barrier)</li><li>• rise (near the barrier)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is shorter (below the strike or far above the strike)</li><li>• is longer (near the strike)</li></ul>

## LEVERAGE PRODUCTS WITHOUT KNOCK-OUT (21)

### Call Warrants (2100)

#### *Specified at issue*

Parameter	Typical value
Strike	At, below or above the price of the underlying

#### *End of term*

If the warrant is physically settled, the investor has the right to buy the underlying at the strike price.

If the warrant is cash settled, the investor receives an amount equal to the difference of the price of the underlying and the strike if the price of the underlying is above the strike; otherwise the investor receives no payment.

#### *During the term*

The value of the Call warrant generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is equal to or below the strike, a change in the underlying's price may cause only a very small change in value of the warrant. If the price of the underlying is above the strike, the absolute change in value of the warrant might be very close to the absolute change in the price of the underlying.

Price factor	Price will be higher when
Underlying price	rises
Implicit volatility	rises
Interest rates	rise
Remaining term	is longer

### Put Warrant (2100)

#### *Specified at issue*

Parameter	Typical value
Strike	At, below or above the price of the underlying

#### *End of term*

If the warrant is physically settled, the investor has the right to sell the underlying at the strike price.

If the warrant is cash settled, the investor receives an amount equal to the difference of the strike and the price of the underlying if the price of the underlying is below the strike; otherwise the investor receives no payment.

#### *During the term*

The value of the Put warrant generally develops in the opposite direction as the underlying and with a different extent. If the price of the underlying is above the strike, a change in the underlying's price may cause only a very small change in value of the warrant. If the price of the underlying is below the strike, the absolute change in value of the warrant might be very close to the reverted, absolute change in the price of the underlying.

Price factor	Price will be higher when
Underlying price	declines
Implicit volatility	rises
Interest rates	decline
Remaining term	<ul style="list-style-type: none"><li>• is longer (near or above the strike)</li><li>• is shorter (below the strike)</li></ul>

## Capped Call Warrant (2110)

### *Specified at issue*

Parameter	Typical value
Strike	At, below or above the price of the underlying
Cap	Above the strike

### *End of term*

If the price of the underlying is equal to or below the strike, the investor receives no payment. Otherwise the investor receives an amount equal to the difference of the price of the underlying and the strike, whereas the amount is in any case limited by the difference of the cap and the strike.

### *During the term*

The value of the Capped call warrant generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the strike or above the cap, a change in the underlying's price may cause only a very small change in value of the warrant. If the price of the underlying is above the strike and below the cap, the absolute change in value of the warrant might be very close to the absolute change in the price of the underlying.

Price factor	Price will be higher when
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"><li>• rises (near or below the strike)</li><li>• declines (near or above the cap)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• rise (near or below the cap)</li><li>• decline (above the cap)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is longer (near or below the strike)</li><li>• is shorter (above the strike)</li></ul>

## Capped Put Warrant (2110)

### *Specified at issue*

Parameter	Typical value
Strike	At, below or above the price of the underlying
Floor	Below the strike

### *End of term*

If the price of the underlying is equal to or above the strike, the investor receives no payment. Otherwise the investor receives an amount equal to the difference of the strike and the price of the underlying, whereas the amount is in any case limited by the difference of the strike and the floor.

### *During the term*

The value of the Capped put warrant generally develops in the opposite direction as the underlying and to a different extent. If the price of the underlying is above the strike or below the floor, a change in the underlying's price may cause only a very small change in value of the warrant. If the price of the underlying is below the strike and above the floor, the absolute change in value of the warrant might be very close to the absolute change in the price of the underlying.



<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (near or above the strike)</li> <li>• declines (near or below the floor)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• rise (near or below the floor)</li> <li>• decline (above the floor)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is longer (above the floor)</li> <li>• is shorter (near or below the floor)</li> </ul>

## **LEVERAGE PRODUCTS WITH KNOCK-OUT (22)**

### **Turbo Long Certificates (2210)**

Turbo Long Certificates are issued as open-end securities, i.e. without fixed term, but the issuer is entitled to specify one.

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Strike	(Far) below the price of the underlying
Barrier	At or slightly above the strike

#### *End of term*

If the price of the underlying during the term of the Turbo Long Certificate has never touched or fallen below the barrier, the investor receives an amount equal to the difference of the price of the underlying and the strike. Otherwise the investor receives no payment.

#### *During the term*

The value of the Turbo Long Certificate generally develops in the same direction as the underlying, but to a larger extent. As soon as the price of the underlying touches or falls below the barrier, the Turbo Long Certificate ends and the investor receives only a residual value, which might be zero.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	(no effect)
Interest rates	decline (due to daily adjustments)
Remaining term	(no effect)

### **Turbo Short Certificates (2210)**

Turbo Short Certificates are issued as open-end securities, i.e. without fixed term, but the issuer is entitled to specify one.

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Strike	(Far) above the price of the underlying
Barrier	At or slightly below the strike

#### *End of term*

If the price of the underlying during the term of the Turbo Short Certificate has never touched or risen above the barrier, the investor receives an amount equal to the difference of the strike and the price of the underlying. Otherwise the investor receives no payment.

### ***During the term***

The value of the Turbo Short Certificate generally develops in the opposite direction as the underlying and to a larger extent. As soon as the price of the underlying touches or rises above the barrier, the Turbo Short Certificate ends and the investor receives only a residual value, which might be zero.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	declines
Implicit volatility	<i>(no effect)</i>
Interest rates	rise (due to daily adjustments)
Remaining term	<i>(no effect)</i>

## **CONSTANT LEVERAGE PRODUCTS (23)**

### **Factor Long Certificates (2300)**

Factor Long Certificates are usually issued as open-end securities, i.e. without fixed term, but the issuer is entitled to specify one.

#### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Leverage factor	2 or greater
Factor level	(Far) below the price of the underlying
Protection level	Slightly above the factor level

#### ***End of term***

The investor receives an amount equal to the difference of the price of the underlying and the factor level.

#### ***During the term***

The value of the Factor Long Certificate generally develops in the same direction as the underlying, but to a larger extent. The daily performance of the underlying is generally leveraged by a constant factor equal to the leverage factor, after considering interest. To sustain the constant factor, the factor level, multiplier and protection level will be adjusted on a daily basis, i.e. the leverage of the Factor Long Certificate is reset to the leverage factor.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<i>(no effect)</i>
Interest rates	decline (due to daily adjustments)
Remaining term	<i>(no effect)</i>

### **Factor Short Certificates (2300)**

Factor Short Certificates are usually issued as open-end securities, i.e. without fixed term, but the issuer is entitled to specify one.

#### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Leverage factor	-1 or less
Factor level	(Far) above the price of the underlying
Protection level	Slightly below the factor level

#### ***End of term***

The investor receives an amount equal to the difference of the factor level and the price of the underlying.

### ***During the term***

The value of the Factor Short Certificate generally develops in the opposite direction as the underlying and to a larger extent. The daily performance of the underlying is generally reverted and leveraged by a constant factor equal to the leverage factor, after considering interest. To sustain the constant factor, the factor level, multiplier and protection level will be adjusted on a daily basis, i.e. the leverage of the Factor Short Certificate is reset to the leverage factor.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<i>(no effect)</i>
Interest rates	rise (due to daily adjustments)
Remaining term	<i>(no effect)</i>

## **DESCRIPTION OF THE INTEREST RATE**

### **FIXED INTEREST RATE**

#### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest Rate	Near market interest rates

#### ***End of the interest period***

The investor receives a fixed interest rate.

#### ***During the interest period***

The fixed interest rate is not affected by changes in the price of the underlying

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<i>no effect</i>
Implicit volatility	<i>no effect</i>
Interest rates	decline
Remaining term	is shorter

### **VARIABLE INTEREST RATES**

#### **Barrier Digital**

#### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest barrier	<ul style="list-style-type: none"><li>• (Far) below the price of the underlying (down-and-in and down-and-out)</li><li>• (Far) above the price of the underlying (up-and-in and up-and-out)</li></ul>
Interest barrier observation period	The whole term
Digital interest rate	Above market interest rate

#### ***End of the interest period***

The investor receives interest equal to the digital interest rate if:

- in case of down-and-out or up-and-out: no barrier event has occurred.
- in case of down-and-in or up-and-in: a barrier event has occurred.

Otherwise the investor receives no interest.

In case the Barrier Digital interest rate is down-and-out or down-and-in a barrier event has occurred if the price of the underlying during the interest barrier observation period has touched or fallen below the barrier; otherwise a barrier event has occurred if the price of the underlying during the barrier observation period has touched or risen above the barrier.

***During the interest period***

The Barrier Digital interest rate generally develops in the same (down-and-out or up-and-in) resp. opposite (down-and-in or up-and-out) direction as the underlying, but to a different extent. If the price of the underlying is below (down-and-in or up-and-out) resp. above (down-and-out or up-and-in) the barrier, a change in the underlying’s price may cause only a very small change in the Barrier Digital interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"> <li>• rises (down-and-out and up-and-in)</li> <li>• declines (down-and-in and up-and-out)</li> </ul>
Implicit volatility	<ul style="list-style-type: none"> <li>• rises (down-and-in and up-and-in)</li> <li>• declines (down-and-out and up-and-out)</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (down-and-out near the barrier)</li> <li>• rise (up-and-in far below the barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is longer (down-and-in and up-and-in)</li> <li>• is shorter (down-and-out and up-and-out)</li> </ul>

**Range Digital with Knock-Out**

***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest lower barrier	(Far) below the price of the underlying
Interest upper barrier	(Far) above the price of the underlying
Interest barrier observation period	The whole term
Digital interest rate	Above market interest rate

***End of the interest period***

The investor receives interest equal to the digital interest rate if the price of the underlying during the interest barrier observation period has (i) never touched or fallen below the interest lower barrier, and (ii) never touched or risen above the interest upper barrier. Otherwise the investor receives no interest.

***During the interest period***

The Range Digital interest rate develops in the same direction as the underlying, but to a different extent, if the price of the underlying is near the interest lower barrier. The Range Digital interest rate develops in the opposite direction as the underlying, but to a different extent, if the price of the underlying is near the interest upper barrier. If the price of the underlying is near the middle of both barriers, a change in the underlying’s price may cause only a very small change in the Range Digital interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"> <li>• rises (near the interest lower barrier)</li> <li>• declines (near the interest upper barrier)</li> </ul>
Implicit volatility	declines
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (near the interest lower barrier)</li> </ul>
Remaining term	is shorter

### **Range Digital with Knock-In**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest lower barrier	(Far) below the price of the underlying
Interest upper barrier	(Far) above the price of the underlying
Interest barrier observation period	The whole term
Digital interest rate	Above market interest rate

#### *End of the interest period*

The investor receives interest equal to the digital interest rate if the price of the underlying during the interest barrier observation period has (i) touched or fallen below the interest lower barrier, or (ii) touched or risen above the interest upper barrier. Otherwise the investor receives no interest.

#### *During the interest period*

The Range Digital interest rate develops in the opposite direction as the underlying, but to a different extent, if the price of the underlying is near the interest lower barrier. The Range Digital interest rate develops in the same direction as the underlying, but to a different extent, if the price of the underlying is near the interest upper barrier. If the price of the underlying is near the middle of both barriers, a change in the underlying price may cause only a very small change in the Range Digital interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"> <li>• rises (near the interest upper barrier)</li> <li>• declines (near the interest lower barrier)</li> </ul>
Implicit volatility	rises
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (near the interest upper barrier)</li> </ul>
Remaining term	is longer

### **Reference Rate**

The underlying of a Reference Rate interest rate is always an interest rate.

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest participation	100%

#### *End of the interest period*

The investor receives interest equal to the underlying rate multiplied by the interest participation.

### ***During the interest period***

The Reference Rate interest rate develops identically with the underlying rate, but, if the participation is not 100%, to a different extent.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying rate	rises
Implicit volatility	<i>(no effect)</i>
Interest rates	<i>(no effect)</i>
Remaining term	<i>(no effect)</i>

### **Capped Reference Rate Performance**

The underlying of a Capped Reference Rate Performance interest rate is always an interest rate.

### ***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the underlying rate
Interest cap level	(Far) above the interest strike
Interest participation	100% or greater

### ***End of the interest period***

If the underlying rate is above the interest strike, the investor receives interest equal to the interest participation multiplied by the amount by which the underlying rate or the interest cap level, whichever is less, exceeds the interest strike; otherwise the investor receives no interest.

### ***During the interest period***

The value of the Capped Reference Rate Performance interest rate generally develops in the same direction as the underlying rate, but to a different extent. If the underlying rate is below the interest strike or above the interest cap level, a change in the underlying rate may cause only a very small change in the interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying rate	rises
Implicit volatility	<ul style="list-style-type: none"><li>• rises (near and below the interest strike)</li><li>• declines (near and above the interest cap level)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• rise (generally)</li><li>• declines (above the interest cap level)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is longer (far below the interest cap level)</li><li>• is shorter (near and above the interest cap level)</li></ul>

### **Capped Reference Rate Reverse Performance**

The underlying of a Capped Reference Rate Reverse Performance interest rate is always an interest rate.

*Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the underlying rate
Interest floor level	(Far) below the interest strike
Interest participation	100% or greater

*End of the interest period*

If the underlying rate is below the interest strike, the investor receives interest equal to the interest participation multiplied by the amount by which the underlying rate or the interest floor level, whichever is greater, is below the interest strike; otherwise the investor receives no interest.

*During the interest period*

The value of the Capped Reference Rate Reverse Performance interest rate generally develops in the same direction as the underlying rate, but to a different extent. If the underlying rate is above the interest strike or below the interest floor level, a change in the underlying rate may cause only a very small change in the interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying rate	declines
Implicit volatility	<ul style="list-style-type: none"><li>• rises (near and above the interest strike)</li><li>• declines (near and below the interest floor level)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• rise (near or below the interest floor level)</li><li>• decline (above the interest floor level)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is longer (above the interest floor level)</li><li>• is shorter (near or below the interest floor level)</li></ul>

**Barrier Reference Rate Performance**

*Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the underlying rate
Interest participation	100% or less
Interest barrier	<ul style="list-style-type: none"><li>• (Far) below the underlying rate (down-and-in and down-and-out)</li><li>• (Far) above the underlying rate (up-and-in and up-and-out)</li></ul>
Interest barrier observation period	The whole term
Fallback interest rate	0%

*End of the interest period*

The investor receives interest equal to the interest participation multiplied by the amount by which the underlying rate exceeds the interest strike, if the underlying rate is above the interest strike and:

- in case of down-and-out or up-and-out: no barrier event has occurred.
- in case of down-and-in or up-and-in: a barrier event has occurred.

Otherwise the investor receives interest equal to the fallback interest rate (which might be zero), if:

- in case of down-and-out or up-and-out: a barrier event has occurred.
- in case of down-and-in or up-and-in: no barrier event has occurred.

In any other case the investor receives no interest.

In case the Barrier Reference Rate Performance interest rate is down-and-out or down-and-in, a barrier event has occurred if the underlying rate during the interest barrier observation period has touched or fallen below the interest barrier; otherwise a barrier event has occurred if the underlying rate during the interest barrier observation period has touched or risen above the interest barrier.

***During the interest period***

The Barrier Reference Rate Performance interest rate generally develops in the same direction as the underlying rate, but to a different extent. If the underlying rate is below the interest strike, a change in the underlying rate may cause only a very small change in value of the interest rate. Despite what was mentioned before, the interest rate may rise (up-and-in and down-and-in) resp. fall (up-and-out and down-and-out) if the underlying rate comes close to the barrier.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying rate	<i>situation-related</i>
Implicit volatility	<i>situation-related</i>
Interest rates	<i>situation-related</i>
Remaining term	<i>situation-related</i>

**Performance**

***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the price of the underlying
Interest participation	100% or less

***End of the interest period***

If the price of the underlying is above the interest strike, the investor receives interest that is proportional to the interest participation multiplied by the amount by which the price of the underlying exceeds the interest strike; otherwise the investor receives no interest.

***During the interest period***

The Performance interest rate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the interest strike, a change in the underlying's price may cause only a very small change in the interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises
Interest rates	rise
Remaining term	is longer

**Capped Performance**

***Specified at issue***

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the price of the underlying
Interest cap level	(Far) above the interest strike
Interest participation	100% or greater

***End of the interest period***

If the price of the underlying is above the interest strike, the investor receives interest that is proportional to the interest participation multiplied by the amount by which the price of the underlying or the interest cap level, whichever is less, exceeds the interest strike; otherwise the investor receives no interest.



### *During the interest period*

The value of the Capped Performance interest rate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the interest strike or above the interest cap level, a change in the underlying's price may cause only a very small change in the interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	<ul style="list-style-type: none"><li>• rises (near and below the interest strike)</li><li>• declines (near and above the interest cap level)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• rise (generally)</li><li>• declines (above the interest cap level)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is longer (far below the interest cap level)</li><li>• is shorter (near and above the interest cap level)</li></ul>

### **Capped Absolute Performance**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the price of the underlying
Interest cap level	(Far) above the interest strike
Interest floor	(Far) below the interest strike
Interest positive participation	100% or greater
Interest negative participation	100% or greater

#### *End of the interest period*

If the price of the underlying is above the interest strike, the investor receives interest that is proportional to the interest positive participation multiplied by the amount by which the price of the underlying or the interest cap level, whichever is less, exceeds the interest strike.

If the price of the underlying is below the interest strike, the investor receives interest that is proportional to the interest negative participation multiplied by the amount by which the price of the underlying or the interest floor, whichever is greater, falls below the interest strike.

### *During the interest period*

The value of the Capped Absolute Performance interest rate develops in the same direction (above the interest strike) resp. opposite direction (below the interest strike) as the underlying, but to a different extent. If the price of the underlying is far below the interest floor, far above the interest cap level or near the interest strike a change in the underlying's price may cause only a very small change in the interest rate.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"><li>• rises (above the interest strike)</li><li>• declines (below the interest strike)</li></ul>
Implicit volatility	<ul style="list-style-type: none"><li>• declines (generally)</li><li>• rises (near the interest strike)</li></ul>
Interest rates	<ul style="list-style-type: none"><li>• decline (generally)</li><li>• rise (near the interest strike)</li></ul>
Remaining term	<ul style="list-style-type: none"><li>• is shorter (generally)</li><li>• is longer (near the interest strike)</li></ul>

## Barrier Performance

### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest strike	Near the price of the underlying
Interest participation	100% or less
Interest barrier	<ul style="list-style-type: none"> <li>• (Far) below the price of the underlying (down-and-in and down-and-out)</li> <li>• (Far) above the price of the underlying (up-and-in and up-and-out)</li> </ul>
Interest barrier observation period	The whole term
Fallback interest rate	0%

### *End of the interest period*

The investor receives interest that is proportional to the interest participation multiplied by the amount by which the price of the underlying exceeds the interest strike, if the price of the underlying is above the interest strike and:

- in case of down-and-out or up-and-out: no barrier event has occurred.
- in case of down-and-in or up-and-in: a barrier event has occurred.

Otherwise the investor receives interest equal to the fallback interest rate (which might be zero), if:

- in case of down-and-out or up-and-out: a barrier event has occurred.
- in case of down-and-in or up-and-in: no barrier event has occurred.

In any other case the investor receives no interest.

In case the Barrier Performance interest rate is down-and-out or down-and-in, a barrier event has occurred if the price of the underlying during the interest barrier observation period has touched or fallen below the interest barrier; otherwise a barrier event has occurred if the price of the underlying during the interest barrier observation period has touched or risen above the interest barrier.

### *During the interest period*

The Barrier Performance interest rate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the interest strike, a change in the underlying's price may cause only a very small change in value of the interest rate. Despite what was mentioned before, the interest rate may rise (up-and-in and down-and-in) resp. fall (up-and-out and down-and-out) if the price of the underlying comes close to the barrier.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<i>situation-related</i>
Implicit volatility	<i>situation-related</i>
Interest rates	<i>situation-related</i>
Remaining term	<i>situation-related</i>

## Capped Barrier Performance

### *Specified at issue*

Parameter	Typical value
Interest strike	Near the price of the underlying
Interest cap level	(Far) above the interest strike
Interest participation	100% or less
Interest barrier	<ul style="list-style-type: none"> <li>• (Far) below the price of the underlying (down-and-in and down-and-out)</li> <li>• (Far) above the price of the underlying (up-and-in and up-and-out)</li> </ul>
Interest barrier observation period	The whole term
Fallback interest rate	0%

### *End of the interest period*

The investor receives interest that is proportional to the interest participation multiplied by the amount by which the price of the underlying or the interest cap level, whichever is less, exceeds the interest strike, if the price of the underlying is above the interest strike and:

- in case of down-and-out or up-and-out: no barrier event has occurred.
- in case of down-and-in or up-and-in: a barrier event has occurred.

Otherwise the investor receives interest equal to the fallback interest rate (which might be zero), if:

- in case of down-and-out or up-and-out: a barrier event has occurred.
- in case of down-and-in or up-and-in: no barrier event has occurred.

In any other case the investor receives no interest.

In case the Capped Barrier Performance interest rate is down-and-out or down-and-in, a barrier event has occurred if the price of the underlying during the interest barrier observation period has touched or fallen below the interest barrier; otherwise a barrier event has occurred if the price of the underlying during the interest barrier observation period has touched or risen above the interest barrier.

### *During the interest period*

The Capped Barrier Performance interest rate generally develops in the same direction as the underlying, but to a different extent. If the price of the underlying is below the interest strike or above the interest cap level, a change in the underlying's price may cause only a very small change in value of the interest rate. Despite what was mentioned before, the interest rate may rise (up-and-in and down-and-in) resp. fall (up-and-out and down-and-out) if the price of the underlying comes close to the barrier.

Price factor	Price will be higher when
Underlying price	<i>situation-related</i>
Implicit volatility	<i>situation-related</i>
Interest rates	<i>situation-related</i>
Remaining term	<i>situation-related</i>

## Cliquet

### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest performance valuation dates	At least two equidistant dates within each interest period
Interest performance cap	Near or above market interest rates
Interest performance floor	0% or below (negative possible)
Interest participation	100%
Variable interest rate cap	Near or above market interest rates
Variable interest rate floor	0% or above (negative not possible)

### *End of the interest period*

The investor receives interest equal to the interest participation multiplied by the sum of the performances of the underlying from one interest performance valuation date to the next, whereas each performance value is maximum the interest performance cap and at least the interest performance floor.

In any case the interest rate is at least the variable interest rate floor and maximum the variable interest rate cap.

### *During the interest period*

The Cliquet interest rate generally develops in the same direction as the underlying, but to a different extent.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises
Interest rates	rise
Remaining term	is longer

## Ladder

For each interest ladder level an interest ladder rate is associated, whereat for increasing interest ladder levels also the associated interest ladder rates increase.

### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest ladder levels	At or above the price of the underlying
Interest ladder rates	0% or above; usually about half of the rates are above market interest rates

### *End of the interest period*

The investor receives interest equal to the greatest interest ladder rate for which the associated interest ladder level is smaller than or equal to the price of the underlying. If no interest ladder level is less than or equal to the price of the underlying, the investor receives no interest.

### *During the interest period*

The Ladder interest rate generally develops in the same direction as the underlying, but to a different extent.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	rises
Implicit volatility	rises
Interest rates	<ul style="list-style-type: none"> <li>• rise (generally)</li> <li>• decline (above the greatest interest ladder level)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is longer (generally)</li> <li>• is shorter (near or above the greatest interest ladder level)</li> </ul>

### **Accumulated Distribution**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest Distribution Amount	100% of the Net Distribution of any Ordinary Dividend

#### *End of the interest period*

The investor receives interest equal to the sum of all distribution yields (e.g. dividend yields) of the underlying within the interest period.

#### *During the interest period*

The Accumulated Distribution interest rate is usually not affected by changes in the price of the underlying, but instead by changes in the expected distribution payments within the interest period.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<i>no effect</i>
Implicit volatility	<i>no effect</i>
Interest rates	<i>no effect</i>
Remaining term	is shorter

### **Range Accrual with Stay-in**

#### *Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest lower barrier	(Far) below the price of the underlying
Interest upper barrier	(Far) above the price of the underlying
Interest barrier observation period	The whole interest period
Digital interest rate	Above market interest rate

#### *End of the interest period*

The investor receives interest equal to the digital interest rate multiplied by the ratio of the relevant days the underlying stays within the range specified by the interest lower barrier and interest upper barrier to the total number of relevant days within the interest period. If the relevant price of the underlying was on every relevant day of the interest period not within such range, the investor receives no interest.

#### *During the interest period*

The Range Accrual interest rate develops in the same direction as the underlying, but to a different extent, if the price of the underlying is near the interest lower barrier. The Range Accrual interest rate develops in the opposite direction as the underlying, but to a different extent, if the price of the underlying is near the interest upper barrier. If the price of the underlying is near the middle of both

barriers, a change in the underlying's price may cause only a very small change in the Range Accrual interest rate.

Price factor	Price will be higher when
Underlying price	<ul style="list-style-type: none"> <li>• rises (near the interest lower barrier)</li> <li>• declines (near the interest upper barrier)</li> </ul>
Implicit volatility	declines
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (near the interest lower barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is longer (within the range)</li> <li>• is shorter (outside the range)</li> </ul>

### Range Accrual with Stay-out

#### *Specified at issue*

Parameter	Typical value
Interest lower barrier	Below the price of the underlying
Interest upper barrier	Above the price of the underlying
Interest barrier observation period	The whole interest period
Digital interest rate	Above market interest rate

#### *End of the interest period*

The investor receives interest equal to the digital interest rate multiplied by the ratio of the relevant days the underlying stays outside the range specified by the interest lower barrier and interest upper barrier to the total number of relevant days within the interest period. If the relevant price of the underlying was on every relevant day of the interest period within such range, the investor receives no interest.

#### *During the interest period*

The Range Accrual interest rate develops in the opposite direction as the underlying, but to a different extent, if the price of the underlying is near the interest lower barrier. The Range Accrual interest rate develops in the same direction as the underlying, but to a different extent, if the price of the underlying is near the interest upper barrier. If the price of the underlying is near the middle of both barriers, a change in the underlying price may cause only a very small change in the Range Accrual interest rate.

Price factor	Price will be higher when
Underlying price	<ul style="list-style-type: none"> <li>• rises (near the interest upper barrier)</li> <li>• declines (near the interest lower barrier)</li> </ul>
Implicit volatility	rises
Interest rates	<ul style="list-style-type: none"> <li>• decline (generally)</li> <li>• rise (near the interest upper barrier)</li> </ul>
Remaining term	<ul style="list-style-type: none"> <li>• is longer (outside the range)</li> <li>• is shorter (within the range)</li> </ul>

### Pyramid

For each interest pyramid rate an interest lower barrier and an interest upper barrier is associated, whereat for increasing interest pyramid rates the associated interest lower barriers increase and the associated interest upper barriers decrease.

*Specified at issue*

<b>Parameter</b>	<b>Typical value</b>
Interest lower barriers	Below the price of the underlying
Interest upper barriers	Above the price of the underlying
Interest pyramid rates	Above market interest rates
Interest barrier observation period	The whole interest period
Fallback interest rate	0%

*End of the interest period*

The investor receives interest equal to the greatest interest pyramid rate for which during the respective interest barrier observation period every price of the underlying was greater than the respective interest lower barrier and less than the respective interest upper barrier. If no interest pyramid rate is specified for which during the respective interest barrier observation period every price of the underlying was greater than the respective interest lower barrier and less than the respective interest upper barrier, the investor receives only the fallback interest rate, which might be zero.

*During the interest period*

Below the greatest interest lower barrier, the value of the Pyramid interest develops generally in the same direction as the underlying, while above the lowest interest upper barrier, the value of the Pyramid interest develops generally in the opposite direction as the underlying, in any case not to the same extent.

<b>Price factor</b>	<b>Price will be higher when</b>
Underlying price	<ul style="list-style-type: none"><li>• rise (below greatest interest lower barrier)</li><li>• decline (above lowest interest upper barrier)</li></ul>
Implicit volatility	declines
Interest rates	<ul style="list-style-type: none"><li>• decline (generally)</li><li>• rise (slightly above any interest lower barrier)</li></ul>
Remaining term	is shorter

# UNDERLYINGS

## TYPES OF UNDERLYINGS

As to the type of the Underlying and the place where information on the Underlying may be obtained, see the Final Terms (item “Provisions for the Underlying”). Regarding the risks associated with several types of Underlyings, see page 73ff. Information about the past and future performance of the Underlying(s) and its (their) volatility may be obtained from the source indicated in the Final Terms (see item “Provisions for the Underlying”). Where the Underlying is a security, the name of the issuer of the Underlying, the ISIN (international security identification number) or other such security identification code, where the Underlying is an index, the name of the index and where information about the index can be obtained, where the Underlying is an interest rate, a description of the interest rate, or, where the Underlying does not fall within the categories specified above, equivalent information, and where the Underlying is a basket, disclosure of the relevant Quantities of each Component in the basket shall be set out in the Final Terms (item “Provisions for the Underlying”).

## EXERCISE PRICE OR FINAL PRICE OF THE UNDERLYING

Unless provided otherwise in the applicable Terms and Conditions or the applicable Final Terms, the final reference price is the price of the Underlying on the respective final valuation date.

## MARKET AND SETTLEMENT DISRUPTIONS

The applicable Terms and Conditions (cf § 9 (Market Disruptions)) contain provisions concerning the disruption of the market or the settlement and the consequences attached thereto.

## ADJUSTMENT RULES

The applicable Terms and Conditions (cf § 9 (Market Disruptions), § 10 (Adjustments)) contain provisions on the adjustment with respect to events concerning the Underlying.

## REPLACEMENT PLANS

The Issuer has prepared detailed written plans for the event that an Underlying needs to be replaced in accordance with the relevant Terms and Conditions. These plans contain – amongst others – procedures and provisions how to identify possible replacements for the Underlying and how to select the most appropriate of them, whereby, depending on the type of the Underlying to be replaced, the criteria for the identification may include:

- Geographical coverage
- Industry and market segments
- In case of indices: number of index constituents and dividends structure
- Historical volatility
- Existence and liquidity of related option and futures markets
- Historical correlation between the Underlying to be replaced and the potential replacement

On written request, the Issuer will provide these plans applicable to a specific Underlying.



## **USE OF PROCEEDS**

The net proceeds from the issue of any Securities may be used by the Issuer for any whatsoever purpose and will, generally, be used by the Issuer for the generation of profits and its general funding purposes. If pursuant to the respective Final Terms of a certain Series, the Paying Agent is a foreign local branch (*Zweigstelle*) of the Issuer, the net proceeds (and the costs) of such Series will be attributed to such foreign local branch (*Zweigstelle*).

# RAIFFEISEN CENTROBANK AG

## INTRODUCTION

Raiffeisen Centrobank is registered as an Austrian Law Stock Corporation in the Austrian Companies Register at the Vienna Commercial Court under the registration number 117507 f. The registered office of Raiffeisen Centrobank is Tegetthoffstraße 1, 1010 Vienna, Austria, and its telephone number is +43-1-51520-0. The legal name of the Issuer is “Raiffeisen Centrobank AG”, the Issuer uses the commercial name “Raiffeisen Centrobank” or “RCB”.

The Issuer was founded on 22 October 1973 in Vienna, Austria through the conversion of “Centrofin, Finanzierungsvermittlungs-, Handels- und Treuhandgesellschaft mit beschränkter Haftung” into “Centro Internationale Handelsbank Aktiengesellschaft”. The initial registration in the Austrian Companies Register was made on 29 March 1974. The Issuer is established for an indefinite period of time. The share capital of the issuer at the time of the initial registration was Austrian Schillings 350,000,000 (approximately EUR 25,435,491.96) and was increased by a registration made on 13 June 1998 to Austrian Schillings 655,000,000 (approximately EUR 47,600,706.38). This amount was adjusted at the time of the takeover by the RBI Group which was resolved at the extraordinary shareholders’ meeting of 14 November 2001 with the registration in the Austrian Companies Register of 21 December 2001 to EUR 47,598,850, which represents the current share capital of Raiffeisen Centrobank. Since the end of 2001, the Issuer has been part of the RBI Group.

## BACKGROUND

The Issuer is a specialised financial institution for the equity business within the RBI Group and operates in the local markets in Central and Eastern Europe. Raiffeisen Centrobank was among the first equity houses in Austria to develop a network of direct stock exchange connections for its customers in Austria and in Central and Eastern Europe. Currently, Raiffeisen Centrobank operates 11 direct stock exchange connections which it makes available to its institutional and private investors.

The business of Raiffeisen Centrobank is focused on stocks. The Issuer sees itself as specialist for domestic and Central and East European stocks and as a leading market participant in this region.

Raiffeisen Centrobank has experience in the field of developing and placing of certificates. The expertise in this field makes Raiffeisen Centrobank one of the leading certificate houses in Austria by volume.

The products of the Issuer’s research department include regular sector and company analyses, quarterly strategy publications, weekly market outlooks and equity daily as well as event-based commentaries. The research experts of Raiffeisen Centrobank provide support for the Issuer’s sales team as well as institutional customers and the investment advisors of the RBI Group.

Furthermore, Raiffeisen Centrobank’s investment services department focuses on servicing customers of the Raiffeisen network banks in the CEE region, offering tailor-made investment solutions for private and institutional customers. In April 2017, Raiffeisen Centrobank AG has established a branch in Bratislava, Slovakia with the company name “Raiffeisen Centrobank AG Slovak Branch, pobočka zahraničnej banky”.

In 2014, it was decided to restructure the business model of Raiffeisen Centrobank AG and to focus the core areas of business on equity trading and sales as well as on certificates. Following these decisions, the Equity Capital Markets (ECM), Mergers & Acquisitions (M&A) including the respective subsidiaries were transferred into Raiffeisen Bank International AG or the respective network banks and parts of the Private Banking segments were transferred to Kathrein Privatbank AG. The business segment of the commodity trading subsidiaries was partly sold or does not perform any operational activities. Centrotrade Chemicals AG was liquidated in February 2017.

Since the second quarter 2017, the Equity Capital Markets business of Raiffeisen Bank International AG and Raiffeisen Centrobank AG is to be offered exclusively within Raiffeisen Centrobank AG with the purpose of focusing increasingly on acquiring and executing equity capital market transactions and further expanding the Global Equity Sales business.

## GROUP STRUCTURE

### Equity participations and shares in affiliated companies

The following table contains information on companies in which the Issuer directly held a minimum of 20% shareholding.

Company, registered headquarter (country)	Share in %	in thousand EUR	
		Equity	Annual result for 2017
Centrotech Holding GmbH, Vienna (AT)	100	3,944	(25)
Syrena Immobilien Holding AG, Spittal/Drau (AT)	21	28,256	(790)

Source, if not stated otherwise: Internal information of the Issuer -- unaudited figures as of 31 December 2017, save for the share percentage figures which are as of the date of this Base Prospectus

Since the sale of the commodity trading subsidiaries, Centrotech Holding GmbH has not performed any operational activities.

## SHARE CAPITAL OF RAIFFEISEN CENTROBANK

By 31 December 2017, Raiffeisen Centrobank's nominal share capital amounted to EUR 47,598,850 divided into 655,000 non par-value ordinary shares.

The vast majority of 654,999 shares, equalling a stake of 99.9% of the shares in Raiffeisen Centrobank, are through RBI KI-Beteiligungs GmbH and its subsidiary RBI IB Beteiligungs GmbH, Vienna (indirectly) held by Raiffeisen Bank International AG ("RBI"). The remainder of 1 share (0.1%) is held by Lexxus Services Holding GmbH, Vienna, which is an indirect subsidiary of RBI. As a consequence Raiffeisen Centrobank is an indirect subsidiary of RBI. The shares in Raiffeisen Centrobank are not listed on any stock exchange.

## BUSINESS OVERVIEW

### RELATIONSHIP WITH AND DEPENDENCE WITHIN RAIFFEISEN SECTOR

#### The Raiffeisen banking group Austria

Raiffeisen Centrobank is part of the Raiffeisen banking group Austria. The Raiffeisen banking Group Austria (*Raiffeisen Bankengruppe Österreich*) is a banking group with its origins in Austria which is active in the Central and Eastern European market. Apart from the Central and Eastern European markets, the Raiffeisen banking group Austria is also represented in a number of international financial marketplaces and in the emerging markets of Asia.

Raiffeisen banking group Austria is organized into three tiers: the autonomous, local Raiffeisen banks (first tier), the eight autonomous regional Raiffeisen banks (second tier), and RBI (third tier). Raiffeisen banking group Austria does not constitute a group of companies (*Konzern*) pursuant to § 15 of the Austrian Stock Corporation Act (*Aktiengesetz – AktG*) nor a credit institution group (*Kreditinstitutsgruppe*) pursuant to § 30 BWG nor a credit institution association (*Kreditinstitute-Verbund*) pursuant to § 30a BWG.

The autonomous Raiffeisen banks together with their branches, the regional Raiffeisen banks and the specialist companies make up a comprehensive and extensive banking network. The autonomous Raiffeisen banks are universal banks that provide a full range of banking services and are also the owners of their respective regional bank.

#### Raiffeisen Bank International AG

Raiffeisen Centrobank's parent company, RBI, is a leading commercial and investment bank in in the CEE region and in Austria. RBI is organized in various segments and Raiffeisen Centrobank belongs to the segment Group Corporates & Markets.

Raiffeisen Centrobank is a subsidiary which is indirectly fully owned by RBI and is included in the consolidated financial statements of RBI.

RBI is the ultimate parent company of RBI Group, which consists of RBI and its fully consolidated subsidiaries taken as a whole ("**RBI Group**").

Raiffeisen Centrobank is a subordinated credit institution in the RBI credit institution group (*Kreditinstitutsgruppe*) pursuant to § 30 BWG, in which RBI is the superordinated credit institution ("**RBI Credit Institution Group**"). The RBI Credit Institution Group comprises all credit institutions, financial institutions, securities companies and enterprises offering banking related support services in which RBI holds an indirect or direct majority interest or exerts a controlling influence.

Furthermore, Raiffeisen Centrobank belongs to the RBI Regulatory Group, in which the calculation of the own funds requirements of a credit institution group applies on a consolidated basis due to prudential consolidation pursuant to the EU Capital Requirements Regulation.

More than 90% of the shares in RCB's parent company, RBI, are owned by the autonomous regional Raiffeisen banks. These are owned by the local Raiffeisen banks.

RCB is a joint stock corporation and dependent on its shareholders (see "Share capital of Raiffeisen Centrobank" above). RBI, the ultimate parent of Raiffeisen Centrobank, is an indirect shareholder and therefore has the possibility of exercising influence over Raiffeisen Centrobank, amongst other things, by appointing or dismissing members of the Supervisory Board or by changing the articles of association in shareholders' meetings.

### BUSINESS SEGMENTS

In 2014, it was decided to restructure the business model of Raiffeisen Centrobank AG and to focus the core areas of business on equity trading and sales as well as on certificates. Following these decisions, the Equity Capital Markets (ECM), Mergers & Acquisitions (M&A) including the respective

subsidiaries were transferred into Raiffeisen Bank International AG or the respective network banks and parts of the Private Banking segments were transferred to Kathrein Privatbank AG. The business segment of the commodity trading subsidiaries was partly sold or is in liquidation.

## **Operations of Raiffeisen Centrobank**

### ***Trading & Treasury***

With a considerable market share on the spot market, Raiffeisen Centrobank is one of the largest market participants on the Vienna Stock Exchange. In market making the traded volume was EUR 1,575,000,000 for the year 2017, depicting a slight increase in comparison to 2016.

In the specialist tender on the Vienna Stock Exchange in April 2018, Raiffeisen Centrobank received 17 mandates and therefore held a total of 38 market making and specialist mandates within the prime market. On the Warsaw Stock Exchange, Raiffeisen Centrobank acted as market maker for 27 equities. Moreover, market making in single stock futures as well as in Index futures and options was provided. Raiffeisen Centrobank's market maker activities on the Prague Stock Exchange and Budapest Stock Exchange encompassed 18 titles. In 2018 Raiffeisen Centrobank also started market making activities in the index MSCI Poland as well as in Czech and in Hungarian indices.

### ***Global Equity Markets***

The division Global Equity Markets consists of the departments Sales & Sales Trading, Execution & Electronic Trading and Equity Capital Markets.

The Sales & Sales Trading department is distributing Raiffeisen Centrobank's equity research product to institutional clients in continental Europe, UK and the USA. Additionally, the department team offers corporate access of the research product via roadshows & conferences and execution services with the focus on Raiffeisen Centrobank's core markets. For listed small & midsize corporates, the department team is offering market making and investor relations services.

The Execution & Electronic Trading department offers fully automated and semi-automated order execution services for securities, listed on Stock Exchanges. About 50 international markets are covered, thereof 8 as a member of the respective stock exchange. Beside local and international institutional clients, the Execution & Electronic Trading department team is responsible for the execution of the majority of the retail order flow of local Austrian Raiffeisen banks.

The Equity Capital Markets department offers advisory & underwriting services for Primary & Secondary Market Transactions like Initial Public Offerings (IPOs), Capital Increases, Secondary Public Offerings (SPOs), Share Buy Back Programmes, Stock Exchange Listings, Paying Agent Services and Block Trade facilitation.

### ***Structured Products***

The positive course of business for Raiffeisen Centrobank's structured products department continued with another favourable result in 2017. Open interest for Raiffeisen Centrobank certificates rose again. Total turnover of structured products department for 2017 came to € 1.8 billion and was an all-time high level. With a turnover share of over 82%, guarantee certificates and certificates with partial protection were the most popular product categories by far. As an Austrian issuer, Raiffeisen Centrobank's activity focused not only on products based on the traditionally important home market, but also on major European and global indices such as the Euro STOXX 50, STOXX Global Select Dividend 100 and on Eastern European underlyings.

In aggregate, Raiffeisen Centrobank issued 6,941 products in 2017, bringing the total of its publicly offered issues to 6,585 at the end of 2017. In addition to the Vienna Stock Exchange, Raiffeisen Centrobank certificates are listed on the leading European certificate exchanges in Stuttgart (EUWAX) and Frankfurt. Raiffeisen Centrobank places particular focus on the CEE exchanges, with a considerable number of new listings and product innovations. In addition, Raiffeisen Centrobank acts as market maker on the exchanges in Warsaw, Prague, Budapest and Bucharest. Raiffeisen Centrobank AG offers its structured products as systematic internaliser within the meaning of the EU Directive

2014/65/EU (“MiFID II”). Raiffeisen Centrobank is currently active in nine CEE countries and intensified its collaboration with the local network banks. Furthermore, a number of issues (subscriptions and private placements) and education measures were completed.

### ***Investment Services***

In the wake of re-aligning Raiffeisen Centrobank's business segments, the private banking segment was renamed to investment services. Investment services focuses on servicing customers of the Raiffeisen network banks in the CEE/CIS region. Private and institutional customers enjoy access to all services of Raiffeisen Centrobank, such as tailor-made investment solutions, excellent lineage to major stock exchanges and access to research. Local Raiffeisen units retain their customer relationships. RCB pursues no acquisition and no advisory activity of its own on local markets. Thus, competition between Investment Services and local network banks is prevented and ensures that all stakeholders' requirements are met in the best possible way.

### ***Company Research***

The coverage universe of Raiffeisen Centrobank AG comprises stocks of roughly 130 listed Austrian, Central & Eastern European as well as Russian companies. To expand the regional approach in Emerging Europe, a research cooperation with a Turkish broker was established to cover the Turkish equity market as well. In 2017, the Company Research department published a total of 1,177 research reports (Company Updates, Sector Reports, First Impressions, Company News, Sector News, Equity Daily, Equity Weekly and specials). In addition to holding regular conference calls, analyst roadshows were held with investors in London, Paris, Frankfurt, Zurich, Stockholm, Warsaw, Budapest, Tallinn, Helsinki, Prague, Zagreb and Vienna.

## **RISK MANAGEMENT**

Because of its specialization in trading equities and equity derivatives, it is particularly important for Raiffeisen Centrobank to maintain a modern, professional, and active risk management. The risk management department is responsible for assessing the current risk situation in accordance with the Issuer's risk-bearing capacity and the corresponding risk limits, and thereby assists the Managing Board with the management of Raiffeisen Centrobank's overall risk. In its interdepartmental and intercompany role, Raiffeisen Centrobank's risk management is also responsible for the refinement of the risk identification, measurement, and management methods and for maintaining and updating the relevant rules.

## **TREND INFORMATION**

For information in trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year, please see “RISKS THAT MAY AFFECT THE ISSUER” (commencing on page 45), in particular the risk factors “The Raiffeisen Centrobank may be adversely impacted by business and economic conditions, and difficult market conditions have adversely affected Raiffeisen Centrobank”, “Raiffeisen Centrobank is dependent on the economic environment in the markets where it operates” and “New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Raiffeisen Centrobank to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.”.

## **ADMINISTRATIVE, MANAGING AND SUPERVISORY BODIES**

### **MANAGING BOARD**

#### **Wilhelm Celeda**

##### *Chairman*

Wilhelm Celeda was born on 18 April 1964. He is member of the managing board since 1 January 2013 (since 1 January 2015 Chairman) and represents the Raiffeisen Centrobank jointly with another member of the Managing Board or with an officer holding a general power of attorney. Before becoming member of the Managing Board he was the head of Raiffeisen Centrobank's equities & derivatives department.

Other board memberships:

Member of the Supervisory Board   CEESEG Aktiengesellschaft, Vienna, Austria  
Wiener Börse Aktiengesellschaft, Vienna, Austria

#### **Marie-Valerie Brunner**

Marie-Valerie Brunner was born on 10 December 1967. She represents Raiffeisen Centrobank since 1 January 2016 jointly with another member of the management board or with an officer holding a general power of attorney. Before becoming member of the management board she was the head of Global Corporate Customers within RBI Corporate Banking. Mrs. Brunner has 25 years of work experience in Corporate Banking and bank wide strategic initiatives throughout the entire RBI Group.

Other board memberships:

Chairman of the Supervisory Board   Syrena Immobilien Holding Aktiengesellschaft, Spittal an der Drau, Austria

The address of the members of the Managing Board is Tegetthoffstraße 1, 1010 Vienna, Austria.

### **SUPERVISORY BOARD**

#### **Members of the Supervisory Board**

##### *Chairman*

Lukasz Januszewski  
Member of the Managing Board  
Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna

Other board memberships:

Member of the Supervisory Board   Raiffeisenbank a.s., Prague, Czech Republic  
Deputy-Chairman of the               Raiffeisen Solutions Sp. Z o.o., Warsaw, Poland

## Supervisory Board

Chairman of the Supervisory Board	Raiffeisen TFI S.A., Warsaw, Poland
Member of the Managing Board	Raiffeisen Bank International Aktiengesellschaft, Vienna, Austria

## *Deputy Chairman*

Hannes Mösenbacher  
Member of the Managing Board  
Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna

### Other board memberships:

Member of the Supervisory Board	Raiffeisen Bank Polska S.A., Warsaw, Poland  AO Raiffeisenbank, Moscow, Russia  Raiffeisen Bank S.A., Bukarest, Romania  Tatra banka a.s., Bratislava, Slovakia  Raiffeisenbank a.s., Prague, Czech Republic
Chairman of the Supervisory Board	Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo, Bosnia-Herzegovina
Member of the Managing Board	Raiffeisen Bank International Aktiengesellschaft, Vienna, Austria

## *Member*

Andrii Stepanenko  
Member of the Managing Board  
Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna

### Other board memberships:

Member of the Supervisory Board	Raiffeisenbank a.s., Prague, Czech Republic  Raiffeisen Bank Aval JSC, Kyiv, Ukraine
Member of the Managing Board	Raiffeisen Bank International Aktiengesellschaft, Vienna, Austria



## ***Member***

Michael Höllerer  
Member of the Managing Board  
Raiffeisen Bank Polska S.A.  
ul. Grzybowska 78  
00-844 Warszawa

Other board memberships:

Chairman of the Supervisory Board	Raiffeisen Wohnbaubank Aktiengesellschaft, Vienna, Austria  Raiffeisen Bausparkasse Gesellschaft m.b.H., Vienna, Austria  Raiffeisen Factor Bank Aktiengesellschaft, Vienna, Austria  Valida Holding Aktiengesellschaft, Vienna, Austria  Valida Industrie Pensionskasse Aktiengesellschaft, Vienna, Austria  Valida Pension Aktiengesellschaft, Vienna, Austria  Valida Plus Aktiengesellschaft, Vienna, Austria
Member of the Supervisory Board	UNIQA Österreich Versicherungen Aktiengesellschaft, Vienna, Austria  card complete Service Bank Aktiengesellschaft, Vienna, Austria  Raiffeisen Bank Zrt., Budapest, Hungary  Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft
Member of the Managing Board	Raiffeisen Bank Polska S.A., Warsaw, Poland

## **STATE COMMISSIONERS**

### ***State Commissioner***

Alfred Hacker  
Head of department IV/2, Organisation of the Tax and Coordination Office; Gaming  
Federal Ministry of Finance  
Johannesgasse 5  
1010 Vienna

### ***Deputy State Commissioner***

Karl-Heinz Tscheppe  
Deputy Head of department IV/3, Prevention of Fraud Tax and Customs  
Federal Ministry of Finance  
Johannesgasse 5  
1010 Vienna

## **CONFLICTS OF INTEREST**

Raiffeisen Centrobank is not aware of any conflicts of interests between any duties to Raiffeisen Centrobank of members of the Supervisory Board or Managing Board and their private interests and / or other interests. As per the risk of existing conflicts of interest, please see the Risk Factor “Potential conflicts of interest” on page 62.

## **SHAREHOLDERS OF RAIFFEISEN CENTROBANK**

Raiffeisen Centrobank’s major shareholder, Raiffeisen Bank International AG, is the leading bank of the Raiffeisen Sector in Austria and holds indirectly a stake of 100% of the shares in Raiffeisen Centrobank. (see also the paragraphs under the heading “Share capital of Raiffeisen Centrobank” on page 130).

## **PREVENTION OF CONTROL ABUSE**

According to the Stock Corporation Act, the members of the Managing Board of the Issuer must act in their own responsibility in the best interest of the Issuer, taking into account its shareholders, employees and the public interest. In particular, the members of the Managing Board are not obliged to follow instructions of shareholders or members of the supervisory board; if such instructions would be detrimental to the issuer or would be contrary to its best interest, the members of the Managing Board would need to reject such instructions. The appointment and dismissal of members of the Managing Board is effected by the supervisory board by a simple majority vote.

## HISTORICAL FINANCIAL INFORMATION

The documents containing historical financial information are incorporated by reference (see section “Documents incorporated by reference” on page 5ff.) and include the following Alternative Performance Measures (“APM”):

- **Return on Equity** provides a profitability measure for both management and investors by expressing the net profit for the period as presented in the income statement as a percentage of the respective underlying (either equity related or asset related). Return on equity demonstrates the profitability of the bank on the capital invested by its shareholders and thus the success of their investment. Return on Equity is a useful measure to easily compare the profitability of a bank with other financial institutions.
- **Cost/income ratio** is an economic metric and shows the company’s costs in relation to its income. The ratio gives a clear view of operational efficiency. Banks use the Cost/income ratio as an efficiency measure for steering the bank and for easily comparing its efficiency with other financial institutions.
- **Operating result** is used to describe the operative performance of a bank for the reporting period. It consists of operating income less general administrative expenses.
- **Operating income** comprises net interest income, net fee and commission income, net trading income and other net operating income (less bank levies, impairments of goodwill, releases of negative goodwill and profit/loss from banking business due to governmental measures).

### Financial Statements

Parts of the Audited Financial Statements of Raiffeisen Centrobank for the financial years ended 31 December 2017 and 2016, together in each case with the audit report thereon, are incorporated by reference.

### Auditor’s Reports

The Auditor’s Reports on the financial statements as of 31 December 2017 and 2016 are incorporated by reference.

## **MATERIAL CONTRACTS**

The Issuer has not concluded material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Securityholders in respect of the Securities.

## TAXATION

*The statements herein regarding certain tax issues in Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia as well as FATCA-related tax issues are based on the laws in force in those jurisdictions as of the date of this Base Prospectus and are subject to any changes in such laws. The following summaries do not purport to be comprehensive descriptions of all the tax considerations which may be relevant to a decision to purchase, own or dispose of Securities. Prospective holders of Securities should consult their tax advisors as to the relevant tax consequences of the ownership and disposition of Securities.*

*The Issuer assumes no responsibility with respect to taxes withheld at source.*

### AUSTRIA

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

#### General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in section 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in section 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

#### Income taxation

Pursuant to section 27 (1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to section 27 (2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (section 27a (3) (1) of the Austrian Income Tax Act);
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to section 27 (3) of the Austrian Income Tax Act, including gains from the alienation, redemption and

other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (section 27a (3) (2) (a) of the Austrian Income Tax Act); and

- income from derivatives (*Einkünfte aus Derivaten*) pursuant to section 27 (4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (section 27a (3) (3) (c) of the Austrian Income Tax Act).

Also the withdrawal of the Securities from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Securities vis-à-vis other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (cf. section 27 (6) (1) and (2) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (section 27a (3) (2) (b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all resulting investment income pursuant to section 27 (1) of the Austrian Income Tax Act. Investment income from the Securities with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to section 97 (1) of the Austrian Income Tax Act). Investment income from the Securities without an Austrian nexus must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to section 27a (1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to section 27a (5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; section 27a (4) (2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (section 20 (2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Section 27 (8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims vis-à-vis credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit einer Privatstiftung vergleichbar sind*); income subject to income tax at a flat rate pursuant to section 27a (1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with section 93 (6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to section 27 (1) of the Austrian Income Tax Act. Investment income from the Securities with an Austrian nexus is subject to withholding tax at a flat rate of 27.5%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5%). Investment income from the Securities without an Austrian nexus must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to section 27a (1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to section 27a (5) of the Austrian Income Tax Act). The flat tax rate does not apply to income from realised increases in value and income from derivatives if realizing these types of income constitutes a key area of the respective investor's business activity (section 27a (6) of the Austrian

Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (section 20 (2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to section 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of section 27 (3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55% of the remaining negative difference may be offset against other types of income.

Pursuant to section 7 (2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of section 27 (1) of the Austrian Income Tax Act from the Securities at a rate of 25%. Income in the sense of section 27 (1) of the Austrian Income Tax Act from the Securities with an Austrian nexus is subject to withholding tax at a flat rate of 27.5%. However, pursuant to section 93 (1a) of the Austrian Income Tax Act the withholding agent may apply a 25% rate if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in section 94 (5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Securities can be offset against other income.

Pursuant to section 13 (3) (1) in connection with section 22 (2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in section 13 (3) and (6) of the Austrian Corporate Income Tax Act and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (inter alia, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (section 12 (2) of the Austrian Corporate Income Tax Act). Interim tax does generally not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. Investment income from the Securities with an Austrian nexus is in general subject to withholding tax at a flat rate of 27.5%. However, pursuant to section 93(1a) of the Austrian Income Tax Act the withholding agent may apply a 25% rate if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in section 94 (12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities are attributable to such permanent establishment (cf. section 98 (1) (3) of the Austrian Income Tax Act, section 21 (1) (1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of section 27 (2) (2) of the Austrian Income Tax Act and accrued interest (including from zero coupon bonds) in the sense of section 27 (6) (5) of the Austrian Income Tax Act from the Securities if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to individuals being resident in a state with which automatic exchange of information exists. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (section 98 (1) (5) (b) of the Austrian Income Tax Act). Under applicable double taxation treaties, relief from Austrian income tax might be available. However, Austrian credit institutions must not provide for such relief at source; instead, the investor may file an application for repayment of tax with the competent Austrian tax office.

### **Inheritance and gift taxation**

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act

(*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat and/or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of section 27 (3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to section 27a (1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with higher rates applying in special cases.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat and/or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to section 27 (6) (1) and (2) of the Austrian Income Tax Act (see above).



## **BULGARIA**

### **General**

The information set out below represents a general overview of certain material Bulgarian tax law aspects that may be relevant for a potential investor in the Securities. The overview is not exhaustive and should not be construed as legal or tax advice to potential investors. Thus, potential investors should consult their own professional tax advisors regarding Bulgarian tax consequences (including the applicability and the effect of double taxation treaties) of acquiring, owning and disposing of the Securities in specific circumstances.

The following information is based on the Bulgarian legislation in force as of 25 April 2018 and may be subject to any changes based on the amendments introduced to Bulgarian law.

In general, the Securities would be regarded as financial assets under Bulgarian law, which could constitute a taxable income for their holder under the following circumstances: (i) during the possession period (e.g. in the form of interests or dividends), and (ii) at the time of their disposition (e.g. in the form of capital gains from disposition of the Securities or from liquidation proceeds arising out of a shareholding participation). Non-realized profits or losses from the Securities (e.g. accounting profits or losses resulting from revaluations of financial assets) are not recognized for tax purposes subject to certain exceptions.

### **Residents**

#### *Individuals*

##### *Tax residency*

An individual is considered to be a tax resident in Bulgaria if:

- the permanent address of the individual is in Bulgaria; or
- the individual spends on the territory of Bulgaria more than 183 days in each period of 12 consecutive months, or
- the individual resides abroad on assignment of the Bulgarian state, its authorities and/or its organizations, or of Bulgarian enterprises, or
- the centre of the vital interests of the individual is located in Bulgaria.

If the individual has a permanent address in Bulgaria, but the centre of his/her vital interests is not located in Bulgaria, he/she is not considered a Bulgarian tax resident.

Individuals who are tax residents in Bulgaria are subject to Bulgarian income tax on their worldwide income, regardless of its source.

##### *Dividends and liquidation proceeds*

Dividends and liquidation proceeds distributed to tax residents are subject to withholding tax at the rate of 5% regardless of whether any of such payments are distributed to the individual by Bulgarian legal entities or foreign legal entities.

##### *Interest*

Payments of interest on bank accounts to tax residents are subject to withholding tax at the rate of 8%.

Interest, other than interest on bank accounts, is subject to personal income tax at the rate of 10%.

##### *Capital gains*

The taxable income of the individual from sale, exchange or other disposal of financial assets (e.g. shares, compensatory instruments, investment bonds and other financial assets, including the Securities) as well as from trade with foreign currency is the sum of the profits derived during the respective year, determined for each particular transaction, reduced by the sum of the losses incurred

during the same year, determined for each particular transaction. The abovementioned realised profit/incurred loss is determined by reducing the selling price with the acquisition costs of the financial asset. This income is subject to a personal income tax of 10%.

#### *Other income*

Any other income derived by the individual from the Securities, which is not subject to withholding tax, is subject to 10% personal income tax.

#### *Exemptions*

In certain cases the individuals may be exempted from income tax. Such cases, among others, include:

- (i) interest and discounts made on Bulgarian government, municipal and corporate bonds; as well as on similar bonds issued in accordance with the legislation of another EU Member State or of an EEA country;
- (ii) any income from disposing of financial instruments, which, among others, include: transactions with units and shares in collective investment schemes and in national investment funds, shares, rights and government securities, effected on a regulated market; transactions concluded under the terms and according to the procedure of tender offering under Section II of Chapter Eleven of the Bulgarian Public Offering of Securities Act, or transactions of similar type in another EU Member State, or in a EEA country.

#### *Legal entities*

##### *Tax residency*

The following legal entities are considered to be tax residents of Bulgaria:

- (i) all legal entities established under Bulgarian laws;
- (ii) legal entities established pursuant to the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company and the cooperatives, established pursuant to Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), in case they have their registered office in Bulgaria and they are entered into a Bulgarian register.

##### *Corporate income tax*

The taxable profits of any Bulgarian tax resident legal entity are subject to 10% corporate income tax. The taxable income is determined based on the accounting profits/losses which are adjusted for tax purposes. The accounting profits/losses are determined by applying International Financial Reporting Standards or the Bulgarian National Accounting Standards.

The income derived by a Bulgarian tax resident legal entity from the Securities will be included in its taxable profits, e.g. interest, capital gains from sale, exchange or other disposals of the Securities, and liquidation proceeds from shareholding participation.

Certain items of income, although recognized as income for accounting purposes, will not be included in the taxable profits, e.g. dividends distributed to the entity by Bulgarian tax resident legal entity or by legal entities which are tax resident in an EU Member State or an EEA country (subject to certain exceptions).

Losses from sale, exchange or other disposals of the Securities are generally tax deductible, subject to certain exceptions.

Non-realized profits or losses from the Securities (e.g. profits or losses arising from revaluations) are not recognized for tax purposes, unless the Bulgarian tax resident is a financial institution.

## **Non- Residents**

### ***Individuals***

#### *Tax residency*

Any individual who does not qualify as a Bulgarian tax resident is considered to be a non-Bulgarian tax resident. The non-Bulgarian tax residents are taxed in Bulgaria only on their income with sourced from Bulgaria.

#### *Dividends and liquidation proceeds*

Dividends and liquidation proceeds distributed to a non-Bulgarian tax resident by a Bulgarian legal entity are subject to 5% withholding tax.

#### *Interest*

Interest income paid or accrued to a non-Bulgarian tax resident by a Bulgarian tax resident, a representative office, a permanent establishment or a fixed base of a foreign person in Bulgaria is subject to Bulgarian withholding tax at the rate of 10%.

#### *Capital gains*

Income of a non-Bulgarian tax resident from the sale or exchange or other disposition of shares, compensatory instruments, investment bonds and other financial assets, including securities against consideration, is taxable in Bulgaria when this income sourced from Bulgaria.

The income from such financial assets is considered being sourced from Bulgaria if the financial assets are issued by the Bulgarian state, municipalities, legal entities, non-personified entities and other forms of joint activity as well as from transactions concluded with them.

The taxable income from sale/transfer of financial assets is determined as the positive difference between the selling price and the documented acquisition cost of the asset. The taxable income is subject to 10% tax which should be paid by the income recipient rather than withheld by the income payer.

#### *Exemptions*

Income from bonds or other debt securities issued by the Bulgarian state or Bulgarian municipalities and traded on a regulated market in Bulgaria, an EU Member State or an EEA country is exempt from withholding tax.

All exemptions from income tax available to Bulgarian tax residents would also apply to individuals which are tax residents in an EU Member State or an EEA country.

### ***Legal entities***

#### *Tax residency*

Any legal entity which may not qualify as a Bulgarian tax resident is considered to be a non-Bulgarian tax resident.

#### *Dividends*

Dividends distributed by a Bulgarian tax resident legal entity to a non- Bulgarian tax resident legal entity are subject to 5% withholding tax, unless the shareholder is a tax resident in an EU Member state or EEA country (subject to exception in case of hidden profit distribution).

#### *Interest*

Interest with a source from Bulgaria derived by a non-Bulgarian tax resident legal entity and not attributable to a permanent establishment in Bulgaria, is subject to Bulgarian withholding tax at the rate of 10%. The interest will be considered sourced from Bulgaria if the following conditions are met: (i) it

is accrued to the non-Bulgarian tax resident by a Bulgarian tax resident legal entity or a permanent establishment of a non-Bulgarian tax resident in Bulgaria, or (ii) paid to the non-Bulgarian tax resident legal entity by a Bulgarian tax resident individual or a by a non-Bulgarian tax resident individual through a fixed base in Bulgaria.

There are certain exemptions from the withholding tax on interest as follows:

- (i) No withholding tax is due on interest income on bonds or other debt securities, issued by a Bulgarian tax resident individual, the Bulgarian state and Bulgarian municipalities, which are traded on a regulated market in Bulgaria, an EU Member State or an EEA country.
- (ii) No withholding tax is due on interest on a loan granted by a foreign entity - issuer of bonds or other debt securities, when all of the following conditions are fulfilled:
  - the issuer is a tax resident of an EU Member State or an EEA country;
  - the issuer has issued the bonds or the other debt securities for the purpose of loaning the proceeds from the loan to a Bulgarian tax resident legal entity, and
  - the bonds or other debt securities are traded on a regulated market in Bulgaria, an EU Member State or an EEA country.
- (iii) No withholding tax on interest is due if certain conditions provided by Bulgarian law implementing Council Directive 2003/49/EC of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different EU Member States are met;
- (iv) No withholding tax is due on a loan, where no bonds are issued and the borrower is the Bulgarian state or a Bulgarian municipality.

#### *Capital gains*

Any income of a foreign tax resident, which is a legal entity, from disposition of financial assets, including securities, will be subject to 10% tax in Bulgaria, if the financial assets are issued by a Bulgarian tax resident legal entity, the Bulgarian state or Bulgarian municipalities and this income is not attributable to a permanent establishment. The taxable income is the positive difference between the selling price and the documented acquisition costs of the financial asset. The tax should be paid by the income recipient rather than to be withheld by the income payer.

Certain items of income derived from disposition of financial instruments are exempt from taxation. Such exemptions include, among others: transactions with units and shares in collective investment schemes and in national investment funds, shares, rights and government securities, effected on a regulated market; transactions concluded under the terms and according to the procedure of tender offering under Section II of Chapter Eleven of the Bulgarian Public Offering of Securities Act, or transactions of similar type in another EU, or in an EEA country.

#### *Corporate Income tax*

In case a non-Bulgarian tax resident legal entity creates a permanent establishment in Bulgaria, the taxable profits attributable to such permanent establishment will be subject to 10% corporate income tax. The taxable profits are determined similarly to the taxable profits of a Bulgarian tax resident legal entity, but the transactions between the permanent establishment and other parts of the foreign entity outside Bulgaria can also be taken into consideration. Therefore, any income from the Securities which is attributable to a permanent establishment of the non-Bulgarian tax resident in Bulgaria could also be subject to Bulgarian corporate income tax.

#### *Inheritance and donation tax*

Inheritance tax applies to properties inherited by Bulgarian citizens in Bulgaria or abroad or by foreign citizens in Bulgaria. No inheritance tax is due by the surviving spouse or any direct line heir. The rate of the inheritance tax ranges from 0.4% to 0.8% (depending on the municipality) for inheritance share beyond BGN 250,000 in case of brothers or sisters or their children and from 3.3% to 6.6% (depending on the municipality) for inheritance share beyond BGN 250,000 in all other cases.

Donation tax is due in case of transfer of property without consideration or in case of waiver of receivables. No donation tax is due in case of donation between direct line relatives and between spouses. The rate of the donation tax ranges from ranges from 0.4% to 0.8% (depending on the municipality) for donation between brothers and sisters or their children and from 3.3% to 6.6% (depending on the municipality) for donation in all other cases.

***Other taxes***

No other taxes are levied in Bulgaria on the acquisition, holding and sale of the Securities.

## **CROATIA**

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of securities in general in Croatia. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently valid tax legislation which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities shall in any case be borne by the purchaser. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

The general rules on taxation outlined in the sections below apply to the extent there are no limitations imposed under applicable double taxation treaties. The Issuer assumes no responsibility with respect to taxes withheld at source.

### **Natural Persons**

#### ***General Remarks***

Pursuant to the Croatian Income Tax Act, individuals having a permanent domicile and/or their habitual abode in Croatia are subject to income tax in Croatia on their worldwide income (unlimited income tax liability). Individuals having neither a permanent domicile nor their habitual abode in Croatia (non-residents) are subject to income tax only on income realized in Croatia (limited income tax liability).

#### ***Taxation of Capital Income***

Capital income, as defined by the Croatian Income Tax Act, includes (i) receipts from interest, (ii) exclusions of property and usage of services at the expense of profit of the current period, (iii) capital gains, (iv) profit shares acquired by grants or optional purchases of own shares, and (v) receipts from dividends and profit shares based on shares of capital.

#### ***Receipt from Interest***

The Croatia Income Tax Act considers as interest receipts from any type of claims, especially receipts from (i) interest on savings in Croatian Kuna or foreign currencies, (ii) interest that are based on securities, (iii) interest on the basis of given loans, and (iv) distribution of income of an investment fund in the form of interest, if they are not taxed as profit shares on the basis of the distribution of profit or income of an investment fund. Receipts from interest realized by investment into bonds, irrespective of the issuer and type of bonds, are not considered as interests for capital income tax purposes. The capital income tax rate for receipts from interest is 12% and shall be calculated, suspended and paid by the income payer.

#### ***Capital Gains***

Capital income from capital gains subject to taxation represents the difference between the agreed selling price, i.e. receipt assessed on the basis of market value of the financial property that is being disposed of, and the purchase price. As financial property are considered financial instruments and structured products, namely: (i) transferrable securities and structured products, including shares of companies and other associations whose shares may be disposed of similarly as shares of companies, (ii) money market instruments, (iii) units of joint venture entities, (iv) derivatives, and (v) a proportional part of the salvage value in a case of dissolution of the investment fund and other receipts from ownership shares in a case of dissolution, winding up or withdrawal (hereinafter "Financial Property").

Disposal of Financial Property includes sale, exchange, gift and other types of transfer, but does not include: (i) transfer of shares from one voluntary pension fund to another, (ii) exchange of securities with equivalent securities of the same issuer, provided that the relations among the holders of shares and capital of the issuer are not affected, as well as exchange of securities, shares or financial instruments with other securities, shares or financial instruments, and acquisition of securities or financial instruments in cases of corporate changes, provided that in all such cases there is no cash flow and the sequence of acquisition of Financial Property is ensured (where the value assessed on the date of the first acquisition of Financial Property will be considered to be the purchase value), (iii) division of stocks of the same issuer, provided that there is no change of share capital or cash flow, (iv) exchange of shares among investment sub-funds of the same umbrella fund, or exchange of shares among investment funds that are managed by the same management company, provided that the sequence of acquisition of Financial Property is ensured (where the value assessed on the date of the first acquisition of Financial Property will be considered to be the purchase value), and (v) repurchase of shares of the Croatian War Veterans' Fund.

The capital income from receipts from units of joint venture entities will be assessed in the amount of realized yield that is decreased by the costs of the management of investments or property of the investment fund (net yield), or in cases of discounted securities, in the amount of the difference of the purchase value at the time of issue and realized value at the time of maturity if the purchaser will hold the security until it becomes mature. The capital income from capital gains from investing Financial Property into portfolios, pursuant to the regulations that regulate the capital market, is assessed at the time of realization of the yield from the portfolio, decreased by the costs of management of the portfolio (net yield). The net yield does not include receipts of dividends or profit shares, i.e. receipts from interest, for which income tax has already been paid in accordance with the Croatian Income Tax Act, as well as receipts from interest on bonds (except interest on bonds earned on the basis of an investment company's investment for a portfolio account jointly for the account of all the clients).

The capital income from capital gains shall not be taxed if the disposal was made (i) between spouses and first-degree relatives and other members of the immediate family, (ii) between divorced spouses, if the disposal is directly related to the divorce, (iii) in relation to inheritance of Financial Property, or (iv) after more than two years from the date of acquisition of such property.

If Financial Property was acquired as a gift and disposed of within two years from the date of acquisition, the capital income shall be assessed as the difference between the purchase value and agreed selling price or receipt assessed on the basis of the market value of the Financial Property that is being disposed of, whereas the date at which the giver acquired the Financial Property is considered to be the date of acquisition, and the market value at the time of acquisition shall be considered to be the purchase value.

Capital losses may be deducted only from the income from capital gains that is realized in the same calendar year. All the appertaining expenses incurred at the expense of the taxpayer are calculated in the capital losses. Capital losses may be stated up to the amount of the tax basis. In case capital income from capital gains is not assessed or reported in accordance with the market price, the income will be assessed by the Croatian Tax Authority pursuant to the market price.

Capital gains are taxed at a rate of 12%. Tax payers (holders of Financial Property) are obliged to calculate, deduct and pay income tax on capital gains (except capital gains based on the sale of shares which are not transferable on the capital market in accordance with special regulations) by the last day of February of the current year for all capital gains earned in the previous year reduced by capital losses. Tax payers are obliged to keep evidence on equivalent Financial Property according to the consecutive prices method. Investment companies and credit institutions, joint venture entities, management companies, persons managing tax payers' financial property on the basis of a contractual relationship, financial organisations, institutional investors and the Croatian Central Depository & Clearing Company may keep the evidence on equivalent Financial Property, calculate and report income tax on behalf and for the account of a tax payer.

## **Corporations, legal entities and individuals engaged in economic activities**

### ***General remarks***

Companies, legal entities and individuals independently and permanently engaged in economic activities for the purpose of generating profit, having their place of effective management and/or their registered legal seat in Croatia, are subject to profit tax pursuant to the Croatian Profit Tax Act (unlimited corporate income tax liability). Such companies, legal entities and individuals having neither their place of effective management nor their registered legal seat in Croatia are subject to corporate income tax only on income from certain Croatian sources (limited corporate income tax liability).

Generally, the profit tax base is the difference between revenues and expenditures assessed pursuant to accounting rules, which is then increased and reduced for tax-specific items under the profit tax provisions. The tax base for residents is based on their worldwide income, while for non-residents is based only on income from Croatian sources.

Depending on the revenues, profit tax rates are (i) for companies with revenues of up to HRK 3.000.000 (approx. EUR 400,000) – 12%, (ii) for companies with revenues equal or above HRK 3.000.001 (approx. EUR 400,000) – 18%. If a Croatian company, other legal and natural persons or business unit of a non-resident subject to paying profit tax is a holder of securities, income on this basis would not be taxed directly, but such persons, should their overall operations generate profit, would be required to pay a profit tax of 12% or 20%, as applicable.

The general rules outlined above apply to the extent there are no limitations imposed under applicable double taxation treaties.

### ***Withholding Tax***

Profit generated in Croatia by a non-resident is subject to withholding tax pursuant to the Croatian Profit Tax Act. Subject to withholding tax are interest, dividends, profit shares, copyrights and other intellectual property rights payable to a non-resident natural person. The tax base is calculated as the gross amount of profit distributed from a Croatian resident to a non-resident. Withholding tax payment is the obligation of the person who distributes the profit.

The withholding tax rate is 15%, except for dividends and profit shares for which the withholding tax is paid at a rate of 12%. Interest payments on commodity loans for the purchase of goods used for carrying out a taxpayer's business activity, loans granted by a non-resident bank or other financial institution, and holders of government or corporate bonds who are non-resident legal persons are exempted from withholding tax payment.

All other services, except the aforementioned, paid to foreign entities whose place of seat or management is in countries considered to be tax havens or financial centres on the list of countries published by the Ministry of Finance are subject to a withholding tax rate of 20%.

The withholding tax rates may be lower if Croatia and the non-resident's country have entered into a double taxation treaty or exempt if the Securities qualify for exemption pursuant to the terms prescribed under the relevant EU directive applicable to interest and royalty payments made between associated companies of different member states.

### **EU regulation on automatic exchange of information**

The Croatian Administrative Cooperation Act (hereinafter "Administrative Cooperation Act"), in force as of January 2017, transposed into the Croatian tax system the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation which replaced the former EU Savings Directive. The Administrative Cooperation Act provides administrative cooperation between Croatia and EU Member States in the field of taxation, the automatic exchange of information on financial accounts and reports by states between Croatia and other jurisdictions as well as the implementation of the Agreement between the Government of the United States of America and the Government of Croatia to Improve International Tax Compliance and to Implement FATCA.



### **Taxation of inheritance and gifts**

According to the Croatian Local Tax Act, if Securities are received as an inheritance or gift, or acquired on any other basis without compensation on the territory of the Croatia, the receiver would be required to pay taxes in the amount of 4%. The tax base is calculated as the market value of the Securities reduced for debts and costs in relation to the inheritance or gift. The following persons are exempt from taxation: (i) spouse, ancestors and descendants of the deceased person/donor, (ii) individuals and legal entities that receive movable property as compensation or for other purposes related to the Homeland War, by the state or local government, (iii) individuals and legal entities that receive gifts or donations for purposes laid down by special regulations, and (iv) humanitarian organizations, religious communities, trusts, foundations and public authorities.

## **CZECH REPUBLIC**

### **General**

This summary is based on the tax laws of the Czech Republic and their prevailing interpretations, the practice of the Czech tax authorities, and the Tax Convention on Income and Capital concluded between the Czech Republic and the Republic of Austria, in each case as in effect and/or available on the date of this Prospectus. Moreover, while this summary is considered to be a correct interpretation of existing Czech laws in force on the date of this Prospectus, no assurance can be given that courts or tax authorities responsible for the administration of such laws will agree with the interpretations or that retroactive or prospective changes in such laws will not occur.

Czech tax implications largely depend on whether the Securities qualify as securities under the Czech legislation. The Czech Civil Code defines the term “securities”. The definition is more general and involves also the securities that are not explicitly specified by Czech law provided that they meet the general conditions i.e. information about an issuer and a right associated with the security. This right shall be part of the securities or as reference to the issue conditions.

The information below is based on the assumption that the Securities fulfil all conditions for the treatment as securities under Czech law. For Czech taxation purposes, proceeds from specific Securities will be treated either as interest income or capital gains, which may result in differences in taxation. Prospective investors should verify, among others, the nature of the Securities and the type of income for each type of the Securities.

### **Residents**

#### ***Interest***

According to the double taxation treaty between Austria and the Czech Republic, interest (if any) paid from Austria to a Czech tax resident is taxable in the Czech Republic.

#### ***Individuals***

An individual must include the interest received in the overall personal income tax base, which is taxable at a flat rate of 15%.

#### ***Corporations***

A corporation must include the interest received in its general corporate income tax base, which is taxable at a flat rate of 19%.

#### ***Capital gains***

According to the double taxation treaty between Austria and the Czech Republic, capital gains from the sale of the Securities by a Czech tax resident to an Austrian tax resident are taxable in the Czech Republic.

#### ***Individuals***

Capital gains from the sale of the Securities are exempt from Czech personal income tax if an individual has held the Securities as a non-business asset for an uninterrupted period of more than three years except for income from the sale of ordinary share (in Czech “kmenový list”). Capital gains from the sale of ordinary share are exempt after five years of ownership.

Either way, the exemption only applies if the Securities have not been included in the individual’s business assets within three years from the termination of the business.

If capital gains from the sale of the Securities held by individuals as a non-business asset are not tax-exempt, they are subject to personal income tax at a flat rate of 15%. The tax base being calculated as the income from the sale of the Securities reduced by the purchase price of the Securities and charges related to their acquisition. A loss from the sale of the Securities may be offset against gains from the sale of the Securities or other securities in the same fiscal period.

In addition to the above, income from the sale of any Securities is exempt if the total income does not exceed CZK 100,000 during the taxable period.

In case of individuals holding the Securities as a business asset the capital gain from the sale of the Securities is included in their general income tax base and taxed at a flat rate of 15%. A loss from the sale of the Securities may be offset against overall taxable income (other than employment income) in the current fiscal period and the following five fiscal periods.

#### *Corporations*

Capital gains from the sale of the Securities held by corporations are included in their general income tax base and taxed at a flat rate of 19%. A loss from the sale of the Securities may be offset against profits in the current fiscal period and the following five fiscal periods.

#### *Inheritance and gift tax*

Inheritance tax and gift tax are incorporated in the Czech Income Taxes Act.

Income from inheritance is fully tax exempt from income tax for both a corporation and an individual.

Income from donation is taxed within the general income tax base. The personal income tax base is taxable at a flat rate of 15% and the corporate income tax base is taxable at a flat rate of 19%.

Individual's income from gift may be tax exempt depending on the relationship between the donor on the one hand and the donee on the other hand. Occasional individual's income below CZK 15,000 is fully tax exempt.

#### *Other taxes*

No other taxes are levied in the Czech Republic on the acquisition, holding and sale of the Securities.

#### **Non-residents**

The income of non-residents is taxed in the Czech Republic only if the income from the Securities constitutes Czech source income or it is attributable to the permanent establishment located in the Czech Republic.

If one of the above conditions is met, a regime similar to that described under the section "Residents" above applies.

#### *Interest*

Interest paid to non-resident is subject to 15% or 35% withholding tax unless the rate is reduced under the relevant double taxation treaty or exempt if certain additional conditions are met.

The standard rate is 15%. Withholding tax amounting to 35% is levied on interest income paid to resident of states outside the EU/EEA that have not concluded the double taxation treaty or agreement for exchanges of information on tax issues with the Czech Republic.

If the interest is considered as income of a permanent establishment, the withholding tax does not apply and the individual or corporation having the permanent establishment has to pay tax on the interest income in the same way as tax residents (see the section on Residents above).

The tax treatment of interest income is the same for an individual as well as for a corporation.

The interest paid by the Czech company to related company located in EU countries or in Switzerland, Norway or Iceland may be exempt from withholding tax if certain additional conditions are met.

#### *Capital gains*

Income from the sale of the Securities payable by a Czech tax resident or by a permanent establishment of a Czech tax non-resident located in the Czech Republic to a non-resident shall be treated as a Czech source income taxable in the Czech Republic.

The income from the sale of the Securities may, however, be exempt from taxation under the terms of a relevant double taxation treaty. If no double taxation treaty applies, the following Czech taxation should be taken into account:

#### *Individuals*

Capital gains from the sale of the Securities are exempt from Czech personal income tax if an individual has held the Securities as a non-business asset for an uninterrupted period of more than three years except for income from the sale of ordinary shares (in Czech “kmenový list”). Capital gains from the sale of ordinary shares are exempt after 5 years of ownership.

Either way, the exemption only applies if the Securities have not been included in the individual’s business within three years from the termination of the business.

If capital gains from the sale of the Securities held by an individual as a non-business asset are not tax-exempt, they are subject to personal income tax at a flat rate of 15%. The tax base being calculated as the income from the sale of the Securities reduced by the purchase price of the Securities and charges related to their acquisition. A loss from the sale of the Securities may be offset against gains from the sale of the Securities or other securities in the same fiscal period. In addition to the above, income from the sale of Securities is exempt if the total income does not exceed CZK 100,000 during the taxable period.

In the case of an individual holding the Securities as a business asset the capital gain from the sale of the Securities is included in their general income tax base and taxed at a flat rate of 15%. A loss from the sale of the Securities may be offset against overall taxable income (other than employment income) in the current fiscal period and the following five fiscal periods.

#### *Corporations*

Capital gains from the sale of the Securities held by a corporation are included in their general income tax base and taxed at a flat rate of 19%. A loss from the sale of the Securities may be offset against profits in the current fiscal period and the following five fiscal periods.

#### *Inheritance and gift tax*

Inheritance and gift taxes are incorporated in the Czech Income Taxes Act.

Income from inheritance is fully tax exempt from income tax for both a corporation and an individual.

Income from donation derived by non-resident from Czech tax residents is treated as Czech source income and is subject to 15% withholding tax.

However, an individual's income from gift may be tax exempt depending on the relationship between the donor and the donee. Occasional income below CZK 15,000 is fully tax exempt.

The Czech law is applicable only if a treaty does not provide otherwise.

#### *Exchange of information*

Czech Republic has implemented the Council Directive 2014/107/EU as regards automatic exchange of information in the field of taxation.

#### *Other taxes*

No other taxes are levied in the Czech Republic on the acquisition, holding and sale of the Securities.

## GERMANY

### General

The following is a general discussion of certain German tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities and the receipt of interest thereon. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It is limited to Securities that are issued and acquired after 31 December 2008. The tax treatment of Securities issued and acquired prior to 1 January 2009 may differ significantly from the description in this summary.

With regard to certain types of Securities, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Securities will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like certain types of Securities, and it is neither intended nor possible to mention all different views in the following summary. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of securities, it is not certain that the same reasoning will apply to the Securities due to certain peculiarities of such Securities. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.

As each Series of Securities may be subject to a different tax treatment, due to the specific terms of such Series, the following summary only provides some very generic information on the possible tax treatment and has to be read in conjunction with the more specific information on the taxation of each Series of Securities as provided in the relevant Final Terms. Furthermore, the taxation of the different types of Securities may differ from each other. The following summary only describes the tax treatment of Securities in general and certain particularities with respect to individual types of Securities.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the German tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities and the receipt of interest thereon, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens or may otherwise be liable to tax. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective holders of the Securities.

It should also be noted that the following summary does not provide for information with respect to the tax treatment of any underlying (e.g. shares, commodities, currencies, funds) received upon a physical delivery under the Securities unless otherwise explicitly referred to.

### Tax Residents

According to the double taxation treaty between Austria and Germany, interest on the Securities payable by the Issuer to a German tax resident, capital gains from the sale, assignment or redemption of Securities and income from derivative transactions by a German tax resident are, in general, subject to taxation in Germany.

### Private Investors

#### *Interest and Capital Gains*

Interest payable on the Securities, if any, to persons holding the Securities as private assets (“**Private Investors**”) who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) qualifies as investment income (*Einkünfte aus Kapitalvermögen*) according to section 20 (1) of the German Income Tax Act (*Einkommensteuergesetz*) and is generally taxed at a separate tax rate of 25% (*Abgeltungssteuer*, in the following also referred to as “**flat tax**”), plus 5.5% solidarity surcharge thereon and, if applicable, church tax. It should be noted that the new German

government intends to abolish the tax flat rate of 25% for interest income so that the respective earnings would be subject to the personal progressive income tax rates of up to 45% (plus solidarity surcharge thereon of 5.5% and church tax if applicable).

Capital gains from the sale, assignment or redemption of the Securities, including interest having accrued up to the disposition of a Security and credited separately (“**Accrued Interest**”, *Stückzinsen*), if any, qualify – irrespective of any holding period – as investment income pursuant to section 20 (2) of the German Income Tax Act and are also taxed at the flat tax rate of 25%, plus 5.5% solidarity surcharge thereon and, if applicable, church tax. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. The separation of coupons or interest claims from the Securities is treated as a disposition of the Securities and acquisition of the coupons or interest claims and the Securities created by the separation.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the issue or acquisition price of the Securities. Where the Securities are issued in a currency other than EUR the sale, assignment or redemption price and the acquisition costs have to be converted into EUR on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Securities are – except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed holders) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Securities can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can only be carried forward into future assessment periods and can be set-off against investment income including capital gains generated in these future assessment periods. Losses resulting from the sale of shares in a stock corporation (*Aktien*), which may be received in case of a physical delivery, can only be set-off against capital gains from the sale of other shares in a stock corporation.

If a so-called other capital claim (*sonstige Kapitalforderung*) in the meaning of section 20 (1) number 7 of the German Income Tax Act is not repaid in cash at the maturity date but the holder of such claim receives securities (*Wertpapiere*) instead of a repayment, section 20 (4a) sentence 3 of the German Income Tax Act construes the consideration for the acquisition of the other capital claim as its sales price. At the same time the consideration for the acquisition of the other capital claim is qualified as acquisition cost of the securities received, i.e. no taxable capital gain would be triggered due to the conversion. Section 20 (4a) sentence 3 of the German Income Tax Act in particular also applies to so-called “full risk certificates” (*Vollrisikozertifikate*), i.e. certain index or share basket etc. linked securities which do not provide for a guaranteed repayment or any capital yield, with a put offer (*Andienungsrecht*).

Further particularities apply with respect to full risk certificates with several payment dates. According to the decree of the German Federal Ministry of Finance (*Bundesfinanzministerium*) dated 18 January 2016 (as amended) all payments to the investor under such certificates that are made prior to the final maturity date shall qualify as taxable income from a so-called other capital claim pursuant to section 20 (1) number 7 of the German Income Tax Act, unless the offering terms and conditions stipulate that such payments shall be redemption payments and the parties act accordingly. If there is no final redemption payment, the final maturity date shall not constitute a sale-like event in the meaning of section 20 (2) of the German Income Tax Act. Therefore, capital losses, if any, shall not be deductible. The same applies with respect to so-called knock-out and other certificates if the investor does not receive any payment at the final maturity date or the certificate will be prematurely cancelled according to its terms and conditions because the underlying reaches or breaks any knock-out threshold or barrier prior to the final maturity date. Although this decree only refers to certain types of certificates, it cannot be excluded that the tax authorities may apply the above described principles to other kinds of certificates as well. However, according to the decree dated 23 January 2017 (IV C 1 - S 2252/08/10004 :018) the German Federal Ministry of Finance now accepts losses in connection with the expiration of option rights (including options with knock out character) and

respective warrants as well as certain derivative transactions which may also affect other financial instruments.

Further, the German Federal Ministry of Finance in its decree dated 18 January 2016 (as amended) has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. This position may also affect securities which are linked to a reference value in case such value decreases. Furthermore, the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognised if (i) the sales price does not exceed the actual transaction cost or (ii) the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged by a final judgement of a German lower fiscal court. Further, according to the decree dated 23 January 2017 (IV C 1 – S 2252/08/10004 :018) the German Federal Ministry of Finance now accepts losses in connection with the expiration of option rights (including options with knock out character) and respective warrants as well as certain derivative transactions which may also affect other financial instruments. Moreover, the German Federal Court of Finance recently decided that a final bad debt loss with respect to a capital claim shall be deductible for tax purposes (court decision dated 24 October 2017, VIII R 13/15); the question whether this also applies to a waiver of a receivable has been left open by the court.

#### *Withholding*

If the Securities are held in custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the “**Disbursing Agent**”), the flat tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses directly and factually related to the sale, assignment or redemption) over the issue or acquisition costs for the Securities (if applicable converted into EUR terms on the basis of the foreign exchange rates as of the issue or acquisition date and the sale, assignment or redemption date respectively). Church tax is collected by way of withholding as a standard procedure unless the Private Investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other securities. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the holder of the Securities may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses in order to set-off such losses with investment income derived through other institutions in the holder’s personal income tax return.

If custody has changed since the acquisition and the acquisition data is not proved as required by section 43a (2) of the German Income Tax Act or not relevant, the flat tax rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30% of the proceeds from the sale, assignment or redemption of the Securities. If the withholding tax on a disposal, redemption, repayment or assignment of the Securities has been calculated on the basis of 30% of the disposal proceeds (rather than from the actual gain), a Private Investor may also apply for an assessment on the basis of its actual acquisition costs; however, in case the actual gain is higher than 30% of the disposal proceeds a Private Investor is obliged to apply for an assessment on the basis of its actual acquisition costs.

In the course of the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with an applicable double taxation treaty and the German Income Tax Act.

If the Securities are not kept in a custodial account with a Disbursing Agent, the flat tax will apply on interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Security to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*), if any. In this case proceeds from the sale, assignment or redemption of the Securities will also be subject to the flat tax.

In general, no flat tax will be levied if the holder of a Security has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for jointly assessed holders) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the holder of a Security has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

For Private Investors the flat tax withheld is, in general, definitive. Exceptions apply e.g., if and to the extent the actual investment income exceeds the amount which was determined as the basis for the withholding of the flat tax by the Disbursing Agent. In such case, the exceeding amount of investment income must be included in the Private Investor's income tax return and will be subject to the flat tax in the course of the assessment procedure. According to the decree of the German Federal Ministry of Finance dated 18 January 2016 (as amended), however, any exceeding amount of not more than EUR 500 per assessment period will not be claimed on grounds of equity, provided that no other reasons for an assessment according to section 32d (3) of the German Income Tax Act exist. Further, Private Investors may request their total investment income, together with their other income, to be subject to taxation at their personal, progressive income tax rate rather than the flat tax rate, if this results in a lower tax liability. In order to prove such capital investment income and the withheld flat tax thereon the investor may request a respective certificate in the officially required form from the Disbursing Agent. According to section 32d (2) number 1 of the German Income Tax Act the flat tax is also not available in situations where an abuse of the flat tax rate is assumed (e.g. "back-to-back" financing).

Investment income not subject to the withholding flat tax (e.g. since there is no Disbursing Agent) must be included in the personal income tax return and will be subject to the flat tax rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate or the investment income is not subject to the flat tax rate according to section 32d (2) number 1 of the German Income Tax Act. Foreign taxes may be credited in accordance with an applicable double taxation treaty and the German Income Tax Act.

#### *Application of the tax provisions of the German Investment Tax Act*

Tax consequences different from those discussed above would arise if the respective Securities or the underlying securities delivered upon physical delivery were to be regarded as foreign investment fund units (*Investmentanteil*). According to previous understanding index or fund linked securities were, in principle, not regarded to represent foreign investment fund units. Whether this still applies under the amended German Investment Tax Act (*Investmentsteuergesetz*) has not been finally clarified yet. However, there are good arguments, that index or fund linked securities will remain to be exempted from the scope of application of the German Investment Tax Act.

#### ***Business Investors***

Interest payable on the Securities to persons holding the Securities as business assets ("**Business Investors**") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains, including Accrued Interest, if any, from the sale, assignment or redemption of the Securities are subject to corporate income tax or income tax, as the case may be, (each plus solidarity surcharge thereon and, if applicable, church tax) in the hands of a Business Investor at the investor's personal tax rate and also have to be considered for trade tax purposes. Losses from the sale, assignment or redemption of the Securities, are generally recognized for tax purposes (this may be different, if certain (e.g. index linked) Securities would have to be qualified as derivative transactions).

If instead of a cash-settlement at maturity of a Security, the holder of such Security receives securities, such delivery would be regarded as a taxable sale of the Security and the corresponding capital gain will be taxable.

The withholding tax, if any, including solidarity surcharge thereon, is credited as a prepayment against the Business Investors' corporate or personal income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements no withholding deduction



will apply on capital gains from the sale, assignment or redemption of the Securities and in the case of derivative transactions if (i) the Securities are held by a corporation, association or estate in terms of section 43 (2) sentence 3 number 1 of the German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to section 43 (2) sentence 3 number 2 of the German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Foreign taxes may be credited in accordance with an applicable double taxation treaty and the German Income Tax Act. Such taxes may also be deducted from the tax base for German income tax purposes.

### **Particularities regarding the Taxation of Securities qualifying as warrants**

Securities qualifying as warrants (and, as the case may be, also other Securities where the redemption amount and/or the interest is linked to a reference value) may qualify as derivative transactions in terms of section 20 (2) sentence 1 number 3 of the German Income Tax Act rather than as other capital claims in terms of section 20 (1) number 7 of the German Income Tax Act.

Payments made in connection with the acquisition of warrants (option premiums, *Optionsprämien*) qualify as acquisition costs for the option right (*Optionsrecht*). Bank charges, commission fees and other transaction costs, if any, paid by the investor increase such acquisition cost.

If the warrants are held as private assets and the holder of the warrants exercising its option right receives a number of underlying securities instead of cash, the acquisition cost for the warrants belong to the acquisition cost for the securities delivered. Capital gains from a later sale of the delivered underlying securities qualify – irrespective of any holding period – as capital investment income and are taxed at the flat tax rate of 25%, plus 5.5% solidarity surcharge thereon and, if applicable, church tax, if the securities qualify as assets in terms of section 20 (2) of the German Income Tax Act (e.g. shares or Securities). Capital losses from the sale of the securities can only be set-off against other investment income including capital gains; further restrictions apply for capital losses from the sale of shares of a stock corporation, which can only be set-off against capital gains from the sale of other shares of a stock corporation.

If the holder of the warrants exercising its option right receives a repayment in cash (cash settlement, *Barausgleich*) any capital gain, i.e. the difference between the repayment in cash and the acquisition cost of the warrants (*Differenzausgleich*), is subject to the flat tax rate of 25%, plus 5.5% solidarity surcharge thereon and, if applicable, church tax. The acquisition cost and expenses directly and factually related to the acquisition have to be considered for the determination of the capital gain pursuant to section 20 (4) sentence 5 of the German Income Tax Act.

According to the revised view of the German Federal Ministry of Finance outlined in its decree dated June 16, 2016 (IV C 1 - S 2252/14/10001 :005), payments made in respect to the acquisition of call/put options (or correspondingly structured warrants) shall be considered for German income tax purposes in case the call/put options (or correspondingly structured warrants) expire at the end of their running term. Further, according to the decree dated 23 January 2017 (IV C 1 – S 2252/08/10004 :018) the German Federal Ministry of Finance accepts losses in connection with the expiration of option rights (including options with knock out character) and respective warrants as well as certain derivative transactions which may also affect other financial instruments.

If the warrants are held as business assets, capital gains or losses from the sale or exercise of the warrants increase or decrease the taxable income of such business and are subject to corporate income tax or income tax at the investor's personal, progressive tax rate, as the case may be, (each plus solidarity surcharge thereon) in the hands of a Business Investor and have also to be considered for trade tax purposes.

Capital losses from the sale or the lapse of warrants according to section 15 (4) sentence 3 of the German Income Tax Act may only be set-off against capital gains from other derivative transactions. A set-off against other income may not be possible. Exceptions may apply with respect to derivative transactions, which are part of the ordinary business of a credit institution, financial services institution and financial services company in terms of the German Banking Act (*Kreditwesengesetz*) or which serve for the hedging of ordinary business activities.

## **Non-residents**

Interest payable on the Securities and capital gains, including Accrued Interest, if any, are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of the Securities; or (ii) the interest income otherwise constitutes German-source income; or (iii) the Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the sale, assignment or redemption of the Securities are paid by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank upon presentation of a coupon to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*), if any. In the cases (i), (ii) and (iii) a tax regime similar to that explained above under “Tax Residents” applies.

Non-residents of Germany are, as a rule, exempt from German withholding tax on interest and the solidarity surcharge thereon, even if the Securities are held in custody with a Disbursing Agent. However, where the interest income is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent or in case of a *Tafelgeschäft*, withholding flat tax is levied as explained above under “Tax Residents”. The withholding tax may be refunded based upon an applicable double taxation treaty or German national tax law.

For derivative transactions, similar rules apply as described in the preceding paragraphs.

## **Particularities of Securities with a negative yield**

If the Securities are held by tax residents as private assets, recently published statements of the German tax authorities regarding “negative interest” incurred on bank deposits made by private investors arguably imply that such losses cannot be fully deducted; such losses are rather treated as expenses in connection with investment income and, are, consequently not tax-deductible except for the standard lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed holders). If the Notes are held by tax residents as business assets, arguably such losses are generally tax deductible.

## **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Security will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany. Exceptions from this rule apply to certain German expatriates.

## **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of the Securities. Currently, net assets tax is not levied in Germany. It is intended to introduce a financial transaction tax. However, it is unclear if and in what form such tax will be actually introduced (for further details please see above under “*Risk Factors - Risk of changes in the tax framework, in particular regarding bank tax and the introduction of a financial transaction tax*”).

## HUNGARY

### General

The purpose of the following description is to provide a high-level overview of the relevant Hungarian tax rules based on the laws in force in Hungary as of the date of this Base Prospectus. The present description does not include a comprehensive analysis of all tax implications that might be relevant to an investment decision. Please note that this disclosure does not substitute for the consultation between the prospective investors and their professional advisors since in order to determine the tax implications of a particular transaction several circumstances should be examined and considered in detail.

The Issuer assumes no responsibility with respect to taxes withheld at source, unless statutory provisions require so.

### Residents

#### *Private individuals*

##### *Income from “controlled capital market transactions”*

Preferential personal income tax rules may apply to income from “controlled capital market transactions” of private individuals, provided that certain specific conditions meet.

For the purpose of these preferential rules, “controlled capital market transactions” include, among others, certain qualifying transactions concluded with investment service providers, or by the assistance of an investment service provider, in each case for the sale or purchase of financial instruments, goods and foreign currencies at fair market value. Transactions must comply with the respective Hungarian rules and should be carried in the form of activities supervised by the Hungarian National Bank. (“MNB”, which is the successor of Hungarian Financial Supervisory Authority PSZÁF).

Preferential rules on “controlled capital market transactions” could also apply where private individuals conclude any of the above OTC transactions with an investment service provider operating in any EEA member state, or any other state with which Hungary has an agreement on the avoidance of double taxation, provided that (a) the transaction is executed within the framework of activities supervised by the competent financial supervisory authorities of that state, and (b) if the given state is not an EEA member state, there are facilities in place to ensure the exchange of information between the competent authorities and MNB, and (c) the private individual has a certificate made out by the investment service provider to his name, containing all data and information for each transaction concluded during the tax year for the assessment of his tax liability.

Income from “controlled capital market transactions” shall be calculated as the difference between the total profit and the total loss realized on transactions during the tax year. In 2018 a 15% personal income tax rate would apply to that income.

Due to the preferential tax treatment of “controlled capital market transactions”, the private individual could be entitled to tax compensation with respect to losses realized from controlled capital market transactions during the tax year and/or during the year preceding the current tax year, and/or in the two years preceding the current tax year. Tax “calculated” for such losses could reduce the taxes calculated on gains realized by the private individual from controlled capital market transactions during the tax year and/or during the year preceding the current tax year, and/or in the two years preceding the current tax year.

As a general rule, interest income could not qualify for the application of the preferential rules as described above.

The profit realized on controlled capital market transactions and the tax payable on such income should be declared on the basis of self-assessment executed by the private individual and supported by an appropriate certificate of execution issued by the investment service provider. Also, the private individual would need to keep specific records on any income from controlled capital market transactions. The private individual should pay the related personal income tax by the deadline prescribed for filing the tax return for the respective period.

### *Income from “qualified long-term investments”*

Preferential personal income tax rules may apply to income from ‘qualified long-term investments’ of private individuals, provided that certain specific conditions fulfil.

Income derived from “qualified long-term investments” shall mean the profit the private individual realizes under a long-term investment contract concluded with an investment service provider or a credit institution. Under the long-term investment contract the private individual places an amount of at least HUF 25,000 (approx. EUR 80) on his account for a minimum period of three (and further two) years, and the parties agree on applying the preferential taxation rules laid down by the Hungarian Personal Income Tax Act. If all the conditions prescribed by law meet and the “qualified long-term investment” is held for less than three years, for the 2018 tax year a 15% rate may apply, while if the investment lasts at least three years, a preferential 10% rate is applicable; income from “qualified long-term investments” would be subject to a 0% rate, if the investment is held for at least five years.

From 1 January 2014 private individuals have the possibility to transfer the whole amount of the terminated long term investments to another financial institute. This is called by the law “deposit transfer”.

Under certain conditions, the above beneficiary tax rules may also extend to foreign qualified long-term investments, where the investment service provider or the credit institution is not subject to Hungarian data disclosure requirements.

Please note that profits and losses derived in the framework of a “qualified long-term investment” could not qualify for the calculation of the income derived from “controlled capital market transactions” as described above.

### *Interest*

Resident individuals are taxed on their worldwide income, including interest income.

It may occur that the source country of the interest income, if other than Hungary, imposes a withholding tax on the same income. In order to eliminate double taxation, the Hungarian domestic legislation grants personal income tax credit for the taxes paid abroad. The maximum amount of the tax credit would be subject to certain limitations. If there is a double taxation treaty in force between the two countries concerned, the relevant double taxation treaty rules will apply in order to eliminate double taxation. In the lack of a double taxation treaty, the Hungarian domestic legislation could grant a tax credit for the income taxes paid abroad. In relation to Austria and Hungary, the double taxation treaty concluded between the two countries provides that interest paid to Hungarian residents from Austrian sources shall be taxable only in Hungary.

Interest income of a Hungarian resident private individual will be subject to Hungarian personal income tax. No health tax should apply to interest income of a Hungarian private individual.

The Hungarian Personal Income Tax Act applies a broad definition of interest income; in connection with publicly offered and traded debt securities and collective investments in transferable securities, interest shall mean the following:

- a) the income paid to the private individual under the title of interest and/or yield, if the securities are held at a specific time prescribed as a precondition for entitlement to interest and/or yield,
- b) in certain cases, the capital gains achieved when securities are called, redeemed, or transferred. Gains from the transfer of collective investments in transferable securities in certain qualified exchange markets or in a market of an EU, EEA or OECD State will not qualify as interest income, but will be considered as income from capital gains for Hungarian tax law purposes.

Interest income would be subject to personal income tax at a rate of 15% in 2018. In the event that the interest income is paid in the form of valuable assets (e.g. securities) and the Hungarian paying agent cannot withhold the relevant tax, the taxable base would be assessed in the amount of the fair market value of the valuable asset received multiplied by 1.18.

In the event that the interest income is received from a Hungarian paying agent, the paying agent should withhold the personal income tax. In the event that the interest income is not received from a Hungarian paying agent, the tax should be assessed, declared and paid to the tax authority by the private individual himself within the frame of his regular annual tax return.

If the interest income is received from a country other than Hungary, the rules of the relevant double taxation treaty will also apply. In the absence of a double taxation treaty, the Hungarian tax burden may be reduced by the tax paid abroad. However, the maximum amount of the credit will be subject to certain limitations and at least 5% of the taxable base shall be payable in Hungary.

Payments distributed by or on behalf of a legal person or other organization having its seat in a low tax jurisdiction are subject to personal income tax at a 15% rate and the recipient should also pay health tax at a rate of 19.5%.

#### *Capital gains*

As a general rule, capital gains achieved when debt securities are redeemed or transferred are usually treated as income from controlled capital market transactions or interest income for personal income tax purposes unless certain conditions are met (please see the information regarding the taxation of income from controlled capital market transactions and interest income).

Notwithstanding the above, capital gains derived from the sale of the Securities by a resident private individual are categorized as income from capital and are subject to personal income tax at 15% and to health tax at 14% (the latter would be capped at HUF 450,000 *per annum*, which is approximately EUR 1,452). The tax should be withheld by the paying agent if the provider of the capital gain is a Hungarian paying agent; in any other case the tax shall be assessed and paid by the private individual himself within the frame of his regular annual tax return. If the income from capital gains is received from abroad, the rules of the relevant double taxation treaty would overrule the domestic rules. In the absence of a double taxation treaty, if certain conditions fulfil, the Hungarian tax to be borne could be reduced by the tax paid abroad. In any case, the Hungarian tax shall be at least 5% of the taxable base and other limitations may also apply.

Capital gains realised on the purchase and sale of securities issued by a legal person or other organization having its seat in a low tax jurisdiction are subject to personal income tax at a 15% rate and the recipient should also pay health tax at a rate of 19.5%.

As a general requirement, private individuals shall keep detailed records of all securities in their possession. Also, purchase, subscription, sale or similar rights in securities must be recorded. Records shall be supported by appropriate certificates issued by the investment service providers (if applicable). The certificates should contain all data and information necessary for determining the taxable income and fulfilling tax obligations, and the list of the data to be included in the records is prescribed by statutory law.

#### *Corporations*

##### *Interest*

Interest income of a Hungarian resident entity shall be included in the ordinary corporate income tax base and as a consequence would be subject to Hungarian corporate income tax at 9% as of 1 January 2018.

If any interest income is also subject to tax abroad, the rules of the relevant double taxation treaty will apply. In the absence of a double taxation treaty the domestic Hungarian rules will provide for a credit opportunity, as a result of which the tax paid abroad could be credited against the Hungarian corporation tax. However, the maximum amount of the foreign tax to be credited is subject to certain limitations.

##### *Capital gains*

Income from capital gains of a Hungarian resident corporation is included in the ordinary corporate income tax base and as a consequence will be subject to corporate income tax at a 9% rate in 2018.

If any income from capital gains is also subject to tax abroad, the rules of the relevant double taxation treaty will apply. In the absence of a double taxation treaty the tax paid abroad can be credited against the Hungarian corporate income tax under the Hungarian domestic rules. However, the maximum amount of the foreign tax to be credited is subject to certain limitations.

## **Non-Residents**

### ***Private individuals***

#### *Interest*

Interest income of a non-resident private individual generally is not subject to Hungarian personal income tax. Please note, however, that in case the interest is payable via a Hungarian place of business (permanent establishment), branch or commercial representation of the obligor, or if the interest payable is in fact tied to the non-resident private individual's Hungarian place of business, the interest income should be regarded as Hungarian source income and, thus, should be taxed in Hungary. In such a case the Hungarian source income would be taxed at 15% as a general rule. This tax rate is usually overruled and limited by double taxation treaties (if applicable). If a Hungarian paying agent provides the interest payment to the private individual, the paying agent should withhold the tax, otherwise the private individual himself should assess, declare and pay the relevant Hungarian tax.

#### *Capital gains*

Capital gains from the disposal of securities realized by non-resident private individuals should not be subject to Hungarian personal income tax. In the unlikely event that a Hungarian double taxation treaty allocates the taxation rights to Hungary instead of the recipient's residence state, Hungarian withholding tax may apply.

### ***Corporations***

#### *Interest*

Interest income of a non-resident entity should be taxable in Hungary if it relates to the entity's Hungarian business activity carried on by its Hungarian permanent establishment. The applicable corporate income tax rate is 9% in 2018. Double taxation treaties may limit or eliminate this tax burden.

#### *Capital gains*

Capital gains income from the disposal of securities of a non-resident entity should be taxable in Hungary only if they relate to the entity's Hungarian business activity carried out by its Hungarian permanent establishment. The applicable corporate income tax rate is 9% in 2018.

Hungarian double taxation treaties might override the domestic rules and allocate the taxation right to the residence state. In absence of an applicable double taxation treaty, the Hungarian domestic rules allow the corporation to credit against the Hungarian corporate income tax a determined part of the corporate income tax paid (payable) abroad in relation to the capital gains income.

## **Inheritance and gift tax**

The acquisition of the Securities as part of a Hungarian inheritance would incur Hungarian inheritance tax, regardless of the successor's tax residency. In case of a non-Hungarian inheritance, inheritance tax could only arise if the successor (private individual or corporation) is tax resident in Hungary. Even in such case, no inheritance tax should be paid if the successor certifies that inheritance tax was due in the country of inheritance.

The generally applicable inheritance tax rate is 18%. Inheritance between relatives of lineal kinship would be exempt. Further exemptions may also apply.

The donation of the Securities would be subject to gift tax if the donation takes place in Hungary, regardless of the residency of the parties. The generally applicable gift tax rate is 18% in 2018. No gift tax is due on donations between relatives of lineal kinship. If the value of the transferred assets does not exceed HUF 150,000 (approx. EUR 484) and the parties do not conclude a written agreement regarding the donation, no gift tax has to be paid. Further exemptions may also apply.

The base of the inheritance and gift tax is the net values of inheritance and gift received. The net value of the inheritance or the gift is the fair market value of the acquired asset, less deductions.

### **Further tax considerations**

Hungary has introduced a “financial transaction tax” (“**Hungarian FTT**”) as of 1 January 2013. The Hungarian FTT is levied on financial service providers, financial institutions and intermediary service providers seated in Hungary or having a Hungarian branch. Even if the Hungarian FTT would not be imposed on Note-Holders directly, the tax may have an impact on bank charges.

## ITALY

### General

*The following is a general summary of certain Italian tax consequences of the purchase, the ownership and the disposal of Securities, and therefore, is not a complete depiction of all information that may be relevant in connection with making an investment decision with respect to the Securities; it does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Therefore, the following description cannot serve as the sole basis for judging the tax consequences of an investment in the Securities. Please note that this description does not address the case of non-resident, apart from the case of non-resident companies holding the Securities through an Italian permanent establishment and does not describe the tax consequences for an investor of Securities in case of physical delivery and, in particular, in respect to Securities that are redeemable in exchange for, or convertible into, shares, settlement or redemption of such Shares and/or any tax consequences after the moment of exercise, settlement or redemption.*

*Prospective investors are advised to consult in any case their own tax advisers concerning the overall tax consequences of their purchase, ownership and disposal of the Securities.*

*This Summary is drafted on the basis of the provisions in force as of the date of this Base Prospectus. It should be noted that the taxation of the Securities may change as a result of future changes in the relevant provisions (which may, in some cases, have retroactive effect), as well as future interpretations of tax authorities and tax courts. Please note that this Base Prospectus will not be amended to take into account such future changes.*

### Tax treatment of securities qualifying as bonds or debentures similar to bonds

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (“**Decree 239**”), sets out the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “**Interest**”) from securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

For these purposes, pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 (“**ITC**”), debentures similar to bonds (*titoli similari alle obbligazioni*) are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for periodic payments) and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management.

Where an Italian resident security holder, who is the beneficial owner of the Securities, is:

- (a) an individual not engaged in an entrepreneurial activity to which the securities are connected (unless the investor has opted for the application of the Asset Management Option – “*regime risparmio gestito*” – please refer to paragraph “Capital Gain tax” below for an analysis of such regime); or
- (b) a non-commercial partnership; or
- (c) a non-commercial private or public institution; or
- (d) an investor exempt from Italian corporate income taxation,

Interests relating to the securities, accrued during the relevant holding period, are subject to a substitute tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26%.

In the event that the security holders described under (a) and (c) above are engaged in an entrepreneurial activity to which the securities are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the taxation on income due.

Subject to certain requirements and limitations, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from any income taxation, including 26% *imposta sostitutiva*, if the Securities are included in a long-term savings account (*piano individuale di*



*risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 (“Law No. 232”).

Where an Italian resident security holder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the securities are effectively connected, and the securities are deposited with an authorised intermediary, Interest from the securities will not be subject to *imposta sostitutiva*, but must be included in the relevant security holder’s income tax return and are therefore subject to general Italian corporate taxation (IRES) (and, in certain circumstances, depending on the “status” of the security holder, also to IRAP (the regional tax on productive activities)).

If the security holder is resident in Italy and is an Italia open-ended or closed-ended investment fund (subject to the regime provided for by Law No. 77 of 23 March 1983, a “**Fund**”), a société d’investissement à capital variable (a “**SICAV**”) or a société d’investissement à capital fixe (a “**SICAF**”) not exclusively or primarily investing in real estate, and the securities are held by an authorised intermediary, Interest accrued during the holding period on the securities will not be subject to *imposta sostitutiva*, but will be included in the management result of the Fund, the SICAV or SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax up to 26% will be levied on proceeds distributed by the Funds or the SICAV to certain categories of unitholders upon redemption or disposal of the units.

Where an Italian resident security holder is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the securities are deposited with an authorised intermediary, Interest relating to the securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% substitute tax (the “**Pension Fund Tax**”).

Italian real estate investment funds to which the provisions of Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of November 2001, as subsequently amended, and Italian resident SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply, are subject neither to any substitute tax at the fund level nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstance at the rate of 26% on distributions made by the real estate investment funds.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an “**Intermediary**”).

An Intermediary must (a) be resident in Italy or (b) be a permanent establishment in Italy of a non-Italian resident financial intermediary which intervenes, in any way, in the collection of Interest or in the transfer of the securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant securities or in a change of the Intermediary with which the securities are deposited. Where the securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to an investor.

### **Tax treatment of securities qualifying as derivative financial instruments**

Proceeds in respect of securities which qualify as derivative financial instruments for the purposes of Italian tax law (i.e., derivative financial instruments or bundle of derivative financial instruments not entailing a “use of capital”, through which the subscriber of the securities invests indirectly in the underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such underlying financial instruments) would be subject to Italian taxation according to the rules described below under paragraph “Capital gains tax” applicable on capital gains realised through the sale of transfer of securities.

### **Capital gains tax**

According to Article 67 of ITC and Legislative Decree No. 461/1997 where an Italian resident security holder is (i) an individual not engaged in an entrepreneurial activity to which the securities are connected, (ii) non-commercial partnerships or *de facto* partnerships, (iii) private or public institutions

not carrying out mainly or exclusively commercial activities, or (iv) investors exempt from Italian corporate taxation, any capital gain realised on the sale or transfer of securities is subject to a 26% substitute tax.

In respect of the application of *imposta sostitutiva* on capital gains taxpayers may opt for one of the three regimes described below:

- (a) Under the “tax declaration” regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any offsettable capital loss) realised by the Italian resident individual security holder holding the securities. In this instance, “capital gains” means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the securities carried out during any given tax year. Italian resident individuals holding the securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant offsettable capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014 (“**Decree No. 66**”), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; and (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.
- (b) As an alternative to the tax declaration regime, Italian resident individual security holders holding the securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the securities (the “*risparmio amministrato*” 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; and
  - (ii) an express and valid election for the *risparmio amministrato* regime being timely made in writing by the relevant security holder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also 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 security holder or using funds provided by the security holder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; and (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014. Under the *risparmio amministrato* regime, the security holder is not required to declare the capital gains in its annual tax return.

- (c) In the “asset management” regime (the “*risparmio gestito*” regime), any capital gains realised by Italian resident individuals holding the securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the securities) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Pursuant to Decree No. 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08% of the relevant decreases in value registered before 1 January 2012; and (ii) 76.92% of the decreases in value registered

from 1 January 2012 to 30 June 2014. The security holder is not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, if the securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232.

Where an Italian resident security holder is a company or a similar commercial entity (including Italian permanent establishment of a foreign commercial entity to which the securities are effectively connected), capital gains arising from securities will not be subject to *imposta sostitutiva* but must be included in the relevant security holder's income tax return and therefore subject to Italian corporate tax regime and, in certain circumstances, depending on the 'status' of the security holder, also to IRAP.

Any capital gain realised by a security holder who is a Fund, a SICAV or a SICAF will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be subject to tax with the Fund, SICAV or SICAF, but a withholding tax up to 26% will be levied on proceeds distributed by the Fund or the SICAV to certain categories of unitholders upon redemption or disposal of the units.

Any capital gains realised by a security holder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian 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 Pension Fund Tax.

Any capital gains realised to security holders who are Italian real estate funds to which the provisions of Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of November 2001, as subsequently amended apply and Italian resident SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply, are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund.

### **Tax treatment of securities qualifying as atypical securities**

Securities that represent a capital investment but cannot be qualified as debentures similar to bonds under ITC could be considered as 'atypical' securities (*titoli atipici*) pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to securities may be subject to an Italian withholding tax, levied at the rate of 26%.

The withholding tax is levied by the Italian intermediary appointed by the issuer intervening in the collection of the relevant income or in the negotiation or repurchasing of the securities.

The 26% withholding tax mentioned does not apply to payments made to an Italian resident holder of the securities which is: (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership or (iii) a commercial private or public institution. In such cases the relevant income arising from the securities shall be reported in the investor's income tax return.

Subject to certain limitations and requirement, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from any income taxation, including 26% withholding tax on interest, premium and other income related to securities which qualify as "atypical" securities, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth Article 1, paragraph 100-114 of Law No. 232.

### **Stamp duty**

Pursuant to Article 19 (1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), as subsequently amended, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.20%. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the

securities held. The stamp duty cannot exceed the amount of EUR 14,000 if the recipient of the periodic communications is an entity (i.e. not an individual).

### **Wealth Tax on securities deposited abroad**

Pursuant to Article 19 (18) of Decree 201, as subsequently amended, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.2%. This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Tax monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990, ratified and converted by Law No. 227 of 4 August 1990, as amended, resident individuals that, during the year, hold investments abroad or who have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the tax authorities. The above reporting is not required with respect to securities deposited at source with qualified Italian intermediaries and with respect to contracts entered into through their intervention, provided that the financial flows and income derived from the Securities are subject to tax by the same intermediaries.

### **Financial Transaction Tax**

Law No. 228 of 24 December 2012 (the “Stability Law”) introduced a fixed levy Italian Financial Transaction Tax (“FTT”) that applies to all transactions involving equity derivatives which have Italian shares, Italian equity-like instruments or Italian equity-related instruments as their underlying assets. An equity derivative is subject to the FTT if the underlying or reference value consists as to more than 50%, of the market value of Italian shares, Italian equity-like instruments or Italian equity-related instruments. The FTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy. The FTT on derivative trades also applies to transactions in bonds and debt securities which allow the acquisition or the transfer of the financial instruments referred to above and which do not entail an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. The amount of tax due depends on the type of derivative instrument and on the contract’s value, but is subject to a maximum of Euro 200.00. This FTT is reduced to 1/5 of the relevant amount if the transfer takes place on a regulated market or multilateral trading system.

If a derivative is equity-settled, the consequent share transaction is ordinarily subject to the FTT on equity transactions (i.e. a stamp duty-like FTT of 0.2% on the transfer of shares and other equity-like instruments issued by Italian resident entities).

Some exemptions may apply.

### **Inheritance and gift tax**

Inheritance and gift tax has been re-introduced under Italian tax law by Law No. 286 of 24 November 2006, as amended by Law No. 296 of 27 December 2006 (Finance Bill 2007). Accordingly, transfers of Securities by way of a donation or a gift or transfers *mortis causa* may be subject to inheritance and gift tax, which applies at proportional rates ranging from 4% to 8% depending on the relationship between the transferor and the transferee.

## POLAND

### General

According to the Act on Personal Income Tax of 26 July 1991 (consolidated text in Journal of Laws of 2018 item 200, the “**Polish Personal Income Tax Law**”) natural persons are subject to tax liability in the Republic of Poland relating to all their income (revenues) regardless of the location of the source of such revenues (unlimited tax liability) if they have their place of residence in the Republic of Poland (Polish tax residents). A person whose place of residence is in the Republic of Poland is a natural person who: (i) has his/her center of personal or economic interests (center of life interests) in the Republic of Poland; or (ii) stays in the Republic of Poland more than 183 days in a tax year (article 3 section 1 and 1a of the Polish Personal Income Tax Law).

These principles apply without prejudice to double taxation treaties signed by Poland (article 4a of the Polish Personal Income Tax Law). In particular, these double tax treaties may define the “place of residence” in a different manner or further clarify the notion of the “center of life interests”. Individuals whose place of residence is not located in Poland are subject to tax liability only with respect to the income (revenues) generated within the territory of Poland (limited tax liability) (article 3 section 2a of the Polish Personal Income Tax Law). Income (revenues) gained within the territory of Poland shall include, in particular, income (revenues) from: (i) work performed in the territory of Poland based on a service relationship, (ii) employment relationship, (iii) outwork system and co-operative employment relationship irrespective of the place where remuneration is paid, (iv) activity performed in person in the territory of Poland irrespective of the place where remuneration is paid, (v) economic activity pursued in Poland, including through a foreign establishment located in Poland, (vi) immovable property located in Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property, (vii) securities and derivatives other than securities, admitted to public trading in Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them, (viii) the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, or units in an investment fund or a collective investment undertaking, in which at least 50% of the value of assets is constituted, directly or indirectly, by immovable properties located in Poland, or rights to such immovable properties, (ix) the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organizational units without legal personality, having their place of residence, registered office, or management board in Poland, irrespectively of the place of conclusion of the agreement and place of performance.

Under the Act on Corporate Income Tax of 15 February 1992 (consolidated text in Journal of Laws of 2017, item 2343, the “**Polish Corporate Income Tax Law**”) taxpayers subject to corporate income tax in the Republic of Poland (the “**Polish Corporate Taxpayers**”) are legal persons, companies under organization and entities with no legal personality (other than companies and partnerships that are not afforded legal personality such as civil, general, limited partnerships and professional partnerships, which are deemed transparent for income tax purposes in Poland), as well as partnerships having their seats or places of management in other states if they are treated as legal persons under tax law provisions of a given state and they are liable to tax on the total amount of their incomes, irrespective of the place where they are earned. Starting from 1 January 2014 the limited joint-stock partnerships are no longer transparent for the income tax purposes in Poland and are the Polish Corporate Taxpayers (article 1 section 1, 2 and 3 of the Polish Corporate Income Tax Law). The corporate income tax rate in Poland is 19%. Lower 15% corporate income tax rate applies to companies which yearly revenues do not exceed EUR 1,200,000 and to the new companies in the first year of their operations, irrespective of the revenues.

Polish Corporate Taxpayers having their registered office or place of management in the Republic of Poland (Polish tax residents) are subject to tax liability with respect to all their income, wherever generated (unlimited tax liability). Polish Corporate Taxpayers who have neither their seat nor their place of management in Poland are subject to tax liability in Poland only with respect to the income (revenues) earned within the territory of Poland (limited tax liability) (article 3 section 1 and 2 of the Polish Corporate Income Tax Law).

All references to “**residence**” for the purposes of this section are to residence for the purposes of Polish tax law and applicable double taxation treaties.

### ***Securities***

Currently, interest paid on the Securities and discounts in their full amount are considered taxable income. The term “interest” means income from debt claims of every kind.

Securities linked to base instruments such as shares, indexes, commodities, futures, funds and combinations thereof may be treated as financial derivatives for Polish tax purposes. Such a treatment is also attributed to warrants. The taxation of financial derivatives is a highly unregulated area and as such subject to varying interpretations. Under article 16 (1) (8b) of the Polish Corporate Income Tax Law and article 23 (1) (38a) of the Polish Personal Income Tax Law, any expenses incurred in relation to the acquisition of financial derivatives may be tax deductible at the moment of realization of the derivatives, withdrawal from the derivatives or their disposal for consideration, unless the expenses are capitalized to the value of fixed assets/intangibles.

### **Residents**

#### ***Private property***

Interest on the Securities paid by the Issuer to a Polish tax resident and the discount will be taxed subject to the double taxation treaty between Poland and Austria, on the basis of which the Issuer generally withholds from such payments Austrian income tax in the amount of 5% of the amounts paid. In Poland, a taxpayer would be entitled to deduct from the calculated Polish income tax, an amount of income tax paid in Austria on those earnings. However, such deduction shall not exceed that part of Polish income tax, computed before the deduction, which is attributable to income taxed in Austria. Income-related costs cannot be deducted.

Interest on the Securities and the discount derived from Austria are subject to income tax in Poland upon receipt (or equivalent to receipt such as offset, compoundment, etc.). The income tax rate amounts to 19% of the gross amount.

Security holders are obliged to declare such income from the Securities (i.e. interest, discounts) in their annual tax return to be filed for the previous year until 30 April of the following year.

Capital gains (i.e. the difference between the sales prices and the acquisition cost of the Securities) derived from the sale of the Securities by a Polish tax resident prior to their maturity – if performed outside the scope of an individual’s business activity - are subject to Polish income tax in the amount of 19%. Income-related costs can be deducted. Capital gains will accrue on the cash basis with the income tax being specified in the annual tax return. The annual tax return shall be filed for the previous year until 30 April of the following year.

Amounts denominated in a foreign currency should be converted into Polish currency pursuant to article 11a of the Polish Personal Income Tax Law. Income tax declared in the tax return for the previous year to be filed until 30 April of the following year should be also paid until 30 April of the following year.

Under article 17 (1) (10) of the Polish Personal Income Tax Law, income from financial derivatives (realization) is classified as income from money capitals and taxed at a flat tax rate of 19%. The tax is declared in the same manner as in the case of income from Securities, however, such income will accrue at the date of the realization.

Income from convertible securities should generally follow the tax treatment of derivatives, however, this issue is controversial. There are some opinions claiming deferral of taxation until the ultimate disposal of the converted equity.

Furthermore, individuals who have their habitual residence in Poland or Polish citizenship are subject to Polish inheritance and gift tax in the case of an acquisition of Securities, the rate of such tax depending upon the value of the Securities transferred and upon the relationship between the deceased/the donor on the one hand and the heir/the donee on the other hand. Certain exemptions and thresholds exist, e.g. with regard to transfers between relatives provided that certain conditions are met

(for example sending the appropriate notice on transaction to the tax authority). The tax payer is the heir/the donee. The tax rate can be up to 20%.

The possible double taxation regarding the inheritance tax in Poland and Austria can be avoided pursuant to the Polish-Austrian Convention from 24 November 1926 with respect to Inheritance Tax.

### ***Business activity***

In the event that the Securities are attributable to the Polish business activity of a Polish tax resident, generally, they will be subject to taxation only in Poland taking into account the provisions of the double taxation treaty concluded between Poland and Austria. However, according to the double taxation treaty, income related to interest and discounts on the Securities may also be taxed in Austria at the rate of 5%. Austrian withholding tax, if any, can be credited against the Polish income tax in Poland. However, such a deduction shall not exceed that part of the Polish income tax, computed before the deduction, which is attributable to income taxed in Austria.

Profits from the sale of the Securities performed as a business activity prior to their final maturity shall be subject to income tax as of the date of such sale. In case of capital gains resulting from the sale of Securities as a business activity the acquisition costs of the Securities constitute tax deductible costs as of the date of the sale. Income from financial derivatives generated as a result of a business activity may generally be taxed at the moment of the realization or the disposal. Income from Convertible Securities should generally follow the tax treatment of derivatives, however, this issue is controversial. There are some opinions claiming deferral of taxation until the ultimate disposal of the converted equity. The capital gains realised shall be included in the current corporate or individual income tax calculation, as well as in the annual corporate income tax or annual personal income tax returns. The corporate income tax rate is 15% or 19%, while the income tax rate for individuals conducting business activity can be (depending on the choice of the entrepreneur) a 19% flat rate or can range as a progressive tax scale between 18% and 32% in the individual case. Such capital gains are taxed exclusively in Poland as the state of residence of the seller (article 7, 13 and 14 of the double taxation treaty between Poland and Austria).

The loss incurred as a result of a sale (realization) of the Securities may be offset against the current year profits resulting from the same source of income. As of 1 January 2018, two sources of income are indicated in the Polish Corporate Income Tax. One is the income from general business activity, and the other is income from capital gains. Losses from certain sources of income may be offset only with income from the same source of income. Therefore, as generally loss from the sale (realization) of the Securities should be considered as a loss from capital gains, such loss may be offset only with profits from capital gains. The remaining amount of loss may be used to reduce profits resulting from the same source of income in the next five years, provided that the amount of such reduction during any of such five years does not exceed 50% of the loss. Where Securities are issued in a currency other than PLN all income and costs will be converted for tax purposes into PLN pursuant to article 12 (2), article 15 (1) of the Polish Corporate Income Tax Law or article 11a of the Polish Personal Income Tax Law. If the exchange rates differ between the date of the sale and the date of the purchase price receipt, they shall be calculated pursuant to article 15a of the Polish Corporate Income Tax Law or article 24c of the Polish Personal Income Tax Law.

It should be noted that in some cases Polish tax authorities categorize income related to realization or sale of financial instruments as capital gains of an individual (article 17 of the Polish Personal Income Tax Law) and not as income related to the business activity of an individual. In such cases gains/losses realized in connection with the realization or sale of financial instruments should be declared separately from the gains/losses realized in connection with the business activity of an individual.

### ***Civil Law Transaction Tax***

Pursuant to article 9 item 9 of the Polish Civil Law Transaction Tax Act (*ustawa o podatku od czynności cywilnoprawnych*) the sale of Securities to agencies maintaining securities accounts as well as the sale of securities by means of agencies maintaining securities accounts is exempt from Civil Law Transaction Tax. Furthermore, the sale of Securities is not taxable if the transaction is subject to value added tax. The sale of Securities (i) without the participation of agencies maintaining securities accounts and (ii) in the case of the non-taxability with value added tax is subject to Civil Law Transaction Tax at the rate of 1%. The basis for the assessment shall be the current fair market value of

the Securities being sold. Only the purchaser is liable to pay Civil Law Transaction Tax on the transfer of the Securities provided the purchaser is a resident in Poland and the transaction is carried out in Poland. The tax shall become due and payable within 14 days after the conclusion of the sale agreement.

### **Non-residents**

Non-Polish source income generated by non-residents is not taxable in Poland. Payments of interest on the Securities and the discount in accordance with their terms and conditions to a non-resident individual or corporation having no other connection to Poland are not subject to Polish taxation of income. Capital gains from the sale of the Securities by Polish non-residents domiciled in countries which have concluded a double taxation treaty with Poland are taxed, in general, exclusively abroad in the state of residence of the seller. The same applies to the tax treatment of income from the realization of financial derivatives.

Income derived from the Securities or derivatives being traded on the Polish stock exchange is deemed sourced in Poland, hence, Polish non-residents may be liable to pay tax in Poland with respect to such income.

In the event that a Polish non-resident maintains a permanent establishment in Poland subject to income tax in Poland, to which permanent establishment the Securities are attributed, the tax treatment of income derived from such Securities shall be governed by Polish taxation law (see above).



## ROMANIA

### General

Starting 1 January 2016, the main taxes and charges in Romania are covered by the new Romanian Fiscal Code (Law no. 227/2015 regarding the Fiscal Code), enforced on 1 January 2016. However, the legislation and regulations regarding taxation in Romania as well as the related procedures are still developing and subject to change.

Romanian tax law and procedures are at times unclear and not well developed on matters of taxation of securities-related income, being subject to frequent changes and interpretations. The local tax inspectors have considerable autonomy and may interpret tax rules inconsistently. Both the substantive provisions of Romanian tax law and the interpretation and application of those provisions by the Romanian tax authorities may be subject to more rapid and unpredictable change than in jurisdictions with more developed capital markets.

Moreover, the still evolving situation in Romania and the limited precedent in legislative interpretation or in the manner in which related practical procedures are to be followed may result in inconsistencies and contradictions of the Romanian tax authorities in interpreting various tax rules and regulations.

The following information is based on the Romanian legislation in force as of 26 March 2018 and may be subject to any changes based on the amendments to be brought in the Romanian laws. The Romanian Fiscal Code does not provide for specific tax treatment applicable to each type of Securities intended to be issued by the Issuer. Therefore, the information below is of a general nature, applicable to interest income and capital gains which may be realised by investors upon investment in the Securities and is not intended as an exhaustive list of all the Romanian tax implications which could arise in relation with each type of Security and which could be relevant to a decision to purchase, own or dispose of any of the Securities. Prospective investors in the Securities should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

The information below does not cover the Romanian withholding or procedural requirements applicable to taxes due from Romanian investors in the Securities.

The Romanian tax law defines securities (*titluri de valoare*) as being any participation title or any financial instrument, qualified as such by the relevant legislation of the state where they are issued. Therefore, the Securities intended to be issued may be classified as securities under the Romanian law.

Please be aware that Romanian tax law does not specifically define capital gains for taxation purposes. Under the domestic tax law (the Romanian Fiscal Code and the related Norms for Application approved by Government Decision no. 1/2016), capital gains realised by legal entities are subject to corporate income tax, while capital gains realised by individuals are taxed as investment income.

As a general rule, under the Romanian tax legislation, the Issuer would not normally assume responsibility with respect to Romanian taxes withheld at source. However, this aspect should be analysed from an Austrian law and relevant double tax treaty perspective, depending also on the type of income that would be paid by the Issuer at a given point in time.

Under the Structured Securities Programme, purchasers of the Securities do not receive any dividends during the holding of Securities. Therefore the tax aspects of this type of income paid to a Romanian tax resident or non-residents are not presented below.

### Execution of / Operations with the Securities (other than transfer)

#### *Profits / Income tax considerations*

In respect of legal entities, according to the Fiscal Code, expenses generated by the execution of derivative financial instruments (e.g. the Securities) booked according to accounting regulations should be viewed as being expenses performed in the view of the taxpayer's economic activity, thus they should be treated as tax deductible for profits tax purposes.

In respect of individuals, income realized by resident individuals shall be subject to 10% tax in Romania, unless specifically mentioned as non-taxable. Therefore, any potential income which would

be realized by resident individuals upon the execution of derivative financial instruments (e.g. Securities) would be taxable with 10% income tax as investment income. The procedure to be followed in order to discharge such tax liabilities to the Romanian tax authorities should be investigated on a case-by-case basis.

The computation of the gain / loss from operations with derivative financial instruments which are carried out through an intermediary shall be performed at the end of the fiscal year by the intermediary, as defined by the relevant law, if such intermediary is a Romanian tax resident, cumulated for all derivative financial instruments, based on justifying documents.

If the operations are not carried out through an intermediary or the intermediary is not a Romanian tax resident, the computation of the earning shall be performed on a yearly basis, cumulated at the end of the fiscal year, for the closed positions during the respective year, by the income beneficiary.

Annual net gain / loss shall be determined as the difference between the earnings and losses incurred during the respective fiscal year, cumulated from the beginning of the year, from the transfer of securities (Rom: *titluri de valoare*) and from any other operations with financial instruments, including derivative financial instruments.

### ***VAT considerations***

Under the Romanian VAT legislation, there may be arguments to sustain the fact that the execution of the Securities should be VAT exempt without credit. However, in case the execution of the Securities implies e.g. a physical transfer of goods, the VAT treatment of such transactions should be investigated on a case by case basis, as the aforementioned VAT exemption would no longer apply. Moreover, care should be taken, as certain types of derivatives do not explicitly fall in the scope of VAT exemption under the Romanian and EU legislation and could trigger VAT implications.

### **Interest**

Under the current Fiscal Code interest is defined as “any amount that is required to be paid or received for the use of money, regardless whether required to be paid or received within a debt liability, in connection with a deposit, or under a finance lease agreement, instalment sale or other deferred payment sale”.

### **Residents**

#### ***Individuals***

Romanian tax resident individuals (e.g. Romanian citizens with their domicile in Romania, non-residents fulfilling certain residency criteria, according to the Fiscal Code) are subject to 10% income tax on their worldwide income, including interest income obtained from abroad.

Please note that the domestic law provides for certain non-taxable income for resident individuals, for instance income realized from holding and trading financial instruments related to public debt, however not likely to be applicable to the Securities under discussion.

Under the Norms to the Fiscal Code, for individual tax purposes, interest income is considered to be the income obtained from bonds, term deposits, including deposit certificates, interest on loans granted, interest accrued for alternative investment instruments of the structures type (structured deposits) in which a derivative is linked to a deposit, as well as other income from receivable titles. However, if any withholding tax is retained in Austria on such interest, a tax credit may be available (subject to certain conditions being met) to the Romanian tax resident individuals (as a result of the application of the Romania-Austria Double Tax Treaty) within the limit assessed by applying the domestic income tax rate (i.e. 10%) to the interest income obtained from abroad.

As a general note, if Romania (the country of tax residency of the interest income beneficiary) has concluded a Double Tax Treaty (“DTT”) with the country of tax residency of the income payer (e.g. Austria), the provisions of the treaty should take precedence over the domestic law, if more favourable. Thus, the current DTT concluded between Romania and Austria may apply with regard to interest income obtained by Romanian tax residents (legal entities or individuals), as described below.

Under the current DTT concluded between Romania and Austria, interest income may be taxed at a maximum rate of 3% in Austria if the Romanian recipient is the beneficial owner of such interest. According to the DTT Protocol, if and as long as Austria, under its national legislation, levies no withholding tax on interest paid to a resident of Romania, the percentage mentioned above shall be reduced to 0%.

Nevertheless, under the same DTT, interest paid in respect of a loan granted by a bank or any financial institution shall be taxed only in the country of tax residency of the beneficial owner, i.e. in Romania. The above withholding tax implications in Austria would be different if the Romanian beneficial owner of the interest carried on a business in Austria through a permanent establishment, respectively, if it performed independent personal services from a fixed base situated in Austria and the interest paid were effectively connected with such permanent establishment or fixed base. In such a case, the Austrian domestic law would apply to such income at the level of the permanent establishment/fixed base.

### *Legal entities*

A legal entity is resident in Romania if it is incorporated according to the Romanian legislation, if it is a foreign legal person having its place of effective management in Romania or if it is a legal entity having its registered office in Romania and it is incorporated according to the European legislation.

Under the domestic tax law, interest income obtained from Austria by a Romanian resident legal entity investing in the Securities is subject to corporate income tax at the standard rate of 16%, applicable on its worldwide income. In case any withholding tax is retained in Austria on such interest, a tax credit may be available to the Romanian legal entity (as a result of the application of the Romania-Austria DTT) within the limit established by applying the Romanian corporate income tax rate (i.e. 16%) to the taxable income obtained from Austria.

Please also refer to the above comments in respect of the provisions of the Romania – Austria DTT. We note that under the Romanian tax law, the more favourable provisions of the DTTs concluded by Romania with various countries are applicable only if the non-resident makes available a tax residency certificate to the Romanian resident taxpayer.

### ***Non-residents (including Romanian permanent establishments - e.g. branches - of a foreign legal entity)***

Interest income to be obtained by a non-resident entity or person is subject to withholding tax in Romania if it qualifies as Romanian-sourced income. In the case of Romanian permanent establishments, the tax implications described above in the ‘Residents’ chapter would be applicable. The implications should nevertheless be checked on a case-by-case basis.

### **Capital gains/investment income**

Please note that capital gains are not defined as such by the Fiscal Code and the Romanian tax authorities have not expressed an official position on this matter. Hence, there is no clear indication of the types of income arising for an investor in the Securities which would be subject to capital gains tax in Romania.

### ***Residents***

#### *Individuals*

Romanian tax resident individuals (i.e., Romanian citizens with their domicile in Romania and non-residents fulfilling certain residency criteria according to the Fiscal Code) are subject to 10% income tax on their worldwide income, including capital gains.

The domestic tax law provides for certain non-taxable income for resident individuals, for instance income realized from holding and trading financial instruments related to public debt, however not likely to be applicable to the Securities under discussion.

As regards Romanian tax resident individuals under the domestic tax law, income from transfer of securities is taxable. Under the definition of “securities” (*titluri de valoare*) as per the Fiscal Code

corroborated with the Romanian capital markets legislation (namely Law 297/2004 as subsequently amended and currently in force), any participation titles (including shares) and any financial instruments (including derivative financial instruments) qualified as such by the relevant legislation of the state where they are issued are included in the category of “securities” and thus taxable in Romania as per the rules applicable to such securities. Capital gains from the transfer of securities or from any other operations with derivative financial instruments performed by Romanian tax resident individuals are subject to income tax in Romania at the rate of 10%.

Annual net tax losses from transfer of securities (Rom: *titluri de valoare*) and from any other operations with financial instruments, including derivative financial instruments, could be recovered by resident individuals from the annual net earnings obtained in the following seven consecutive fiscal years. Similarly, foreign net tax losses incurred by Romanian resident individuals may be reported and offset against income having the same nature and source, and received from the same source-country in the following seven consecutive fiscal years.

#### *Legal entities*

Fiscal losses incurred by Romanian legal entities that qualify as corporate income tax payers can be carried forward for seven consecutive fiscal years starting with fiscal losses incurred in 2009.

Under the current domestic tax law capital gains obtained from Austria by a Romanian resident legal entity that qualify as corporate income tax payers are subject to corporate income tax at the standard rate of 16% (which applies on the worldwide income of the Romanian legal entity), since there is no separate capital gains taxation concept in Romania. In case any tax is retained in Austria on such gains, a tax credit may be available to the Romanian legal entity (as a result of the application of the Romania-Austria DTT), within the limit established by applying the Romanian corporate income tax rate (i.e. 16%) to the taxable income obtained from Austria.

Nevertheless, as noted above, the DTT concluded between Romania and Austria could be invoked with regard to such capital gains. Thus, capital gains to be obtained by a Romanian resident from the transfer of such securities should fall under article 13 (5) of the treaty and therefore shall be taxed only in Romania.

#### ***Non-residents (including Romanian permanent establishments – e.g. branches – of a foreign legal entity)***

Capital gains obtained by non-resident individuals from trading in any type of securities are subject to taxation in Romania if they qualify as Romanian-sourced income. There are arguments which may be brought to sustain the fact that the Securities have no connection to Romania and hence the related capital gain (if any) should not be deemed as Romanian-sourced income. However, the taxation of such capital gains should be analysed on a case-by-case basis, based on the specific conditions of the transactions and the applicable legislation.

Income derived by non-resident collective placement bodies without corporate status from the transfer of securities, respectively of shares, held directly or indirectly in a Romanian legal entity, is not taxable in Romania.

Under the Fiscal Code capital gains obtained by non-resident legal entities from the alienation of the Securities issued by the Austrian issuer should not be subject to taxation in Romania.

In case of Romanian permanent establishments of foreign legal entities, the tax implications described above in the “Residents” chapter would be applicable. The implications should nevertheless be checked on a case-by-case basis.

#### **Inheritance and gift tax**

There is no inheritance or gift tax in Romania. In case the Securities are granted free of charge to a Romanian tax resident individual by its employer, the value of the gift may be subject to Romanian income tax (at 10%) and related social security contributions.

Moreover, if the granting of the Securities is performed in the legal form of a donation, the transaction may need to be authenticated by a notary public. For large values, such authentication could trigger fees of around 1% of the value of the transferred Securities.

**VAT considerations**

Under the Romanian tax legislation, trading of financial instruments (such as the Securities) is normally VAT exempt without credit. Care should be taken and a more in-depth analysis should be performed on a case-by-case basis, as certain types of derivatives do not explicitly fall in the scope of VAT exemption under the Romanian and EU legislation and could trigger VAT implications. Moreover, the VAT implications in case of redemption of Securities by physical settlement should be taken into consideration on a case-by-case basis, considering the specifics of the transactions.

## **SLOVAK REPUBLIC**

### **General**

The purpose of the summary below is to provide a general overview of the relevant Slovak tax rules based on the laws in force in Slovakia as of the date of this Programme. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. Please note that Investors in the Securities should consult with their professional advisers particular circumstances which should be examined and considered in detail.

According to the Slovak Act on Securities and Investment Services (No. 566/2001 Coll.) a security is defined widely and shall mean any instrument or record which is assessable in monetary terms, created in a form stipulated by law, carrying rights as defined in that Act and in separate laws, in particular the right to demand certain assets or exercise certain rights against persons specified by law. The information below is based on the assumption that the Securities fulfil all conditions for the treatment as securities under the Slovak law.

From the tax perspective the Slovak Income Tax Act (No. 595/2003 Coll., hereinafter only “**Slovak ITA**”) does not specify or provide any special rules for taxation of the different kinds of Securities (i.e. specific rules for Securities where the revenues from the Securities are calculated using different methods).

### **Residents**

Individuals, who are residents in Slovakia, are subject to unlimited income tax liability on their world-wide income (i.e. income from domestic and foreign sources). According to the Slovak ITA an individual is resident in Slovakia if he has his domicile (a registered permanent stay), residence or habitual place of abode (is physically present for more than 183 days in a calendar year) in Slovakia. Residence shall mean (in the context of the double-taxation treaties) the possibility of accommodation, which is permanently available to physical person, other than occasional accommodation for the purposes of business travels, tourism, recreation, etc., while an intention of physical person to permanently reside in the state with respect to his/her personal and economic ties is obvious.

Corporations having their registered office and/or their place of effective management (the place, in which management and business decisions are taken by statutory and supervisory bodies of the legal entity) in the territory of the Slovak Republic are subject to corporate income tax in Slovakia on their world-wide income (i.e. income from domestic and foreign sources).

### ***Interest***

#### *Individual investors*

In case the income from interest of securities originates from sources abroad to an individual person, it shall be included in the special tax base. The tax rate for individuals will be at the level of 19% of the special tax base.

In the case the recipient of the interest payment from Austria’s sources is a Slovak resident, the relevant provision of Double Tax Treaty between Austria and the Slovak Republic is applicable. Under this Double Tax Treaty, interest income received by a Slovak tax resident from Austria is taxable in the Slovak Republic.

If the securities were issued by a Slovak branch of an Austrian bank, the income would be considered Slovak source, even if the securities would have an Austrian ISIN. In practice, it means that the withholding tax of 19% will be applied.

In case the securities are issued directly by an Austrian bank, the income would be considered also as a Slovak source if the revenues from these securities are attributed to the Slovak branch of an Austrian bank (issuer). The tax consideration is the same as in case of issuance of securities by a Slovak branch of an Austrian bank.

#### *Corporations*

In general a corporation must include the interest received in its general corporate income tax base, which is taxable at a tax rate of 21% in 2018. The amendment of the Income Tax Act with effect from 1 January 2018 abolished the institute of a tax licence (minimum tax) for specified corporate entities reporting a tax loss, zero or very low tax in a taxation period. This means that the companies shall not be obliged to pay the minimum tax in case they declare tax losses or a very low tax base.

### ***Capital gains - Income from the sale of the Securities***

Income from the sale of securities issued in Austria is subject to (personal/corporate) income tax in Slovakia if the recipient is a Slovak tax resident. Such income should be included in the taxpayer's income tax base (no withholding tax is being applied to such income). Individual investor's capital gains from the sale of the Notes are subject to personal income tax at rate of 19% or 25% depending on the amount of this income. The income not exceeding the amount of EUR 35,268.06 (valid for year 2018) is taxed by 19% tax rate, the amount exceeding the cap for 19% is taxed by a higher 25% tax rate (progressive tax rate). Under certain legal conditions this kind of personal income could be exempt from tax from 1 January 2016. Capital gains from the sale of the Notes are included in the corporate income tax base and taxed at tax rate of 21% with effect from the year of 2017.

When considering the taxation of the sale of securities the source of which is in Austria, the provisions of the existing Double Tax Treaty between Austria and the Slovak Republic should be taken into consideration. Under the provisions of this Double Tax Treaty, the capital gain from the sale of such securities is taxable in the Slovak Republic. The income tax is levied as follows:

#### *Individual investors (private and business investors)*

The tax base shall be equal to the taxable income less any expenses, which may be documented as having been incurred in order to generate the income. Expenses that can be deducted are the purchase price proven to be paid for the Securities, or when there is no purchase then the price for the Securities determined at the time when the Securities were acquired, and the expenses related to the acquisition or purchase of the Securities.

In general, the capital gain from the sale of the Securities will be exempt from Slovak personal income tax if the aggregate of the tax base related to the Other income category (i.e. debentures, shares, bills of exchange etc.) does not exceed, in the tax period, the amount of EUR 500. To the same limit for exemption is included also rental income, income from the transfer of options, income from the transfer of interests in a company etc. If the above mentioned limit is exceeded, the sale of such securities after deduction of related expenses is exempt from tax up to the amount of EUR 500.

Further, the income from the sale of securities accepted for the trading on a regulated market or a similar foreign regulated market shall be exempt from tax in its whole amount, if the period between its acquisition and its sale exceeds one year. Such income from the sale of securities is not exempt from tax if the securities were included into business assets of the taxpayer.

From the tax shall be exempt income from the sale of securities, options and income from the derivative transactions derived from long-term investment savings after fulfilment of conditions set (determined) in the special act including income paid after 15 years from the beginning of long-term investment savings. Such income from the sale is not exempt from tax if such securities, options and income from the derivative transactions were included into business assets of the taxpayer.

A loss from the sale of the Securities shall not be offset against gains from the sale of the Securities or other securities in the same fiscal period - only the expenses up to the amount of income shall be considered upon the calculation of the tax base.

Under specific conditions stated below the loss incurred is entirely accepted as a tax deductible expense:

- Bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and
- for taxable parties which are engaged in the trading with securities pursuant to special legislation, and which may deduct the expense of acquisition of securities up to the amount posted as their cost.

### *Corporations*

In the Slovak Republic there is no difference in taxation of capital gains of individual investors holding the Securities as a business asset and corporations, therefore the section above applies to corporations as well.

The amendment of the Income Tax Act with effect from 1 January 2018 abolished the institute of a tax licence (minimum tax) for specified corporate entities reporting a tax loss, zero or very low tax in a taxation period. This means that the companies shall not be obliged to pay the minimum tax in case they declare tax losses or a very low tax base.

According to the Slovak Income Tax Act, in case a loss is generated from the sale of the Notes, it cannot be recognized for tax purposes. However, a loss from the sale of Notes may be in principal offset against gains from the sale of the Notes or other securities in the same fiscal period. Under specific conditions stated below the loss incurred is entirely accepted as a tax deductible expense:

- Bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and
- for taxable parties which are engaged in the trading with securities pursuant to special legislation, and which may deduct the expense of acquisition of securities up to the amount posted as their cost.

### **Non-residents**

Non-residents (both individuals and corporations) are subject to income tax only on income from certain Slovak sources. Income derived by a permanent establishment located in Slovakia is deemed to be Slovak source income. In case of non-residents Slovakia's right to tax may be restricted (income may be exempt from taxation or the tax liability may be reduced) by a relevant double taxation treaty.

### ***Interest***

The tax treatment of interest income is the same for individuals and for corporations as well. The interest income paid by a Slovak non-resident (having no permanent establishment in Slovakia) to another Slovak non-resident is not sourced in Slovakia (not subject to taxation in Slovakia).

However, interest income paid by a Slovak paying agent to a non-resident may be treated as Slovak sourced income. In general the paying agent is obliged to withhold a 19% withholding tax from the interest paid (except of the interest paid to a Slovak permanent establishment).

The tax withheld is considered as a final tax in Slovakia except of income from Securities held by non-residents not performing business activities in Slovakia through a permanent establishment. These non-residents can decide that such tax will be regarded as a tax prepayment.

The withholding tax rate may be reduced based on the double taxation treaty (if any). Please note that income from the bonds paid to a tax non-resident is subject to withholding tax only if a tax non-resident does not perform business activities in Slovakia through a permanent establishment. If the interest is considered as income of a permanent establishment, the withholding tax does not apply and the individual or corporation having the permanent establishment has to pay tax on the interest income in the same way as tax residents (see the section on residents above).

As of 1 March 2014, in case of the payments to the taxpayer from a non-contractual state, the increased withholding tax of 35% is applied. There are e.g. the payments of interests from the securities, sales of the securities from a Slovak tax resident to a taxpayer from a non-contractual state (i.e. state with which the Slovak Republic has not concluded a double taxation avoidance treaty or the convention on mutual administrative assistance in tax matters).

The list of these non-contractual states is published on the web site of the Ministry of Finance of the Slovak Republic.

### ***Capital gains***

Income from the sale of securities payable by a Slovak tax non-resident (having no permanent establishment in Slovakia) to another Slovak non-resident is not sourced in Slovakia (not subject to taxation in Slovakia). In general, only the capital gains realised by Slovak tax non-residents on the sale



of securities issued by tax payers having their seat in the territory of Slovakia, shall be taxed in Slovakia under local tax law except of the revenues from the state bonds and state treasury bills.

### ***Exchange of tax information***

The Slovak Republic has implemented the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, which is dealing with mandatory automatic exchange of information in the field of taxation into the Slovak act on international assistance and cooperation in tax administration and into Slovak act on automatic exchange of information regarding to financial accounts for the purpose of tax administration. This council directive has replaced the previous Council Directive 2003/48/EC (Saving Directive) in the field of exchange of information.

### ***Exemption of income from the sale of shares, ownership interest of selected taxpayers (excluding securities dealers)***

The Slovak Republic has implemented the Council Directive 2016/1164 of 12 July 2016 (“**ATAD**”). In this context the amendment of the Slovak Income Tax Act with effect from 1 January 2018 introduces exemption of income from the sale of shares, ownership interest of selected taxpayers (excluding securities dealers).

The basic conditions for applying the exemption from the sale of shares are:

- (i) The share is sold by a legal entity that is a Slovak tax resident or a legal person or a legal person that is not a Slovak resident, but has a permanent establishment in Slovak Republic. It means that Slovak natural persons (residents and non-residents) cannot apply this exemption. The exemption also does not apply to taxpayers, whose main business is trading in securities.
- (ii) The seller performs in Slovakia substantial functions and bears risks related to the ownership of the share. Thus, the seller needs to have required material and personnel to bear these risks and perform these functions.
- (iii) The seller keeps double-entry bookkeeping according to Slovak Accounting Standards or IFRS,
- (iv) The seller can sell shares of a company only if the seller has owned at least 10% of the share capital of the company in question for at least 24 successive calendar months after the acquisition. The day of acquisition can be defined as the effective date of the written agreement on the transfer of the business share or the day of registration of the amalgamation, merger or division in the Commercial Register. This means that even if the merging company owned shares in another company for a period of years before the merger, for the purposes of this provision, the acquisition period for the successor is considered as to commence on the date of the business combination.
- (v) According to the temporary provisions, the 24-month period for the ownership of shares runs from 1 January 2018; thus, if the seller owns a share from e.g. 1 January 2017 and sells it on 1 July 2018 (owns the share for 1.5 year), for the purposes of applying this exemption, only 6 months transpired. Therefore, this exemption can be applied at earliest on 1 January 2020.
- (vi) The seller cannot not be in liquidation. At the same time, the company in questions, whose shares are being sold, cannot be in liquidation, bankruptcy or restructuring.

### ***Other taxes***

There is no inheritance or gift tax in the Slovak Republic. However, if Securities are donated by an employer to a Slovak tax resident who is an employee, or if Securities are donated to a Slovak tax resident who is a self-employed and these Securities are donated in connection with carrying out his self-employment, the value of the gift is subject to Slovak income tax and related health insurance contributions.

No other taxes are levied in the Slovak Republic on the acquisition, sale or other disposal of the Securities by residents.

## SLOVENIA

### General

The following is a general description of certain Slovenian tax considerations relating to the Securities based on the Issuer's understanding of the current law and the practice in Slovenia relating to the taxation of the Securities under the Programme and is subject to changes therein. It does not purport to be a complete analysis of all tax considerations relating to the Securities. The tax considerations only relate to the positions of persons who are absolute beneficial owners of the Securities and the interest on them and may not apply to certain classes of persons, such as dealers. Prospective purchasers of Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Slovenia of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### Residents

#### Interest

##### Individuals

Income from capital pursuant to the Slovenian Personal Income Tax Act (*Zakon o dohodnini*) includes interest from debt securities and from other similar financial claims on debtors. Tax on interest shall be payable on any compensation in connection with a financial debt arrangement that does not represent the repayment of principal, including compensations for risk or reduced value of the principal under the financial debt arrangement due to inflation, unless otherwise provided by this act. Tax on interest shall therefore also be payable on discounts, bonuses, premiums and similar income obtained by a taxpayer in connection with a financial debt arrangement as well as on income from a disposal or repurchase by the issuer of discounted debt securities (including non-coupon debt securities).

The tax base shall be the obtained interest unless otherwise provided by the Slovenian Personal Income Tax Act.

The tax base on interest resulting from the disposal of discounted debt securities prior to maturity of the security or upon purchase of the discounted debt security prior to or upon maturity of the paper shall be the interest calculated for the period from the day of acquisition to the day of disposal or purchase of the discounted debt security. Discounted debt securities shall also include non-coupon debt securities. The level of interest shall be determined according to the methodology of constant yield.

If in a particular financial debt arrangement it is not explicitly determined in advance what share of individual payment represents the repayment of the principal and what share is the interest, it shall be deemed for the purpose of taxation that interest calculated at the recognised rate of interest (*priznana obrestna mera*) determined by the Rules on the recognised rate of interest (*Pravilnik o priznani obrestni meri*), is paid out first.

Under Article 54 of the Slovenian Personal Income Tax Act interest on Securities issued in series held by a resident individual as business assets will generally qualify as non-business income, in which case it would be subject to the flat rate of 25% as described below, instead of the progressive tax rate of up to 50%, which generally applies to business income.

The payment of interest on the Securities in accordance with their terms and conditions to a resident individual (within the meaning of the relevant provisions of the Slovenian Individual Income Tax Act) will generally be subject to Slovenian income tax at a flat rate of 25% (levied by way of withholding or by way of assessment), provided that these qualify as non-business assets. Income from interest is not subject of the annual personal income tax return.

##### Corporations

Interest on the Securities received by (i) a legal person resident for taxation purposes in the Republic of Slovenia; or (ii) by a permanent establishment (*poslovna enota*) in the Republic of Slovenia of a legal

person not resident for taxation purposes in the Republic of Slovenia, is subject to Slovenian corporate income tax (*Zakon o davku od dohodkov pravnih oseb*) as a part of the overall income of such resident or, as the case may be, a non-resident legal person is subject to source taxation and taxation on income derived from carrying on business activities in a permanent establishment or through a permanent establishment in Slovenia.

The tax is levied on the net profits, defined according to the profit and loss account, as stipulated by the Corporate Income Tax Act and the Accounting Standards. The tax rate is 19%. A tax rate of 0% might apply to e.g. investment funds, pensions funds and insurance companies that have their own pension funds.

#### *Double taxation treaty between Slovenia and Austria*

According to the double taxation treaty between Slovenia and Austria interest arising in Austria and paid to a resident of Slovenia shall be taxed in Slovenia (with Austria being entitled to levy a tax of at most 5%).

### **Capital gains**

#### *Individuals*

Pursuant to the Slovenian Individual Income Tax Act, capital gains from the sale or other disposition of debt securities held as non-business assets are in general exempt from taxation.

The Act on the Taxation of Profits from the Disposal of Derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov*) stipulates taxing capital gains derived from the alienation of financial derivatives, as defined in the Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov*) and debt securities, except for coupon debt securities and discount debt securities, by a resident individual at the rate of 40% in the first 12 months of holding and 25% in the following 4 years of holding. The tax rate is further reduced by 5 percentage points for every 5 years of holding, so that the rates of 15%, 10%, 5% and 0% apply from the 6th, 11th, 16th and 21st year of holding, respectively.

#### *Corporations*

Capital gains derived from the sale or other disposition of the Securities by (i) a legal person resident for taxation purposes in the Republic of Slovenia, or (ii) by a permanent establishment in the Republic of Slovenia of a legal person not resident for taxation purposes in the Republic of Slovenia will generally be part of the overall income of such resident or permanent establishment and as such be subject to Slovenian corporate income tax at a flat rate of 19%.

#### *Double taxation treaty between Slovenia and Austria*

According to the double taxation treaty between Austria and Slovenia capital gains from the sale of the Securities by a Slovenian tax resident to an Austrian tax resident are taxable in Slovenia.

### **Non-residents**

In accordance with the Slovenian Personal Income Tax Act non-residents are subject to tax on income derived from a source in Slovenia. Withholding tax is levied at a rate of 25%. Source taxation may be entirely avoided or partially reduced pursuant to the terms of an applicable double taxation treaty, with the holder applying for a refund with the Slovenian tax authorities providing proof of eligibility.

No tax is levied on payments under the Securities to legal persons not resident for taxation purposes in the Republic of Slovenia and having no permanent establishment in the Republic of Slovenia except that a withholding tax at a rate of 15% is levied on payments of interest on the Securities to legal persons resident in certain non-EU jurisdictions, where the general or average nominal income tax rate is lower than 12.5% and which are listed as "tax havens" by the Ministry of Finance (currently the Bahamas, Barbados, Belize, Brunei, the Dominican Republic, Costa Rica, Liberia, Liechtenstein, the Maldives, the Marshall Islands, Mauritius, Oman, Panama, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, the Seychelles, Uruguay and Vanuatu).

### **Inheritance and gift taxation**

A person subject to inheritance and gift tax is any natural person who inherits or receives property as a gift as well as any person who receives property on the basis of a lifetime maintenance contract. Property shall mean real property and rights on real property and other real rights as well as movable property (including securities and cash). The value of all gifts received by the same person in one year is considered when ascertaining the taxable amount starting from the moment of a receipt of the first gift. A gift or heritage consisting only of movable property is not taxable provided that the total value of movable property does not exceed EUR 5,000.

The taxable basis for inheritance and gift tax is the market value of the property at the time of the occurrence of tax liability, decreased by debts, costs and charges relating to this property, subject to taxation. In the case of movable property the tax base for inheritances and gifts is decreased by EUR 5,000.

Tax on inheritance and gifts is not paid by the heir or recipient of the gift of a first hereditary order (children and spouse).

Tax rates are progressive and differ depending on the hereditary order. Tax rates for inheritance and gift tax range from 5% up to 39%.

### **Stamp duty**

In principle, no stamp duty should be payable.

## **UNITED STATES FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

The Hiring Incentives to Restore Employment Act (HIRE Act) incorporating the Foreign Account Tax Compliance Act (FATCA) into Chapter 4 of the Internal Revenue Code 1986 became law in the United States (U.S.) on 18 March 2010 as part of a worldwide initiative to tackle tax evasion and avoidance by U.S. citizens and residents for tax purposes who hold offshore assets. It creates a new U.S. tax information reporting and withholding regime for certain payments made or received by U.S. withholding agents, multinational companies, certain Foreign Financial Institutions (FFIs) and other foreign persons. FATCA came into force on 1 July 2014 imposing to all participating financial institutions duties of:

- Classification of clients and counterparts according to a specific FATCA typology;
- Reporting of accounts held by Specified U.S. persons or certain non-financial foreign entities with one or more Substantial U.S. Owners / Controlling Persons that is/are Specified U.S. person(s), as well as accounts held by Recalcitrants / non consenting account holders and nonparticipating FFIs;
- Tax withholding in certain circumstances, on withholdable payments or foreign passthru payments paid to FATCA non-compliant clients / counterparts.

The Issuer is committed to being and remaining fully FATCA compliant, thus under FATCA the Issuer may under certain circumstances need to report information about clients and may also be required to withhold 30% withholding tax on certain U.S. source payments. U.S. source income that is fixed or determinable, annual or periodical (FDAP) income (starting 1 July 2014) and gross proceeds (starting 1 January 2019) from the sale or other disposition (including redemption) of property that can produce U.S. source interest or dividend income are “withholdable payments” that can be subject to 30% withholding. Therefore, among others, custody business with U.S. securities (equities, bonds, notes, shares of investment funds, or other interest-bearing obligations issued by U.S. residents or U.S. corporations or the United States) may be impacted by FATCA withholding.

A withholding agent must withhold 30% of any withholdable payment made after 30 June 2014 to a recalcitrant account holder (if not exempt from withholding by an IGA) or a nonparticipating FFI, unless the payment is made under a grandfathered obligation or constitutes gross proceeds from the disposition of such an obligation. The term grandfathered obligation means any obligation outstanding on 1 July 2014 with a fixed maturity, also any obligation that produces withholdable payments solely because the obligation gives rise to a dividend equivalent (any substitute dividend pursuant to a securities lending or a sale-repurchase transaction by reference to the payment of a dividend from sources within the U.S. and any payment made pursuant to a specified notional principal contract that directly or indirectly is determined by reference to the payment of a dividend from sources within the U.S.) and also payments in respect of collaterals securing one or more grandfathered obligations. Grandfathered obligations include, for example, a debt instrument (bond, a guaranteed investment certificate, a term deposit), a line of credit or a revolving credit facility, provided that the credit agreement fixes the material terms prior to 30 June 2014, or a derivatives transaction with underlying U.S. securities entered into on or prior to 30 June 2014. A grandfathered obligation does not include any legal agreement or instrument that is treated as equity; also obligations lacking a stated expiration or term (e.g. savings deposits or demand deposits), as well as any framework agreement that determines the standard terms for future transactions (like a brokerage agreement or a master agreement) but that does not set forth all of the specific terms necessary to conclude a particular transaction.

Solely for purposes of a foreign passthru payment, the term grandfathered obligation also includes any obligation that is executed on or before the date that is six months after the date on which U.S. final regulations defining the term foreign passthru payment are filed with the U.S. Federal Register.

However, a participating FFI is not required to deduct and withhold tax on a foreign passthru payment made by such participating FFI to an account held by a recalcitrant account holder or to a nonparticipating FFI before the later of 1 January 2019, or the date of publication in the U.S. Federal Register of final regulations defining the term foreign passthru payment.

The Issuer and financial institutions through which foreign passthru payments on the Securities are made may be required to withhold U.S. tax at a rate of up to 30% on all, or a portion of, payments in respect of the Securities made after 31 December 2018. This withholding tax does not apply to

payments on Securities that are issued prior to the date that is six months after the date on which the final regulations that define “foreign passthru payments” are published with the Federal register (the “**Grandfather Date**”) unless: (x) such Securities are “materially modified” after that date, (y) such Securities are characterised as equity for U.S. federal income tax purposes, pursuant to FATCA or similar law implementing an intergovernmental approach to FATCA, or (z) the Issuer issues further Securities on or after the Grandfather Date that form part of the same series as the existing Securities, other than pursuant to a “qualified reopening” for U.S. tax purposes.

As Austrian Financial Institution the Issuer already registered with the U.S. IRS declaring the FATCA classification “Participating Financial Institution not covered by an IGA; or Reporting Financial Institution under a Model 2 IGA (Reporting Model 2 FFI)” and received “28CWN4.00013.ME.040” as Global Intermediary Identification Number (GIIN); therefore, the Issuer may also be required to provide certain information about investors. Under such an FFI agreement, withholding may be triggered if: (a) an investor does not provide information sufficient for the relevant party to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of the Issuer, (b) an investor does not consent, where necessary, to have its information disclosed to the U.S. Internal Revenue Service (IRS) or (c) any investor or person through which payment on the Notes is made is not otherwise able to receive payments free of withholding under FATCA. The Issuer will not be required to make any payment of additional amounts for or on account of any withholding tax deducted by the Issuer or an intermediary in compliance with FATCA. For the avoidance of doubt, the withholding or deduction of any amounts which are withheld or deducted pursuant to a FATCA Agreement shall be treated as being required by law.

Austria negotiated an Intergovernmental Agreement (IGA Model 2) with the United States (the “**U.S.-Austrian IGA**”), signed on 29 April 2014, adopted by the Austrian National Assembly on 23 October enacted as Austrian law on 2 February 2015, in order to facilitate the implementation of FATCA for Austrian financial institutions (i.e. custodial institutions, depository institutions, investment entities or specific insurance companies) and to allow reporting of specific customer information to the IRS on U.S. accounts and aggregate information on accounts held by Non-Consenting U.S. accounts and Non Participating FFIs. The term “**U.S. Account**” under the U.S.- Austrian IGA means a Financial Account maintained by a Reporting Austrian Financial Institution and held by one or more Specified U.S. Persons or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person. The term “Specified U.S. Person” means a U.S. Person other than those listed in Art 1(1)(z) of the U.S.-Austrian IGA. “U.S. Persons” are considered U.S. citizens or resident individuals for tax purposes, partnerships or corporations organised in the United States or under the laws of the United States or any State thereof and certain trusts (namely those subject to the jurisdiction of a court within the United States with one or more U.S. persons having the authority to control all substantial decisions of the trust (Controlling Persons, as defined by local AML/KYC provisions according to FATF terminology), or an estate of a decedent that is a citizen or resident of the United States). If a U.S. account holder does not consent towards the financial institution to disclose account specific information to the IRS, the financial institution will still be obliged to transmit aggregated account data to the IRS and such information may serve as the basis for group requests by the IRS to the Austrian tax administration in order to obtain individual information on such accounts so far reported on “pooled base”. If an Austrian financial institution should fail to comply with the requirements set out by FATCA and the U.S.-Austria IGA (as briefly summarised above), it may ultimately lose its FATCA compliant status and thus become subject to FATCA withholding as described above. It is presently unclear if and when the United States and Austria might address withholding on “foreign passthru payments” (which may include payments on the Securities) or if such withholding will be required at all.

Furthermore, a switch from current U.S-Austrian IGA Model 2 to IGA Model 1 type (mostly agreed with the U.S. among European countries) is intended by the Austrian government and might be negotiated and agreed between the parties of the treaty in the future. Under IGA Model 1 regulations FFIs do not report impacted customer data directly to the IRS but only to local tax authorities.

The Issuer is authorised to withhold or deduct from amounts payable under the Securities to Securityholders sufficient funds for the payment of any tax that it is required by law to withhold or deduct pursuant to FATCA, including under a voluntary agreement entered into with a taxing authority as described in Section 1471(b) of the United States Internal Revenue Code (the “**FATCA Agreement**”).

## **UNITED STATES INTERNAL REVENUE CODE 1986 SECTION 871(M)**

Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder impose a 30% withholding tax (or a lower rate under an applicable tax treaty) on dividend equivalents paid or deemed paid to a non-U.S. investor with respect to certain financial instruments linked to U.S. equities or indices containing U.S. equities as an underlying or a basket component. Withholding can be required even if no actual dividend related payment or adjustment pursuant to the terms and conditions of the Securities has been made and thus investors can only determine with difficulty or not at all any connection to the payments to be made in respect of the Securities.

The Issuer's determination of whether the Securities are subject to this withholding tax is binding for the investors, but not for the U.S. Internal Revenue Service (“**IRS**”). Section 871(m) requires complex calculations in respect of the Securities that refer to U.S. equities or indices containing U.S. equities and application of these rules to a specific issuance of Securities issue may be uncertain. Consequently, the IRS may determine that a particular series of Securities are subject to withholding under section 871(m) even if the Issuer initially determined such withholding should not apply. There is a risk in such case that investors would be subject to withholding under section 871(m) with retroactive effect.

There is also a risk that withholding under Section 871(m) may also be applied to Securities that were not initially subject to withholding. This case could arise in particular if the Securities' economic parameters change such that the Securities become subject to withholding under section 871(m) and the Issuer continues to issue and sell such Securities.

As neither the Issuer nor any other person is required to gross up any amounts withheld in connection with a Security, investors will receive smaller payments in such case than they would have received without withholding tax being imposed.

In such cases the Issuer will apply the general tax rate of 30% to U.S. dividend equivalent payments (or amounts deemed payments) and not any lower tax rate pursuant to any potentially applicable double taxation treaty due to the necessity of using a uniform rate for all investors.

## GENERAL INFORMATION

- (1) Application may be made to admit the Programme and/or Securities to the Markets.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Austria in connection with the issue and performance of Securities.
- (3) Series of Securities will be issued under the Programme in accordance with resolutions of the Managing Board as in force from time to time.
- (4) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Raiffeisen Centrobank and no material adverse change in the prospects of the Issuer since 31 December 2017.
- (5) The Issuer is not aware of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
- (6) No governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve months preceding the date of this Base Prospectus, may have, or have had in the recent past, significant effects on Raiffeisen Centrobank's financial position or profitability.
- (7) The International Securities Identification Number (ISIN) and, where available, the German Securities Identification Number (*Wertpapierkennnummer*), the Classification of financial instrument code (CFI), the Common Code and the identification for any other relevant clearing system for each Series of Securities will be set out in the relevant Final Terms.
- (8) The address of the OeKB CSD GmbH is Strauchgasse 1-3, A-1010 Vienna.
- (9) The issue price and the (maximum) amount of the relevant Securities will be determined before filing of the relevant Final Terms of each Series. The issue price for Securities issued in tap issues shall be specified in the Final Terms at the start of their term and thereafter shall be fixed by the Issuer continuously according to market conditions then prevailing. In such case, the aggregate principal amount of the Securities may increase from time to time upon subscriptions being made, and the Issuer will in such case specify on the Issue Date the upper limit of the aggregate principal amount of the Securities in the Final Terms.
- (10) The offer of Securities under the Programme is not subject to any conditions, save for that the investors' offers to subscribe Securities need to be accepted by the Issuer. The Final Terms are to be read together with this Base Prospectus, and contain, together with this Base Prospectus, full and comprehensive information on the Programme and the issues of Securities.
- (11) The result of the offer is usually made public by notification of the total amount to the OeKB CSD GmbH.
- (12) The denominations of the Securities are set out in the Final Terms, if any.
- (13) The total nominal value of the issues of Securities under this Programme is not limited, and the authorisation for issues is applied for prior to the respective issue date of each issue of Securities. The aggregate principal amount or the number of units of each issue of Securities is set out in the Final Terms. The Issuer is entitled, at any time, to issue further Securities under the same conditions (but with a different issue date).
- (14) In general, the invitation to make an offer for the subscription of Securities is not made to a particular or restricted group of investors and therefore no different categories of investors exist.



- (15) The Programme provides for single as well as for permanent and/or repeated issues of Securities. Individual issues of Securities may be offered permanently, where Securities may be issued during most of their term at a price determined and adjusted from time to time by the Issuer (“tap issue”). The invitation to prospective investors to make offers for the subscription of Securities is carried out by the Issuer and distribution partners, if any. The offer to subscribe for Securities is to be made by the investor. The Issuer retains the right to accept or reject subscription offers, in whole or in part and the entity accepting subscriptions may set forth further conditions for the acceptance of the subscriptions.
- (16) Copies of the latest financial statements and interim accounts of the Issuer may be obtained, and copies of the Base Prospectus (including any supplement to the Base Prospectus), and any Final Terms will be available for inspection at the registered office of the Issuer during normal business hours, so long as any of the Securities are outstanding.
- (17) KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (a member of “Kammer der Wirtschaftstreuhänder Österreich”) of Porzellangasse 51, 1090 Vienna, has audited and rendered unqualified audit reports on the financial statements of the Issuer for the year ended 31 December 2017 (dated 4 April 2018) and for the year ended 31 December 2016 (dated 5 April 2017) which have been drawn up in accordance with the Austrian Companies Act (*Unternehmensgesetzbuch*) and the applicable provisions of the Austrian Banking Act (*Bankwesengesetzbuch*).
- (18) For so long as Securities may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:
- (i) the articles of association of the Issuer;
  - (ii) the published annual reports and audited financial statements and cash flow statements of the Issuer for the two most recent financial years ended prior to the date of this Base Prospectus and any subsequent interim financial statements of the Issuer;
  - (iii) each set of Final Terms for Securities; and
  - (iv) a copy of this Base Prospectus, any supplement thereto and any base prospectuses incorporated by reference into this Base Prospectus.
- (19) Electronic versions of the following documents will be available on the Issuer’s Website:
- (i) the Base Prospectus, any supplement thereto and any document incorporated by reference into this Base Prospectus (section The Bank – Publications – Securities Prospectus);
  - (ii) each set of Final Terms for Securities (either (i) section Investment Products, or (ii) section Leverage Products, or (iii) via the search function by filling in the relevant ISIN of the Security).
- (20) Information contained in this Base Prospectus which has been sourced from a third party has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of any information received by a third party and the basis for any statements regarding the Issuer’s competitive position are identified after the respective information (or, in case of tables, below such table) in this Base Prospectus in parentheses indicated by “Source”.
- (21) The Issuer does not intend to publish any post-issuance information, except if required by any applicable laws and regulations and/or the Terms and Conditions of the Securities. Applicants will be notified of the amount allotted by their respective depository bank

- (22) The Issuer's interest in the offering of the Securities is to issue and offer a multitude of Securities, as described in the Base Prospectus on several markets, and to generate profits by earning premiums on the issue price and in connection with secondary trading in the Securities. The Issuer and its affiliates may on the issue date of the Securities or thereafter be privy to information concerning the Securities and/or its Underlyings which may be material for the performance or valuation of the Underlying and which may not be publicly available.
- (23) As at the date of this Base Prospectus to the knowledge of the Issuer, securities of the same class of the Securities are already admitted to trading at the following markets: Budapest Stock Exchange, Bucharest Stock Exchange, Frankfurt Stock Exchange (Scoach), Prague Stock Exchange, Euwax of Stuttgart Stock Exchange, Warsaw Stock Exchange, Official Market of the Vienna Stock Exchange.
- (24) In the context of this Base Prospectus and in relation to a specific series of Securities, the term "Prospectus" means the Base Prospectus which shall be considered together with the information included in the relevant Final Terms and the issue-specific summary.

## **TERMS AND CONDITIONS OF THE SECURITIES AND RELATED INFORMATION**

### **GENERAL TERMS AND CONDITIONS OF THE SECURITIES**

This Series of Securities is issued pursuant to the Structured Securities Programme of Raiffeisen Centrobank Aktiengesellschaft (the “**Issuer**”) dated 11 May 2018. The provisions of these Terms and Conditions apply to the Securities as completed by the terms of the Final Terms which are attached hereto (the “**Final Terms**”). The blanks in the provisions of these Terms and Conditions which are applicable to the Securities shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Securities (including instructions, explanatory Securities and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge by any holders of Securities (each a “**Securityholder**”) at the specified office of the Issuer and on the Issuer’s Website.

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## § 1

### (Product Currency. Denomination. Form. Common Depository)

- (1) *Product Currency. Denomination. Form.* This Series of Securities (the “**Securities**”) of Raiffeisen Centrobank Aktiengesellschaft (the “**Issuer**”) is issued in Product Currency (the “**Product Currency**”) in an aggregate principal amount on the Issue Date (the “**Issue Date**”) and is either divided in (i) denominations (in such case, the “**Specified Denomination**”) or (ii) a number of units with an optional non-par value (the “**Non-par Value**” and together with the Specified Denomination, each a “**Nominal Amount**”) each of which is specified in the Final Terms. The Securities are being issued in bearer form, and the holders of the Securities (the “**Securityholders**”) will not have the right to receive definitive securities.
- (2) *Global Note.* The Securities are represented by a permanent modifiable Global Note in bearer form (the “**Global Note**”) without coupons which shall be signed by authorised signatories of the Issuer or carry an electronic copy of such signatures.
- (3) *Common Depository.* Each Global Note will be kept in custody by or on behalf of OeKB CSD GmbH and any successor in such capacity (the “**CSD.Austria**”) in its function as a central securities depository until all obligations of the Issuer under the Securities have been satisfied. The Securityholders have claims to co-ownership shares in the respective Global Note which may be transferred in accordance with Austrian law and the rules and regulations of the CSD.Austria.

## § 2

### (Status)

The Issuer’s obligations under the Securities constitute unsecured and unsubordinated obligations of the Issuer ranking equally among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

## § 3

### (Principal Obligation, Due Date)

- (1) *Interest.* Unless Interest Payment is specified to apply in the Final Terms, the Securities bear no coupon and pay no periodic amounts. If Interest Payment is specified to apply in the Final Terms, the Issuer shall, on each Interest Payment Date as specified in the Final Terms in arrears, pay the relevant Interest Amount (as defined in § 4).
- (2) *Redemption/Exercise.* Each Security entitles each relevant Securityholder to receive from the Issuer (in accordance with § 7 and the Product Terms in § 23 (Redemption Amount)) in respect of each Specified Denomination (in case of par value Securities) or per unit (in case of non-par value Securities):
  - (a) where the Final Terms determine the Settlement Method to be “Cash”, payment of the Redemption Amount (which is defined in the Product Terms and depends on the Product Type as specified in the relevant Final Terms but which shall always be equal to or greater than zero and, in the event that such amount will be less than zero, shall be deemed to be zero) in the Product Currency to each relevant Securityholder; or
  - (b) where the Final Terms determine the Settlement Method to be “Physical”,
    - (i) in case of Securities other than Call and Put Warrants delivery of an amount of Reference Assets equal to the Reference Asset Quantity;
    - (ii) in case of Call Warrants delivery of Reference Assets equal to the Reference Asset Quantity against payment of the Strike; or

- (iii) in case of Put Warrants payment of the Strike in Underlying Currency against delivery of Reference Assets equal to the Reference Asset Quantity; or
- (c) where the Final Terms determine the Settlement Method to be “Conditional”, either
  - (i) in case the Physical Settlement Condition as specified in the Product Terms is fulfilled, either payment or delivery according to the above-mentioned item (b); or
  - (ii) in case the Physical Settlement Condition as specified in the Product Terms is not fulfilled, payment according to the above-mentioned item (a).

Any case of delivery of Reference Assets in respect of a certain Securityholder in accordance with these provisions is subject to the non-occurrence of a Settlement Disruption Event.

- (3) *Due date.* The obligation described in § 3 (2) falls due on the Maturity Date (as specified in the Final Terms, the “**Maturity Date**”), provided that if the Final Valuation Date is moved forwards or backwards pursuant to these Terms and Conditions (e.g. by reason of the exercise of an Exercisable Security or of adjustments due to a Market Disruption Event, if any, and in any case subject to § 9) the Maturity Date shall be moved to the next Business Day following a period of time which is equal to the period of time by which the Final Valuation Date was moved, when the Security is duly exercised or redeemed.
- (3a) *Early redemption in case of Product Specific Termination.* The Product Terms for the Security may foresee a “Product Specific Termination”. If this is the case, the Securities will be redeemed upon the first occurrence of a Product Specific Termination Event and Securityholders will neither receive any further payments (including interest, if any) or deliveries under the Securities, nor receive any compensation for such early redemption. Details of any early redemption in case of Product Specific Termination can be found in § 12 (5) (if applicable).
- (4) *Open-end Securities.* If the relevant Final Terms specify the Maturity Date to be “open-end” for a Security (an “**Open-end Security**”), such Securities do not have a maturity fixed at issue (“open-end”), and the Issuer shall be entitled to determine the Maturity Date and the Final Valuation Date not earlier than after the expiry of three calendar months after the Issue Date, provided that at the date of such determination the remaining term of the Securities shall amount to at least one calendar month. The determination of the Maturity Date and the Final Valuation Date shall be published pursuant to § 20. In case an Open-end Security is also a Reinvesting Security (as specified in § 24), the Issuer may only determine the immediately succeeding Scheduled Investment Valuation Date as Final Valuation Date.
- (5) *Conditions to Payment and/or Delivery.* The obligation of the Issuer to make payment or delivery is subject to prior full payment of any amount due to be paid to the Issuer and/or delivery of Reference Assets to be delivered by the Securityholder to the Issuer pursuant to the Terms and Conditions. In particular, this includes any applicable Securityholder Expenses (as defined below) and, if the Security is specified to be a Put Warrant, delivery by the Securityholder of Reference Assets equal to the Reference Asset Quantity and if the Security is specified to be a Call Warrant, payment by the Securityholder of the Strike. Any due amount will, as far as covered by a cash amount(s) to be paid according to the Terms and Conditions, be directly subtracted from such cash amount(s). As long as a due amount has not been settled or a Reference Asset due to be delivered has not been delivered by a Securityholder, no payment or delivery shall be made by the Issuer under the Securities to such Securityholder.

As used herein:

“**Securityholder Expenses**” means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in



connection with the exercise of such Security and/or any payment and/or delivery due following exercise or otherwise in respect of such Security.

- (6) *Reduced payments in case of a Credit Event.* The Final Terms may determine that “Credit Linked Securities Provisions” apply to either redemption, interest or both. In this case, the Securityholder’s claim to receive the (entire) Redemption Amount and/or interest, if any, is conditional upon the non-occurrence of a Credit Event (as defined below). If a Credit Event occurs, no further interest will be paid and/or the Redemption Amount will be reduced accordingly.

For the purposes of this provision:

“**Change of Control**” (for Securities for which the Final Terms specify Change of Control to be an “Extraordinary Redemption Event”) means that any person or any persons acting in concert or any third person or persons acting on behalf of any such person(s) at any time directly or indirectly acquire(s) a Controlling Participation in any Credit Reference Party. A “**Controlling Participation**” exists in relation to an entity if (i) more than 50% of the capital or the shares entitled to vote, or (ii) the majority of the voting rights associated with the participations in such entity, or (iii) the right to appoint or dismiss the majority of the directors of such entity, or (iv) the right to exercise a controlling influence on such entity by other means is maintained. “**Credit Reference Party**” means the Credit Reference Entity and the Credit Reference Entity Founder, if any.

“**Credit Amount**” means an amount as specified in the Final Terms.

“**Credit Reference Entity**” means such entity as specified in the Final Terms.

“**Credit Reference Entity Founder**” (if any) means the founder of the Credit Reference Entity as specified in the Final Terms.

“**Credit Reference Obligation**” means the obligation which is specified as such in the Final Terms.

“**Credit Event Agent**” means the entity specified as such in the Final Terms. If no such entity is specified in the Final Terms, “**Credit Event Agent**” means the Issuer.

“**Credit Reduction Amount**” means the amount by which the Credit Amount is to be reduced (potentially down to zero but never below zero) in order to compensate the Issuer after the occurrence of a Credit Event, so that the economic situation of the Issuer as a creditor under the Credit Reference Obligation as of the Final Valuation Date is not affected by the Credit Event.

“**Credit Event**” means any of the following events:

- (i) a bankruptcy or insolvency of the Credit Reference Entity or the Credit Reference Entity Founder (if any) or a moratorium is declared in respect of any Credit Reference Entity’s indebtedness in an amount of not less than EUR 10,000,000 equivalent; or
- (ii) any amount of not less than EUR 10,000,000 equivalent due from the Credit Reference Entity under any agreement is or is capable of being accelerated or become due prior to its stated maturity as a result of occurrence of an event of default or a similar condition or event; or
- (iii) the Credit Reference Entity does not pay when due any amount not less than EUR 1,000,000 equivalent under any agreement; or
- (iv) a repudiation of a claim (or claims) in an amount of not less than EUR 10,000,000 equivalent; or

- (v) a restructuring of an obligation (or obligations) not less than an amount of EUR 10,000,000 equivalent; or
- (vi) the Credit Reference Obligation (including interest thereon) is not, or not fully, paid when due, which means in particular that the amount to discharge the Credit Reference Obligation (including interest thereon) is not or not in full received on the due date by the Issuer on the specified account, regardless of the reasons, in particular irrespective of whether such failure of receipt is caused by a non-ability of the Credit Reference Entity to make payment, or any factual obstacle or other barrier in connection with the transfer of such funds, including but not limited to disruptions of payment systems or transfer restrictions imposed by the country in which the Credit Reference Entity is headquartered.

Upon the occurrence of a Credit Event and if “Credit Linked Securities Provisions” are applicable to interest, no further interest will be paid.

Upon the occurrence of a Credit Event and if “Credit Linked Securities Provisions” are applicable to redemption:

- (i) the Credit Event Agent will determine the Credit Reduction Amount;
- (ii) if not all information necessary for the determination of the Credit Reduction Amount is available to the Credit Event Agent on the Final Valuation Date, the determination of the Credit Reduction Amount will be postponed until all information necessary is available. In such event the Maturity Date of the Security will be postponed by the same number of Business Days.
- (iii) the determination of the Credit Reduction Amount will be published pursuant to § 20;
- (iv) after the regular determination of the Redemption Amount by the Calculation Agent the Redemption Amount will be further reduced by the Credit Reduction Amount. In the event that the reduced Redemption Amount will be less than zero it shall be deemed to be zero.

By acquiring a Security each investor agrees to the termination of interest payments and/or the reduction of the Redemption Amount as well as the possible postponement of the Maturity Date in case of the occurrence of a Credit Event.

**WARNING:** Securityholders have, in addition to the risks associated with the Issuer, to bear risks, in particular the insolvency risk, relating to the Credit Reference Entity. If the Credit Reference Entity becomes insolvent or unable to pay its debt and/or repay the Credit Reference Obligation, there is a **high risk of total loss** of the investment and/or interest payments for the Securityholders. Before investing in such Securities, investors are required by the Issuer to inform themselves about and conduct their own analysis of the credit-worthiness of the Credit Reference Entity and the likelihood of a default by the Credit Reference Entity to repay the Credit Reference Obligation. Securityholders should be aware that it **could significantly increase the risk of a total loss** of the investment if they fail to obtain such information or make a mistake when assessing such information. In addition, Securityholders are subject to the risk that the Credit Reference Obligation cannot be repaid for other reasons than the insolvency of the Credit Reference Entity, including payment transfer restrictions imposed by the jurisdiction of incorporation of the Credit Reference Entity.

**§ 4**  
**(Interest)**

**For Securities, which do not bear interest according to their Final Terms, the following applies:**

The Securities do not pay out any interest.

**For Securities, which bear interest according to their Final Terms, the following applies:**

- (1) *Interest Amount.* The “**Interest Amount**” in respect of each Nominal Amount and each Interest Period (as defined below) is an amount calculated by the Calculation Agent as follows (and which shall always be equal to or greater than zero and, in the event that such amount will be less than zero, shall be deemed to be zero):

$$\text{Nominal Amount} \times \text{Interest Rate} \times \text{Day Count Fraction}$$

Each Interest Amount will be rounded to either (i) the nearest sub-unit of the relevant Product Currency, or (ii) if the Product Currency does not have a sub-unit, the nearest unit of the Product Currency.

whereby:

**if the Interest Type is “Fixed” pursuant to the Final Terms:**

“**Interest Rate**” is a fixed rate as specified in the Final Terms.

**if the Interest Type is “Variable” pursuant to the Final Terms:**

*Variable Interest Rate.* The Variable Interest Rate is a rate calculated in accordance with the provisions included in § 22 and which depends on the type of Variable Interest Rate (as specified in the Final Terms). If the Underlying Currency is different from the Product Currency and the Product Currency is not specified as “Quanto”, the Variable Interest Rate shall be divided by the Initial Exchange Rate and converted from the Underlying Currency to the Product Currency according to § 14. The “**Initial Exchange Rate**” (if any) is specified in the Final Terms.

“**Base Interest Rate**” is a fixed rate as specified in the Final Terms.

“**Interest Final Reference Price**” of the Underlying means

- (i) if the Final Terms specify as “Interest Final Reference Price” a price only, such price of the Underlying on the current Interest Final Valuation Date which is specified in the Final Terms; or
- (ii) if the Final Terms specify as “Interest Final Reference Price” a price and Minimum Valuation Date(s), the lowest of all such prices of the Underlying which have been determined on each Minimum Valuation Date; or
- (iii) if the Final Terms specify as “Interest Final Reference Price” a price and Maximum Valuation Date(s), the highest of all such prices of the Underlying which have been determined on each Maximum Valuation Date; or
- (iv) if the Final Terms specify as “Interest Final Reference Price” a price and Averaging Valuation Date(s), the average (i.e. the arithmetic mean) of all such prices of the Underlying which have been determined on each Averaging Valuation Date.

“**Interest Final Valuation Date**” is any date specified as Interest Final Valuation Date in the Final Terms.

“**Interest Initial Reference Price**” of the Underlying means

- (i) if the Final Terms specify as “Interest Initial Reference Price” a price only, such price of the Underlying for the respective Interest Initial Valuation Date; or

- (ii) if the Final Terms specify as “Interest Initial Reference Price” a price and Minimum Entry Valuation Date(s), the lowest of all such prices of the Underlying which have been determined on each Minimum Entry Valuation Date; or
- (iii) if the Final Terms specify as “Interest Initial Reference Price” a price and Maximum Entry Valuation Date(s), the highest of all such prices of the Underlying which have been determined on each Maximum Entry Valuation Date; or
- (iv) if the Final Terms specify as “Interest Initial Reference Price” a price and Averaging Entry Valuation Date(s), the average (i.e. the arithmetic mean) of all such prices of the Underlying which have been determined on each Averaging Entry Valuation Date.

“**Interest Initial Valuation Date**” is (i) the date specified as Initial Valuation Date in the Final Terms or (ii) if the Final Terms specify “Interest Reference Reset” to apply, (a) until the first Interest Final Valuation Date has occurred, the Initial Valuation Date, and thereafter (b) the immediate preceding Interest Final Valuation Date.

“**Interest Observation Period**” means each period from (but excluding) an Interest Initial Valuation Date to (and including) the immediately succeeding Interest Final Valuation Date.

“**Interest Rate**” means the sum of (i) the Base Interest Rate plus (ii) the Variable Interest Rate.

Whereby:

- if the Final Terms specify “Interest Lock-In” to apply, the Interest Rate for the relevant Interest Period is at least the highest Interest Rate which has been determined by the Calculation Agent for any previous Interest Period for the relevant Securities.
- if the Final Terms specify “Memory” to apply, the following provision will be applicable to every Interest Period starting with the second: If (i) the Variable Interest Rate of the relevant Interest Period is equal to the respective Digital Interest Rate and (ii) the Variable Interest Rate of the immediately preceding Interest Period is not equal to the respective Digital Interest Rate, all Memorized Interest Rates are summed up and added to the Interest Rate. “**Memorized Interest Rate**” means, with respect to a specific Interest Period, each Digital Interest Rate for Interest Periods starting with either (x) the Interest Period immediately following the latest previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate if there exists a previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate, or (y) the first Interest Period if there exists no previous Interest Period for which the Variable Interest Rate is equal to the Digital Interest Rate, and ending with the immediately preceding Interest Period.

“**Interest Valuation Period**” means the period from (but excluding) the Initial Valuation Date to (and including) the first Interest Final Valuation Date, and (where there is more than one Interest Final Valuation Date) each period from (but excluding) an Interest Final Valuation Date to (and including) the next following Interest Final Valuation Date.

<p><b>The following provisions apply to all Interest Types (end of “<u>Variable</u>” provisions)</b></p>
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“**Interest Period**” means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (where there is more than one Interest Payment Date) each period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date.

“**Interest Payment Date**” is any date specified as Interest Payment Date in the Final Terms, provided that if an Interest Final Valuation Date is moved forwards or backwards pursuant to these Terms and Conditions (e.g. due to a Market Disruption Event, if any) the Interest Payment Date of the relevant Interest Period shall be moved to the next Business Day following a period of time which is equal to the period of time by which the Interest Final Valuation Date was moved.

“**Day Count Fraction**”, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”) means:

**(a) if “Actual/Actual (ICMA)” applies pursuant to the Final Terms:**

- (A) where the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Interest Period and (ii) the number of Interest Periods in any calendar year; and
- (B) where the Calculation Period is longer than one Interest Period, the sum of: (i) the actual number of days in such Calculation Period falling in the Interest Period in which it begins divided by the product of (x) the actual number of days in such Interest Period and (y) the number of Interest Periods in any year; and (ii) the actual number of days in such Calculation Period falling in the next Interest Period divided by the product of (x) the actual number of days in such Interest Period and (y) the number of Interest Periods in any year.

**(b) if “30/360” applies pursuant to the Final Terms:**

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

**(c) if “30E/360” applies pursuant to the Final Terms:**

the number of days in the Calculation Period divided by 360 (unless, in the case of the final Calculation Period, the Maturity Date or in case of Securities without fixed maturity date, the date of the actual redemption is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(d) if “Actual/365” or “Actual/Actual (ISDA)” applies pursuant to the Final Terms:**

the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

**(e) if “Actual/365 (Fixed)” applies pursuant to the Final Terms:**

the actual number of days in the Calculation Period divided by 365.

**(f) if “Actual/360” applies pursuant to the Final Terms:**

the actual number of days in the Calculation Period divided by 360.

**(g) if “Period Independent” applies pursuant to the Final Terms:**

1 (one).

- (2) *Deferred Interest Payment Dates.* If any Interest Payment Date would fall on a day which is not a Business Day (as defined in § 13 (2)), the payment date shall be:

(a) **if the “Modified Following Business Day Convention” applies pursuant to the Final Terms:**

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day;

(b) **if the “Floating Rate Convention (FRN Convention)” applies pursuant to the Final Terms:**

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months which is specified in the Final Terms after the preceding applicable Interest Payment Date;

(c) **if the “Following Business Day Convention” applies pursuant to the Final Terms:**

postponed to the next day which is a Business Day;

(d) **if the “Preceding Business Day Convention” applies pursuant to the Final Terms:**

the immediately preceding Business Day;

(e) **if the “Following Unadjusted Business Day Convention” applies pursuant to the Final Terms:**

postponed to the next day which is a Business Day provided that interest due with respect to such Interest Payment Date shall not accrue from and including such (original) interest payment date to and including the postponed interest payment date (i.e. the date of payment of such interest as so postponed); and

(f) **if the “Modified Following Unadjusted Business Day Convention” applies pursuant to the Final Terms:**

postponed to the next day which is a Business Day provided that interest due with respect to such Interest Payment Date shall not accrue from and including such (original) Interest Payment Date to and including the postponed interest payment date (i.e. the date of payment of such interest as so postponed), and provided further that, if such day would thereby fall into the next calendar month the date of payment with respect to such Interest Payment Date will be moved to the Business Day immediately preceding such Interest Payment Date.

- (3) *Notification of Interest Rate and Interest Amount.* The Calculation Agent will cause the Interest Rate, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Securityholders in accordance with § 20 as soon as possible after the determination, but in no event later than the fourth Business Day (as defined in § 13 (2)) thereafter and if required by the rules of any stock exchange on which the Securities are from time to time listed, to such stock exchange as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Securities are then listed and to the Securityholders in accordance with § 20.

- (4) If the Issuer for any reason fails to render any payment in respect of the Securities when due, interest shall continue to accrue at the default rate established by statutory law on the

outstanding amount from and including the due date to but excluding the day on which such payment is received by or on behalf of the Securityholders.

## § 5 (General Definitions)

“**Bond Part**” means that part of the value of the Security, which is independent of the performance of the Underlying. The market value of the Bond Part depends solely on the funding situation of the Issuer and will be determined by the Calculation Agent in accordance with any mandatory accounting and reporting standard.

“**Change in Law**” (for Securities for which the Final Terms specify Change in Law to be an “Extraordinary Redemption Event”) means that, on or after the Issue Date of the Securities (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), (X) it has or within one month will become illegal to (i) hold, (ii) acquire, (iii) refer for any calculation required by this Terms and Conditions to or (iv) dispose of the Underlying relating to the Securities and, where the Underlying is an Index, the Index Components and, where the Underlying is a Basket, the Basket Components, or (Y) the Issuer will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Change of Taxation**” (for Securities for which the Final Terms specify Change of Taxation to be an “Extraordinary Redemption Event”) means any event that causes either (i) the applicability to the Securities of a tax regime that was not applicable at the Issue Date, or (ii) a change of the applicable tax treatment of the Securities, including, but not limited to, the tax rate, irrespective of (a) the date of entry into force of the underlying tax regime, and (b) the actual cause of the event except for any misconduct or gross negligence of the Issuer.

“**Delivery Agent**” means the institution which the Final Terms specify to be the Delivery Agent.

“**Derivatives Part**” means that part of the value of the Security, which is dependent on the performance of the Underlying. In order to determine the market value of the Derivatives Part, the Calculation Agent requests at least three Independent Financial Institutions to provide fair and tradable offers to hedge the price risks of the Derivatives Part. The market value of the Derivatives Part shall be the price of the fair and tradable offer which is most favourable to the investor of the Security. Each trading offer so provided should be valid for either (x) an amount needed to hedge any price risks originating from the total issued amount of this Security, or (y) an amount as high as feasible for the relevant Independent Financial Institution. If the maximum tradable amount of the most favourable offer is less than the total issued amount of this Security, the Calculation Agent may determine the market value of the Derivatives Part as average of all the provided fair and tradable prices weighted in accordance with the tradable amount provided by each Independent Financial Institution, or any other value more favourable to the investor of the Security. In case the Calculation Agent is unable after using commercially reasonable efforts to obtain a sufficient number of fair and tradable offers in order to determine the market value of the Derivatives Part, a Hedging Disruption (as defined below) shall be deemed to have occurred, unless the market value of the Derivatives Part needs to be determined in accordance with the provisions of § 12 (4), in which case the Calculation Agent may determine the market value of the Derivatives Part in its sole reasonable discretion.

“**Disruption Cash Settlement Amount**” means such amount which is specified in the Final Terms per Specified Denomination or unit, as applicable.

“**Extraordinary Redemption Event**” means any of “Change of Control” (as defined in § 3 (6)), “Change in Law”, “Change of Taxation”, “Hedging Disruption”, “Increased Cost of Hedging” and/or “Insolvency Filing” insofar as such event is specified in the relevant Final Terms as Extraordinary Redemption Event.

“**Fair Market Value**” means the fair and tradable value of the Securities as of a specific date and with regard to all applicable terms of the Securities as of such date. In order to determine the Fair Market Value, the Calculation Agent will split the economic value of the Security into (i) one part, that is

dependent on the performance of the Underlying (the Derivatives Part, as defined), and (ii) a second part, that is independent of the performance of the Underlying (the Bond Part, as defined). The Calculation Agent may determine at its own discretion the detailed procedure of such split, provided that the combined payout structure of both parts is identical to the payout structure of the Security applicable at the relevant date. The Fair Market Value means then the combined market value of the Derivatives Part and the Bond Part as of the relevant date and based on the relevant parameter values and expiry.

“**Final Reference Price**” of the Underlying means

- (i) if the Final Terms specify as “Final Reference Price” a price only, such price of the Underlying on the Final Valuation Date; or
- (ii) if the Final Terms specify as “Final Reference Price” a price and Minimum Valuation Date(s), the lowest of all such prices of the Underlying which have been determined on each Minimum Valuation Date; or
- (iii) if the Final Terms specify as “Final Reference Price” a price and Maximum Valuation Date(s), the highest of all such prices of the Underlying which have been determined on each Maximum Valuation Date; or
- (iv) if the Final Terms specify as “Final Reference Price” a price and Averaging Valuation Date(s), the average (i.e. the arithmetic mean) of all such prices of the Underlying which have been determined on each Averaging Valuation Date,

whereas the relevant Underlying for the determination of the Final Reference Price will in any case be the Underlying for the calculation of the Redemption Amount.

“**Final Valuation Date**” means such date as specified in the Final Terms, unless the Securities have been validly exercised, in which case the Final Valuation Date with respect to such exercised Securities shall be the Exercise Date.

“**Gross Amount**” means the free and clear amount, without withholding or deduction for any taxes or duties of whatever nature.

“**Gross Distribution**” means the Gross Amount of any dividend, coupon or similar distribution amount paid on any underlying (as published by the issuer of the underlying).

“**Gross Dividend**” means the Gross Amount of any dividend declared on a respective underlying (as published by the issuer of the underlying).

“**Hedging Disruption**” (for Securities for which the Final Terms specify Hedging Disruption to be an “Extraordinary Redemption Event”) means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” (for Securities for which the Final Terms specify Increased Cost of Hedging to be an “Extraordinary Redemption Event”) means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

“**Independent Financial Institution**” means any independent third party which is a financial institution capable of providing financial services to the Issuer and which is licensed by the relevant competent authority of its home state. If any provision of these Terms and Conditions obliges the Calculation Agent to request any kind of financial services from an arbitrary number of Independent Financial Institutions, the Calculation Agent will select in good faith such Independent Financial Institutions, which it deems most appropriate to provide the necessary financial services.



**“Initial Reference Price”** of the Underlying means

- (i) if the Final Terms specify as “Initial Reference Price” a price only, such price of the Underlying on the Initial Valuation Date; or
- (ii) if the Final Terms specify as “Initial Reference Price” a price and Minimum Entry Valuation Date(s), the lowest of all such prices of the Underlying which have been determined on each Minimum Entry Valuation Date; or
- (iii) if the Final Terms specify as “Initial Reference Price” a price and Maximum Entry Valuation Date(s), the highest of all such prices of the Underlying which have been determined on each Maximum Entry Valuation Date; or
- (iv) if the Final Terms specify as “Initial Reference Price” a price and Averaging Entry Valuation Date(s), the average (i.e. the arithmetic mean) of all such prices of the Underlying which have been determined on each Averaging Entry Valuation Date,

whereas the relevant Underlying for the determination of the Initial Reference Price will in any case be the Underlying for the calculation of the Redemption Amount.

**“Initial Valuation Date”** means such date as specified in the Final Terms.

**“Net Amount”** means an amount after deduction of any taxes and any duties.

**“Net Distributions”** means the Net Amount of any dividend, coupon or similar distribution amount paid on any Underlying.

**“Net Dividend”** means the Net Amount of any dividend.

**“Quarterly Predecessor Date”**, in respect of a reference date, means any date with the same day of month as the reference date, but three months before either (i) the reference date or (ii) any Quarterly Predecessor Date of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.

**“Reference Asset”** for Securities with delivery of Reference Assets means such assets as specified in the relevant Final Terms.

**“Reference Asset Quantity”** for Securities with delivery of Reference Assets means an amount calculated by the Calculation Agent on the Final Valuation Date in accordance with the provisions as set forth in the Final Terms.

**“Reference Price”** means the Initial Reference Price, the Final Reference Price and each further price which is referred to as a “Reference Price” and/or the definition of which includes the term “Reference Price” in these Terms and Conditions and/or the Final Terms. The consequences of adjustment events, corrections, and extraordinary events on any Reference Price are set out in § 10, § 11 and § 12.

**“Securities Depository”** means the financial institution that holds the Securities for safekeeping on behalf of the Securityholder and which is licensed by the relevant competent authority of its home state. Each Securityholder is obliged to keep the Securities in a securities account with a Securities Depository of its own choice, whereby the Securityholder assumes sole responsibility towards the Issuer and any of its Agents that (i) any communication, (ii) any transfer of Securities or Reference Assets and (iii) any cash payments between (x) the Securityholder and (y) the Issuer or any of its Agents by means of such Security Depository is carried out properly within a timely manner.

**“Semi-Annual Predecessor Date”**, in respect of a reference date, means any date with the same day of month as the reference date, but six months before either (i) the reference date or (ii) any Semi-Annual Predecessor Date of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.

**“Settlement Disruption Event”** for Securities with delivery of Reference Assets means in respect of a Reference Asset and a certain Securityholder, an event beyond the control of the Issuer or the Delivery Agent, as a result of which such Reference Asset cannot (or can only with disproportionate costs) be delivered to such Securityholder.

**“Valuation Date(s)”** means the Initial Valuation Date and the Final Valuation Date and each other date (if any) which is referred to as “Valuation Date” in the Final Terms. If any Valuation Date is not a

Scheduled Trading Day, it shall be deemed to be the immediately succeeding Scheduled Trading Day. The consequences of market disruptions on any Valuation Date are set out in § 9.

“**Yearly Predecessor Date**”, in respect of a reference date, means any date with the same day of month and the same month as the reference date in any year before the year of the reference date, whereby if such day of month would be after the end of the relevant month, it shall be deemed to be the last day of the relevant month.

## § 6 (Underlying Definitions)

The underlying specific definitions in this § 6 of the Terms and Conditions are referred to as the “**Underlying Definitions**”.

Each Security may either have one single Underlying, which is used for the calculation of the Redemption Amount as well as any Variable Interest Rate (if any), or two separate Underlyings, one of which is used solely for the calculation of the Redemption Amount and the other of which is used solely for the calculation of any Variable Interest Rate. Any Underlying of a Security may be a Basket consisting of multiple components, but it is the price of the Basket itself that is relevant for the calculation of any Reference Price.

<b>For each Underlying which is an <u>Index</u>, the following provisions apply:</b>
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“**Closing Price**” means the official closing price of the Index as published by the Index Sponsor.

“**Exchange**” means each exchange or quotation system specified as such for each Index Component by the Index Sponsor, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Index Components has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Index Components on such temporary substitute exchange or quotation system as on the original Exchange).

“**Extraordinary Event**” means an Index Adjustment Event and any Extraordinary Event of an Index Component.

“**Index**” or “**Underlying**” means each Index which is specified as Underlying in the relevant Final Terms. If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Index Sponsor**”) acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then such index (the “**Successor Index**”) shall be deemed to be the Index so calculated and announced by the Successor Index Sponsor. If, in the determination of the Calculation Agent (I) on or before any Valuation Date the Index Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent Index Components and capitalisation and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”) or (II) on any Valuation Date the Index Sponsor fails to calculate and publish the Index (an “**Index Disruption**”), then instead of a published level for the Index, the Index level as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect before that change, failure or cancellation shall be used, but using only those Index Components that comprised the Index immediately prior to that Index Adjustment Event. The Calculation Agent shall notify the Securityholders thereof in accordance with § 20.

“**Index Adjustment Event**” means an Index Modification, Index Cancellation or Index Disruption, all as defined in these Terms and Conditions.

“**Index Component**” means those securities, assets or reference values of which the Index is comprised from time to time. For each Index Component, the specific provisions set out in the relevant Underlying Definitions shall apply and be included and for this purpose, the term “Underlying” and all

terms including such term, all as defined in such Underlying Definitions shall be referred to as, and changed to, “Index Component”.

“**Index Sponsor**” means the person specified as Index Sponsor in the relevant Final Terms which is the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (ii) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day; whereby reference to the Index Sponsor shall include a reference to the “Successor Index Sponsor” defined in this § 6.

“**Intraday Price**” means any official price of the Index as published by the Index Sponsor.

“**Multiple Exchange Index**” means an Index for which the Exchange specified for at least one Index Component differs from the Exchange specified for any other Index Component.

“**Regular Intraday Price**” means any official price of the Index as published during regular trading sessions by the Index Sponsor.

“**Related Exchange(s)**” means such exchange or quotation system which is specified in the relevant Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange). In cases where the Final Terms specify “All Exchanges” as the Related Exchange, “**Related Exchange(s)**” means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Settlement Price**” means the official settlement price of the Index as published by the Index Sponsor and if regularly such official settlement price is not published by the Index Sponsor, the final settlement price of the Index on the relevant Exchange, or, if regularly no final settlement price of the Index is published by the relevant Exchange, the Closing Price of the Index.

“**Single Exchange Index**” means an Index for which the same Exchange is specified for all Index Components.

“**Underlying Business Day**” means any day on which the Index Sponsor is scheduled to publish the level of the Index and which is not a Disrupted Day.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Index.

**For each Underlying which is an Index and the Index is a Single Exchange Index (as specified above), the following provisions apply:**

“**Disrupted Day**” means any Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant determination time for the relevant Reference Price on such Exchange Business Day.

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for securities on any relevant Exchange relating to securities that comprise 20 percent or more of the level of the (relevant) Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the (relevant) Index on any relevant Related Exchange.

“**Market Disruption Event**” means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant determination time for the relevant Reference Price, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of an Index Component at any time, then the relevant percentage contribution of that Index Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Index Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

“**Scheduled Trading Day**” means any day on which each Exchange and each Related Exchange specified are scheduled to be open for trading for their respective regular trading sessions.

“**Trading Disruption**” means any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to Index Components that comprise 20 percent or more of the level of the Index on any relevant Exchange or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

**For each Underlying which is an Index and the Index is a Multiple Exchange Index (as specified above), the following provisions apply:**

“**Disrupted Day**” means any Scheduled Trading Day on which (i) the (relevant) Index Sponsor fails to publish the level of the Index or (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the Exchange in respect of any Index Component or the Related Exchange prior to its Scheduled Closing Time, unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered in the Exchange or Related Exchange system for execution at the relevant determination time for the relevant Reference Price on such Exchange Business Day.

“**Exchange Business Day**” means any Scheduled Trading Day on which (i) the (relevant) Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Index Component on the Exchange in respect of such Index Component or (ii) futures or options contracts relating to the Index on any Related Exchange.

“**Market Disruption Event**” means (a) the occurrence or existence, in respect of any Index Component, of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant determination time in respect of the Exchange on which such Index Component is principally traded, or (iii) an Early Closure, and the aggregate of all Index Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 percent or more of the level of the Index or (b) the occurrence or existence, in respect of futures or options contracts

relating to the Index, of (1) a Trading Disruption, (2) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant determination time in respect of the Related Exchange or (3) an Early Closure. For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if a Market Disruption event occurs in respect of an Index Component at that time, then the relevant percentage contribution of that Index Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Index Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

“**Scheduled Trading Day**” means any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) each Related Exchange is scheduled to be open for trading for their respective regular trading sessions.

“**Trading Disruption**” means any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Index Component on the Exchange in respect of such Index Component or (ii) in futures or options contracts relating to the Index on the Related Exchange.

<b>For each Underlying which is <u>Equity</u>, the following provisions apply:</b>
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“**Closing Price**” means the official closing price of the Shares on the relevant Exchange.

“**Delisting**” means in relation to a Share that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is located within the European Union, in any Member State of the European Union).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution on such Exchange Business Day.

“**Exchange**” means the Exchange which is specified in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Share on any relevant Related Exchange.

“**Extraordinary Dividend**” means a dividend per Share or portion thereof which has been determined as an Extraordinary Dividend by the Calculation Agent.

“**Extraordinary Event**” means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Issuer, (A) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Share Issuer become legally prohibited from transferring them, or (C) the Share Issuer is dissolved, terminated or ceases to exist, as the case may be.

“**Insolvency Filing**” means that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

“**Intraday Price**” means any traded price of the Shares on the relevant Exchange.

“**Market Disruption Event**” means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant scheduled valuation time for the relevant Reference Price, or (iii) an Early Closure.

“**Merger Date**” means, in respect of a Merger Event, the date upon which all holders of the relevant Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

“**Merger Event**” means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer 20 percent or more of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which results in a reclassification or change of less than 20 percent of the relevant Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person for such Shares that results in a transfer of or an irrevocable commitment to transfer 20 percent or more of such Shares (other than such Shares owned or controlled by the offeror), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 percent of the outstanding Shares immediately following such event, if, in each case the date on which the Calculation Agent determines that such event occurs is on or before, in the case of physical settlement the Maturity Date, or in case of cash settlement, the Final Valuation Date.

“**Nationalisation**” means that all the Shares or all or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Potential Adjustment Event**” means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (c) an Extraordinary Dividend;
- (d) a call by the Share Issuer in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

“**Regular Intraday Price**” means any price of the Shares traded during regular trading sessions on the relevant Exchange.

“**Related Exchange(s)**” means each exchange or quotation system which is specified in the Final Terms to be a Related Exchange or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to a Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange). In cases where the Final Terms specify “All Exchanges” as the Related Exchange, “**Related Exchange(s)**” means each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to a Share or, in any such case, any transferee or successor exchange of such exchange or quotation system.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means, in relation to the (relevant) Shares, any day on which each Exchange and each Related Exchange specified hereon are scheduled to be open for trading for their respective regular trading sessions.

“**Settlement Price**” means the official settlement price of the Shares on the relevant Exchange and if regularly no official settlement price is published by the relevant Exchange, the Closing Price of the Shares.

“**Share Issuer**” means the issuer of the (relevant) Shares.

“**Shares**” or “**Underlying**” means any Shares specified as Underlying in the relevant Final Terms.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 percent of the outstanding voting shares of the Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Trading Disruption**” means any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

“**Underlying Business Day**” means any Scheduled Trading Day which is not a Disrupted Day.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Shares.

**For each Underlying which is a Fund Share, the following provisions apply:**

“**Cut-off Period**” means, with respect to any date, (A) the Other Cut-off Period which is specified in the Final Terms or (B) where the Final Terms do not specify an Other Cut-off Period, a period of one calendar year ending on the first anniversary of such date.

“**Disrupted Day**” means in respect of a Fund any day on which a Market Disruption Event has occurred.

“**Exchange**” means the Exchange, if any, which is specified in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Fund Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Traded Fund**” means Fund Shares for which an Exchange is specified in the Final Terms.

“**Extraordinary Dividend**” means an amount per Fund Share or portion thereof which has been determined as an Extraordinary Dividend by the Calculation Agent.

“**Extraordinary Fund Event**” means each of the following events for which an applicable consequence has been specified in the Final Terms:

- (a) “**Fund Insolvency Event**” means, in respect of any Fund Share, that the related Fund or any other entity which is related to the Fund and where the occurrence of a Fund Insolvency Event with respect to such entity would have a similar economic effect on the Fund as if a Fund Insolvency Event would have occurred with respect to the Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) 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; (v) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vi) above;
- (b) “**NAV Trigger Event**” means, in respect of any Fund Share, that (i) the Net Asset Value has decreased by a percentage equal to or greater than the NAV Trigger Percentage during the related NAV Trigger Period, each as specified in the related Final Terms; or



- (ii) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (c) “**Adviser Resignation Event**” means, in respect of any Fund, (i) the resignation, termination, or replacement of its Fund Adviser or (ii) the resignation, termination, death or replacement of any key person which is of relevance to the Fund;
- (d) “**Fund Modification**” means any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Share or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (e) “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents that is reasonably likely to affect the value of such Fund Share or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (f) “**Regulatory Action**” means, with respect to any Fund Share, (i) cancellation, suspension or revocation of the registration or approval of such Fund Share or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Share or Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Share or on any investor therein (as determined by the Calculation Agent), or (iii) the related Fund or any of its Fund Administrator or Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser; or
- (g) “**Reporting Disruption**” means, in respect of any Fund Share, (i) occurrence of any event affecting such Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Share, and the end of the period in time for which such event is likely to continue cannot be foreseen from the Calculation Agent in its reasonable discretion; (ii) any failure of the related Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund’s, or its authorized representative’s, normal practice and that the Calculation Agent deems necessary for it, to monitor such Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Share.

“**Fund**” means the issuer of the (relevant) Fund Shares.

“**Fund Administrator**” means, in respect of any Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents.

“**Fund Adviser**” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

“**Fund Documents**” means, with respect to any Fund Shares, the constitutive and governing documents, subscription agreement and other agreements of the related Fund specifying the terms and conditions relating to such Fund Share and any additional fund documents, in each case, as amended from time to time.

“**Fund Shares**” or “**Underlying**” means any Fund Share specified as Underlying in the Final Terms.

“**Insolvency**” means in respect of a Fund, any winding-up, termination or any loss of regulatory approval or registration in respect of such Fund or any other event having a similar object or effect.

“**Management Company**” means in respect of a Fund Share, the entity responsible for calculating and publishing the Net Asset Value of such Fund Share (or any successor to such entity), as determined by the Calculation Agent.

“**Nationalisation**” means that all the Fund Shares or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Net Asset Value**” means the net asset value published by the Management Company.

“**Potential Adjustment Event**” means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Fund Shares, or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) an additional amount of such Fund Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an Extraordinary Dividend;
- (d) a repurchase by the Fund or any of its subsidiaries of relevant Fund Shares whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Shares initiated by an investor in such Fund Shares that is consistent with the Fund Documents; or
- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Fund Shares.

<p><b>For each Underlying which is a <u>Fund Share</u> with the Fund Share <u>not</u> being an <u>Exchange Traded Fund</u> (as specified above), the following provisions apply:</b></p>
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“**Closing Price**” means the Net Asset Value of each of the Fund Shares.

“**Extraordinary Event**” means a Nationalisation, Insolvency or Extraordinary Fund Event, as the case may be.

“**Intraday Price**” means the Net Asset Value of each of the Fund Shares.

“**Market Disruption Event**” means, in relation to the Underlying and a Scheduled Trading Day, either (i) the failure by the relevant Management Company to calculate and publish the Net Asset Value, or (ii) any suspension of, impairment of or limitation imposed on the acceptance or execution of subscription and/or redemption orders by the Fund.

“**Regular Intraday Price**” means the Net Asset Value of each of the Fund Shares.

“**Scheduled Trading Day**” means, in relation to the Underlying, a day upon which (i) the relevant Management Company is due to calculate and publish the Net Asset Value and (ii) the Fund is scheduled to accept and execute subscription and redemption orders.

“**Settlement Price**” means the Net Asset Value of each of the Fund Shares.

“**Underlying Business Day**” means, in relation to the Underlying, any day on which (i) the relevant Management Company calculates and publishes the Net Asset Value and (ii) the Fund accepts and executes any subscription and redemption orders placed with it in accordance with the Fund Documents.

**For each Underlying which is a Fund Share with the Fund Share being an Exchange Traded Fund (as specified above), the following provisions apply:**

“**Closing Price**” means the official closing price of the Fund Shares on the relevant Exchange.

“**Delisting**” means in relation to a Fund Share that the Exchange announces that pursuant to the rules of such Exchange, the Fund Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is located within the European Union, in any Member State of the European Union).

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution on such Exchange Business Day.

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for the Fund Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Fund Shares on any relevant Related Exchange.

“**Extraordinary Event**” means a Nationalisation, Insolvency, Delisting or Extraordinary Fund Event, as the case may be.

“**Insolvency Filing**” means that the Fund institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Fund shall not be deemed an Insolvency Filing.

“**Intraday Price**” means any traded price of the Fund Shares on the relevant Exchange.

“**Market Disruption Event**” means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant scheduled valuation time for the relevant Reference Price, or (iii) an Early Closure.

“**Regular Intraday Price**” means any price of the Fund Shares traded during regular trading sessions on the relevant Exchange.

“**Related Exchange(s)**” means each exchange or quotation system which is specified in the Final Terms to be a Related Exchange or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Fund Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange). In cases where the Final Terms specify “All Exchanges” as the Related Exchange, “**Related Exchange(s)**” means each exchange or quotation system (as the Calculation Agent may select) where trading has a

material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Fund Shares or, in any such case, any transferee or successor exchange of such exchange or quotation system.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means, in relation to the Fund Shares, any day on which each Exchange and each Related Exchange specified hereon are scheduled to be open for trading for their respective regular trading sessions.

“**Settlement Price**” means the official settlement price of the Fund Shares on the relevant Exchange and if regularly no official settlement price is published by the relevant Exchange, the Closing Price of the Fund Shares.

“**Trading Disruption**” means any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Fund Shares on the Exchange or (ii) in futures or options contracts relating to the Fund Shares on any relevant Related Exchange.

“**Underlying Business Day**” means any Scheduled Trading Day which is not a Disrupted Day.

<b>For each Underlying which is a <u>Commodity</u>, the following provisions apply:</b>
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“**Closing Price**” means the official price of the Relevant Commodity published on the Price Source.

“**Disappearance of Reference Price**” means (i) the disappearance of, or of trading in, the Relevant Commodity; or (ii) the disappearance or permanent discontinuance or unavailability of a Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the Relevant Commodity.

“**Disrupted Day**” means in respect of a Relevant Commodity any Valuation Date (or, if different, the day on which prices for that Valuation Date would, in the ordinary course, be published by the Price Source) on which in the opinion of the Calculation Agent, a Market Disruption Event (as defined herein) has occurred and is continuing.

“**Exchange**” means each exchange or quotation system specified as such for the Relevant Commodity in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Relevant Commodity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Relevant Commodity on such temporary substitute exchange or quotation system as on the original Exchange).

“**Extraordinary Event**” means any Market Disruption Event.

“**Intraday Price**” means any official price of the Relevant Commodity published on the Price Source.

“**Market Disruption Event**” means the occurrence of any of the following events:

- (i) Price Source Disruption;
- (ii) Trading Disruption;
- (iii) Disappearance of Reference Price;
- (iv) Material Change in Formula; and
- (v) Material Change in Content.

“**Material Change in Content**” means the occurrence since the Issue Date of a material change in the content, composition or constitution of the Relevant Commodity.

“**Material Change in Formula**” means the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Reference Price.

“**Price Source**” means (A) the Price Source which is specified in the Final Terms or, (B) if no Price Source is specified in the Final Terms the screen, publication or other origin of reference such as the relevant Exchange containing the Reference Price or as specified in the Final Terms.

“**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Reference Price (or the information necessary for determining the Reference Price) for the Relevant Commodity or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

“**Regular Intraday Price**” means any official price of the Relevant Commodity published on the Price Source.

“**Relevant Commodity**” or “**Underlying**” means any commodity specified as Underlying in the Final Terms.

“**Scheduled Trading Day**” means (a) in respect of any Security for which the Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and (b) in respect of any Security for which the Reference Price is not announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

“**Settlement Price**” means the official price of the Relevant Commodity published on the Price Source.

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the Relevant Commodity on the Exchange or in any futures or options contracts relating to the Relevant Commodity on any exchange. For these purposes:

- (A) a suspension of the trading in the Relevant Commodity on any Scheduled Trading Day shall be deemed to be material only if:
  - (i) all trading in the Relevant Commodity is suspended for the entire Valuation Date; or
  - (ii) all trading in the Relevant Commodity is suspended subsequent to the opening of trading on the Valuation Date, trading does not recommence prior to the regularly scheduled close of trading in such Relevant Commodity on such Valuation Date and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the Relevant Commodity on any Scheduled Trading Day shall be deemed to be material only if the Exchange establishes limits on the range within which the price of the Relevant Commodity may fluctuate and the closing or settlement price of the Relevant Commodity on such day is at the upper or lower limit of that range.

“**Underlying Business Day**” means any Scheduled Trading Day which is not a Disrupted Day.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Relevant Commodity.

<b>For each Underlying which is a FX Rate, the following provisions apply:</b>
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“**Base Currency**” means the currency which the Final Terms specify as Base Currency.

“**Currency Disruption**” means any of Dual Exchange Rate, General Inconvertibility, General Non-Transferability, Governmental Authority Default, Illiquidity and Price Materiality, each such term as defined below:

“**Closing Price**” means the Fixing Rate.

“**Currency Pair**” means in respect of a Relevant FX Rate, the Quote Currency and the Base Currency specified for such Relevant FX Rate in the applicable Final Terms.

“**Dual Exchange Rate**” means, in respect of a Relevant FX Rate and as determined by the Calculation Agent, the split of any currency exchange rate specified in such Relevant FX Rate into dual or multiple currency exchange rates.

“**Event Currency**” means, in respect of a Relevant FX Rate, the Currency(ies) relevant for the determination of a Currency Disruption, being the Quote Currency and/or the Base Currency and any further currency specified to be an Event Currency in the Final Terms.

“**Event Currency Jurisdiction**” means, in respect of an Event Currency, the country for which such Event Currency is the lawful currency.

“**Governmental Authority**” means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

“**Disappearance of Reference Price**” means (i) the disappearance of, or of trading in, the rate(s) required to calculate such Relevant FX Rate; or (ii) the disappearance or permanent discontinuance or unavailability of a Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant rate(s) required to calculate such Relevant FX Rate.

“**Disrupted Day**” means in respect of a Relevant FX Rate any Valuation Date (or, if different, the day on which prices for that Valuation Date would, in the ordinary course, be published by the Price Source) on which in the opinion of the Calculation Agent, a Market Disruption Event (as defined herein) has occurred and is continuing.

“**Extraordinary Event**” means any Market Disruption Event.

“**Fixing Rate**” means the official exchange rate of the Relevant FX Rate published on the Price Source as fixing.

“**General Inconvertibility**” means, in respect of a Relevant FX Rate and as determined by the Calculation Agent, the occurrence of any event that generally makes it impossible or not reasonably practicable to convert any relevant Event Currency into the relevant Non-Event Currency in the relevant Event Currency Jurisdiction through customary legal channels.

“**General Non-Transferability**” means, in respect of a Relevant FX Rate and as determined by the Calculation Agent, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) any relevant Non-Event Currency from accounts inside the relevant Event Currency Jurisdiction to accounts outside the relevant Event Currency Jurisdiction or (b) any relevant Event Currency between accounts inside the relevant Event Currency Jurisdiction or to a party that is a non-resident of such Event Currency Jurisdiction.

“**Governmental Authority Default**” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default, or other similar condition or event (however described), as determined by the Calculation Agent, including, but not limited to, (A) the failure of timely payment in full of any principal, interest, or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money, or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation, or rescheduling of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default, or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money, or guarantee.

“**Illiquidity**” means, in respect of a Relevant FX Rate and as determined by the Calculation Agent, it becomes impossible or otherwise impracticable to obtain a firm quote of the relevant Reference Price for any relevant amount at the relevant time.

“**Intraday Price**” means any official exchange rate of the Relevant FX Rate published on the Price Source.

“**Market Disruption Event**” means the occurrence of any of the following events:

- (i) Price Source Disruption;
- (ii) Trading Disruption;
- (iii) Disappearance of Reference Price;
- (iv) Material Change in Formula; and
- (v) Currency Disruption.

“**Material Change in Formula**” means the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Reference Price.

“**Non-Event Currency**” means, in respect of a Relevant FX Rate and the relevant Currency Pair, the currency of such Currency Pair which is not the Event Currency.

“**Price Materiality Percentage**” means such Price Materiality Percentage as specified in the Final Terms.

“**Primary Rate**” means, in respect of Price Materiality, such currency exchange rate as specified as Primary Rate in the Final Terms.

“**Price Materiality**” means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.

“**Price Source**” means (A) the Price Source which is specified in the Final Terms or, (B) if no Price Source is specified in the Final Terms the screen, publication or other origin of reference containing the Reference Price.

“**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Reference Price (or the information necessary for determining the Reference Price) for the relevant Underlying Reference Value or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

“**Quote Currency**” means the Underlying Currency.

“**Regular Intraday Price**” means any official exchange rate of the Relevant FX Rate published on the Price Source during regular trading sessions.

“**Relevant FX Rate**” or “**Underlying**” means each foreign exchange rate specified as Underlying in the Final Terms, being the currency exchange rate of the relevant Currency Pair or cross-rates constituting such Currency Pair.

“**Repudiation**” means, in respect of a Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money, or guarantee of such Governmental Authority in any material respect.

A “**Reverse Exchange Rate**” of an exchange rate is 1.0 (one) divided by such exchange rate.

“**Scheduled Trading Day**” means, in respect of a Relevant FX Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a Disrupted Day would have settled payments and been open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres.

“**Secondary Rate**” means, in respect of Price Materiality, such currency exchange rate as specified as Secondary Rate in the Final Terms.

“**Settlement Price**” means the Settlement Rate.

“**Settlement Rate**” means the official exchange rate of the Relevant FX Rate published on the Price Source for settlement.

“**Specified Financial Centres**” means the Specified Financial Centres specified for the Relevant FX Rate in the Final Terms.

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the rate(s) required to calculate such Relevant FX Rate (which may be, without limitation, rates quoted on any over-the-counter or quotation based market, whether regulated or unregulated).

“**Underlying Business Day**” means, in respect of a Relevant FX Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Relevant FX Rate.

<b>For each Underlying which is an <u>Interest Rate</u>, the following provisions apply:</b>
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“**Closing Price**” means the Fixing Rate multiplied by 100 units of the Underlying Currency.

“**Disappearance of Reference Price**” means (i) the disappearance of, or of trading in, the rate(s) required to calculate such Relevant Interest Rate; or (ii) the disappearance or permanent discontinuance or unavailability of a Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant rate(s) required to calculate such Interest Rate.

“**Disrupted Day**” means in respect of a Relevant Interest Rate any Valuation Date (or, if different, the day on which prices for that Valuation Date would, in the ordinary course, be published by the Price Source) on which in the opinion of the Calculation Agent, a Market Disruption Event (as defined herein) has occurred and is continuing.

“**Extraordinary Event**” means any Market Disruption Event.

“**Fixing Rate**” means the official interest rate of the Relevant Interest Rate published on the Price Source as fixing.

“**Intraday Price**” means the Intraday Rate multiplied by 100 units of the Underlying Currency.

“**Intraday Rate**” means any official interest rate of the Relevant Interest Rate published on the Price Source.

“**Market Disruption Event**” means the occurrence of any of the following events:

- (i) Price Source Disruption;
- (ii) Trading Disruption;
- (iii) Disappearance of Reference Price; and
- (iv) Material Change in Formula.

“**Material Change in Formula**” means the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Reference Price.

“**Price Source**” means (A) the Price Source which is specified in the Final Terms or, (B) if no Price Source is specified in the Final Terms the screen, publication or other origin of reference containing the Reference Price.

“**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Reference Price (or the information necessary for determining the Reference Price) for the relevant Underlying Reference Value or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

“**Regular Intraday Price**” means the Intraday Price.

“**Regular Intraday Rate**” means the Intraday Rate.

“**Relevant Interest Rate**” or “**Underlying**” means each interest rate specified as Underlying in the Final Terms.

“**Scheduled Trading Day**” means, in respect of a Relevant Interest Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a Disrupted



Day would have settled payments and been open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres.

“**Settlement Price**” means the Settlement Rate multiplied by 100 units of the Underlying Currency.

“**Settlement Rate**” means the official interest rate of the Relevant Interest Rate published on the Price Source as settlement rate.

“**Specified Financial Centres**” means the Specified Financial Centres specified for the (relevant) Relevant Interest Rate in the Final Terms.

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the rate(s) required to calculate such Relevant Interest Rate (which may be, without limitation, rates quoted on any over-the-counter or quotation based market, whether regulated or unregulated).

“**Underlying Business Day**” means, in respect of a Relevant Interest Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Relevant Interest Rate.

<b>For each Underlying which is a Future, the following provisions apply:</b>
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“**Closing Price**” means the official closing price of the Future on the relevant Exchange.

“**Disrupted Day**” means in respect of a Future any Scheduled Trading Day on which a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution on such Exchange Business Day.

The “**Effective Date**” shall be the Effective Date as specified in the Final Terms provided that (i) if the Effective Date is no Scheduled Trading Day, the Effective Date shall be the most recent Scheduled Trading Day prior to the original Effective Date, and (ii) if the Effective Date (after having been moved in accordance with (i), if required) is a Disrupted Day, the Effective Date shall be the first following Scheduled Trading Day which is no Disrupted Day.

“**Exchange**” means each exchange or quotation system specified as such for the Underlying in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Future on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange is open for trading during their respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for the Futures on the Exchange.

“**Extraordinary Event**” means – depending on the underlying of the Future – the Extraordinary Events stipulated in the relevant Underlying Definitions for Index, Equity, Fund, Commodity, FX Rate, Interest Rate and Future.

“**Future**” or “**Underlying**” means each future specified as Underlying in the Final Terms. If the Final Terms for the relevant Security specify “Future Base Value Provisions” to be applicable, the Final Terms will specify the base value (the “**Future Base Value**”) to which the Future itself is linked to. The Future Base Value will be of one of the types of underlyings specified in the Underlying Definitions. In addition to the specific Underlying Definitions for the Future, the relevant Underlying

Definitions for the Future Base Value shall apply, and for this purpose, the term “**Underlying**” and all the terms including such term, all as defined in such Underlying Definitions, shall be referred to as, and changed to, “**Future Base Value**”.

“**Intraday Price**” means any traded price of the Future on the relevant Exchange.

“**Market Disruption Event**” means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case if considered to be material by the Calculation Agent, at any time during the one hour period that ends at the relevant scheduled valuation time for the relevant Reference Price, or (iii) an Early Closure.

“**Regular Intraday Price**” means any price of the Future traded during regular trading sessions on the Relevant Exchange.

“**Roll-Over**” means

- (a) if the Final Terms specify Roll-Over to be “Next Future”, the existing Underlying is replaced by the Calculation Agent by the Next Future on the Effective Date. “**Next Future**” means the future contract having its maturity date on the next possible date, but in any case not earlier than in the next following month, whereby the terms and conditions of the Next Future shall substantially correspond to the terms and conditions of the replaced Underlying;
- (b) if the Final Terms specify Roll-Over to be “New Future”, the existing Underlying is replaced by the Calculation Agent by the New Future on the Effective Date. “**New Future**” means the future contract with the best liquidity, provided that the terms and conditions of the New Future shall substantially correspond to the terms and conditions of the original Underlying, except for the due date of maturity; and
- (c) if the Final Terms specify Roll-Over to be “None”, no replacement of the Underlying is intended by the Calculation Agent under normal circumstances.

“**Roll-Over Event**” means the replacement of the Future as Underlying in accordance with the Roll-Over.

“**Scheduled Closing Time**” means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means, in relation to the (relevant) Future any day on which each Exchange is scheduled to be open for trading for regular trading sessions.

“**Settlement Price**” means the official settlement price of the Future on the relevant Exchange and if regularly no official settlement price is published by the relevant Exchange, the Closing Price of the Future.

“**Trading Disruption**” means any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Future on the Exchange.

“**Underlying Business Day**” means any Scheduled Trading Day which is not a Disrupted Day.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Future.

<b>For each Underlying which is a <u>Basket</u>, the following provisions apply:</b>
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“**Basket**” or “**Underlying**” means a basket of a specific type (specified as “**Basket Type**” in the Final Terms) and composed of the Basket Components specified in the Final Terms (each a “**Basket Component**”) in the Component Quantity as defined below. For each Basket Component save for Cash on Deposit, the specific provisions set out in the relevant Underlying Definitions shall apply and be included and for this purpose, the term “**Underlying**” and all terms including such term, all as defined in such Underlying Definitions shall be referred to as, and changed to, “**Basket Component**”.

“**Basket Adjustment Method**” means the method specified as “Basket Adjustment” in the Final Terms.

**“Basket Reference Price”** means

- (A) in case of a conventional basket, the sum of each relevant price of each Basket Component converted, if necessary, into the Underlying Currency and multiplied by the respective Component Quantity of this Basket Component;
- (B) in case of a worst-of basket, the product of (i) the relevant price of the Least Value Component converted, if necessary, into the Underlying Currency and (ii) its Component Quantity;
- (C) in case of a best-of basket, the product of (i) the relevant price of the Greatest Value Component converted, if necessary, into the Underlying Currency and (ii) its Component Quantity;
- (D) in case of a cappuccino basket, the sum of each relevant price of each Basket Component converted into the Underlying Currency and multiplied by the respective Component Quantity of this Basket Component, whereas (i) if the relevant price is below the respective Cappuccino Floor, it shall be the Cappuccino Floor; and (ii) if the relevant price is at or above the respective Cappuccino Level, it shall be the Cappuccino Cap;
- (E) in case of a value-weighted basket, the sum of each relevant price of each Basket Component converted, if necessary, into the Underlying Currency and multiplied by the respective Component Quantity and the associated Value Weighting of this Basket Component. For the determination of the associated Value Weighting of each Basket Component, the value of each Basket Component position is calculated and then all the Basket Component position values are sorted in descending order. The resulting list is then consolidated with the Value Weightings thus relating each Basket Component with its associated Value Weighting. That is, the first Value Weighting of the Value Weightings list relates to the Basket Component with the highest Basket Component position value, the second Value Weighting of the Value Weightings list relates to the Basket Component with the second-highest Basket Component position value, and so on. The value of a Basket Component position is equal to the relevant price of this Basket Component multiplied by the respective Component Quantity and converted, if necessary, into the Underlying Currency. If two or more Basket Component position values are equal, the Issuer will determine the order of the affected position values among each other at its own discretion;
- (F) in case of a minimum-deviation basket, the relevant price of that Basket Component, whose Relative Deviation is smallest, converted, if necessary, into the Underlying Currency and multiplied by the respective Component Quantity of this Basket Component;
- (G) in case of a maximum-deviation basket, the relevant price of that Basket Component, whose Relative Deviation is greatest, converted, if necessary, into the Underlying Currency and multiplied by the respective Component Quantity of this Basket Component.

If Cash on Deposit is a Basket Component, its relevant price shall be in any case one.

**“Cash Distribution”** means if specified to apply in the Final Terms that on each Cash Distribution Date the Cash on Deposit shall be treated as Ordinary Dividends of the Basket and the Component Quantity of the Basket Component Cash on Deposit will be set to zero. The respective Cash Distribution Date shall be the ex-day and the Business Day immediately preceding such date shall be the cum-day of the Ordinary Dividend. To avoid doubt: Pursuant to these Terms and Conditions such distributions of Cash on Deposit are distributions of the Underlying and do not represent distributions of the Security and thus, the Securityholders will not receive any such payments (if the Product Terms do not provide for different rules).

**“Cash Distribution Date(s)”** means any date which is specified as a Cash Distribution Payment Date in the respective Final Terms.

**“Cash on Deposit”** (if any) means cash money in the relevant Underlying Currency in the Component Quantity.

In case of cappuccino basket, “**Cappuccino Cap**” of each Basket Component means the Cappuccino Cap as specified in the Final Terms.

In case of cappuccino basket, “**Cappuccino Level**” of each Basket Component means the Cappuccino Level as specified in the Final Terms.

In in case of cappuccino basket, “**Cappuccino Floor**” of each Basket Component means the Cappuccino Floor as specified in the Final Terms.

“**Closing Price**” means the Basket Reference Price whereas the relevant price for each Basket Component shall be its Closing Price.

In in case of minimum-deviation basket or maximum-deviation basket, “**Deviation Reference Level**” of each Basket Component means the Deviation Reference Level as specified in the Final Terms.

“**Component Quantity**” or “**Quantity**” means the quantity of any Basket Component in the Basket as specified in the Final Terms. Please note that the Component Quantity of one or more Basket Components may change from time to time if the Final Terms of the relevant Security specify in relation to the Basket that a certain type of Basket Adjustment applies.

**If the Component Quantities are specified as “indicative”, the following provisions apply:**

The Component Quantity of each Basket Component is an indicative amount as of the Date of the Quantity Indication (the “**Date of Quantity Indication**” as specified in the Final Terms). The effective Component Quantity of each Basket Component on the Initial Valuation Date shall be:

- in case of a conventional basket, which is not a Spread Basket, or a cappuccino basket, the Initial Reference Price of the Underlying converted from the Underlying Currency to the currency of the respective Basket Component, multiplied by the respective weighting and divided by the respective Quantity Determination Price.
- in case of a conventional basket, which is a Spread Basket, one unit of the Underlying Currency converted to the currency of the respective Basket Component, multiplied by the respective weighting and divided by the respective Quantity Determination Price.
- in case of a worst-of basket, best-of basket, value-weighted, minimum-deviation or maximum-deviation basket, the Initial Reference Price of the Underlying converted from the Underlying Currency to the currency of the respective Basket Component and divided by the respective Quantity Determination Price.

If necessary, the effective Component Quantity of each Basket Component will be rounded to at least such number of digits, so that the effect of such rounding on the Basket Reference Price on the Initial Valuation Date is less than a thousandth of the main unit of the Underlying Currency.

“**Disrupted Day**” means (i) if Common Pricing does not apply, each day which is a Disrupted Day for each of the Basket Components and (ii) if Common Pricing applies, each day which is a Disrupted Day for at least one of the Basket Components.

“**Extraordinary Event**” means any Extraordinary Event of a Basket Component and, if applicable, a Supervision Failure Event.

“**Greatest Value Component**” means the Basket Component, for which the product of (i) its relevant price converted, if necessary, into the Underlying Currency and (ii) its Component Quantity is the greatest, whereby provided that such product is the greatest for more than one Basket Component, “**Greatest Value Component**” means the Basket Component, for which (a) such product is the greatest and (b) the liquidity as determined by the Calculation Agent is the highest.

“**Intraday Price**” means the Basket Reference Price whereas the relevant price for each Basket Component shall be its Intraday Price.

“**Least Value Component**” means the Basket Component, for which the product of (i) its relevant price converted, if necessary, into the Underlying Currency and (ii) its Component Quantity is the least, whereby provided that such product is the least for more than one Basket Component, “**Least Value Component**” means the Basket Component, for which (a) such product is the least and (b) the liquidity as determined by the Calculation Agent is the highest.

“**Quantity Determination Price**” means the price as specified in the Final Terms, if any.

“**Regular Intraday Price**” means the Basket Reference Price whereas the relevant price for each Basket Component shall be its Regular Intraday Price.

“**Reinvestment**” (if any) means either (i) “**Component**” or (ii) “**Basket**” or (iii) “**Cash**” as specified in the Final Terms.

In case of minimum-deviation basket or maximum-deviation basket, “**Relative Deviation**” of each Basket Component means an amount equal to the difference of (i) the relevant price of this Basket Component and (ii) the respective Deviation Reference Level, subsequently divided by the respective Deviation Reference Level. If the resulting amount is negative, it shall be deemed to be positive.

“**Scheduled Trading Day**” means (i) if Common Pricing does not apply, each day which is a Scheduled Trading Day for at least one of the Basket Components and (ii) if Common Pricing applies, each day which is a Scheduled Trading Day for each of the Basket Components.

“**Settlement Price**” means the Basket Reference Price whereas the relevant price for each Basket Component shall be its Settlement Price.

“**Spread Basket**” means a Basket one or more components of which have a negative quantity assigned to.

“**Underlying Business Day**” means (i) if Common Pricing does not apply, each day which is an Underlying Business Day for at least one of the Basket Components and (ii) if Common Pricing applies, each day which is an Underlying Business Day for all of the Basket Components.

“**Underlying Currency**” means the currency specified in the relevant Final Terms as the Underlying Currency for the Basket.

In case of a value-weighted basket, “**Value Weightings**” is a list of percentages (each a “**Value Weighting**”) as specified in the Final Terms.

**If the Basket Adjustment Method is not None pursuant to the Final Terms, the following provisions apply:**

“**Basket Adjustment**” means any change in the composition of the Basket due to the application of a Basket Adjustment Method.

“**Basket Adjustment Date(s)**” means such dates as are specified in the Final Terms, whereas if such specified date is not an Underlying Business Day, the immediately following Underlying Business Day. Any references to “previous Basket Adjustment Date” on or before the first Basket Adjustment Date shall instead refer to the Initial Valuation Date.

**If the Basket Adjustment Method is Volatility Adjusted, the following provisions apply:**

On the end of each Basket Adjustment Date, the Calculation Agent performs the following actions:

- (a) The Calculation Agent determines the adjustment value  $B_A$  of the Basket by calculating the Realized Volatility Reference Price  $BV$  of the Basket and adding interest:

$$B_A = BV + \underbrace{C_{A-1} \cdot N \cdot \frac{r}{360}}_{\text{Interest}}$$

whereas

- $C_{A-1}$  means the value of the Basket Cash Component on the previous Basket Adjustment Date, which amounts to the Realized Volatility Reference Price of the Basket Cash Component on the previous Basket Adjustment Date multiplied by Component Quantity of the Basket Cash Component on the previous Basket Adjustment Date.
- $N$  means the number of calendar days from the previous Basket Adjustment Date (exclusive) to the current Basket Adjustment Date (inclusive).
- $r$  means the Cash Interest Rate on the current Basket Adjustment Date.

(b) The Calculation Agent determines the lowest volatility in the Weighting Table, which is greater than the Realized Volatility. The associated weighting in the Weighting Table shall be the new weighting  $w_A$  of the Basket Volatility Component.

(c) The Component Quantity of the Basket Volatility Component shall be adjusted to  $n_V$ :

$$n_V = \frac{B_A}{V_A} \cdot w_A$$

whereas  $V_A$  means the Realized Volatility Reference Price of the Basket Volatility Component on the current Basket Adjustment Date.

(d) The Component Quantity of the Basket Cash Component shall be adjusted to

$$n_C = \frac{B_A \cdot (1 - w_A)}{C_A}$$

whereas  $C_A$  means the Realized Volatility Reference Price of the Basket Cash Component on the current Basket Adjustment Date.

Whereby:

“**Realized Volatility**” means an amount determined in accordance with the following provisions:

$$RV_A = \sqrt{\frac{252}{d} \cdot \sum_{k=y}^{y+d-1} \left[ \ln \left( \frac{V_{t-k+1}}{V_{t-k}} \right)^2 \right]}$$

and whereas

- $d$  means a number of days equal to the Realized Volatility Days.
- $y$  means a number of days equal to the Realized Volatility Determination Days.
- $V_{t-k}$  means the Realized Volatility Reference Price of the Basket Volatility Component on the Underlying Business Day immediately preceding the k-th Underlying Business Day before the Basket Adjustment Date.
- $V_{t-k+1}$  means the Realized Volatility Reference Price of the Basket Volatility Component on the k-th Underlying Business Day before the Basket Adjustment Date.
- $\ln$  means the natural logarithm.

The “**Basket Volatility Component**”, the “**Basket Cash Component**”, the “**Realized Volatility Reference Price**”, the “**Realized Volatility Determination Days**”, the “**Realized Volatility Days**”, the “**Cash Interest Rate**” and the “**Weighting Table**” are specified in the Final Terms.

**If the Basket Adjustment Method is Reinvestment, the following provisions apply:**

If the Final Terms specify Reinvestment to be “Component” or “Basket” or “Cash”, the Component Distribution Amount will be reinvested on the ex-day of such distribution if the Calculation Agent has complete and non-ambiguous information about the distribution before its cum-day and:

- (i) If Reinvestment is “Component”, the Component Distribution Amount will be reinvested in the Basket Component paying the Component Distribution Amount, therefore increasing the Component Quantity of such Basket Component;
- (ii) if Reinvestment is “Basket”, the Component Distribution Amount will be reinvested into the Basket as whole, i.e. the Component Distribution Amount will be distributed over all Basket Components according to their weightings in the Basket on the cum-day of the respective distribution, therefore increasing the Component Quantity of all Basket Components. Necessary currency conversion will be performed according to § 14, and

- (iii) if Reinvestment is “Cash”, the Component Distribution Amount will be converted into the Underlying Currency according to § 14 and then added to the Basket Component Cash on Deposit thus, increasing the Component Quantity of Cash on Deposit. If Cash on Deposit is not a Basket Component it will be added to the Basket on the ex-day of the respective distribution.

Whereby:

“**Component Distribution Amount**” means in respect of a Basket Component the Basket Distribution Amount, multiplied by the Component Quantity of the respective Basket Component.

The “**Basket Distribution Amount**” is specified in the Final Terms.

**If the Basket Adjustment Method is Weighting Reset, the following provisions apply:**

On each Basket Adjustment Date, the Calculation Agent determines the weighting of each Basket Component.

- (i) If Basket Weighting Reset is either “Upper Limit” or “Limit”, the weighting of each Basket Component with a weighting above the Basket Weighting Upper Limit will be reduced to the Basket Weighting Upper Limit, and the weightings of all other Basket Components will be increased proportionally to their respective weightings.
- (ii) If Basket Weighting Reset is either “Lower Limit” or “Limit”, the weighting of each Basket Component with a weighting below the Basket Weighting Lower Limit will be increased to the Basket Weighting Lower Limit, and the weightings of all other Basket Components will be reduced proportionally to their respective weightings.

The “**Basket Weighting Reset**”, the “**Basket Weighting Lower Limit**” and the “**Basket Weighting Upper Limit**” are specified in the Final Terms.

**If the Basket Adjustment Method is Barrier Event Kick-Out, the following provisions apply:**

As soon as a Barrier Event (as defined in the relevant section of § 23) occurs, the Calculation Agent performs the following actions:

- (a) If Component Removal is “Trigger” and the number of Basket Components is greater than the Basket Components Minimum Number, the Barrier Event Trigger Component shall be removed from the Basket.
- (b) If Component Removal is “Remaining”, all Basket Components except the Barrier Event Trigger Component shall be removed from the Basket.
- (c) In any other case, no adjustments to the Basket shall be made.

Whereby:

“**Barrier Event Trigger Component**” means:

- (i) in case of a worst-of basket, the Least Value Component;
- (ii) in case of a best-of basket, the Greatest Value Component;
- (iii) in case of a minimum-deviation basket, the Basket Component, whose Relative Deviation is smallest;
- (iv) in case of a maximum-deviation basket, the Basket Component, whose Relative Deviation is greatest.

“**Basket Components Minimum Number**” and the “**Component Removal**” are specified in the Final Terms.

**If the Basket Adjustment Method is Supervised Basket, the following provisions apply:**

On each Basket Adjustment Date, the Basket Supervisor may adjust the Basket by performing any of the following actions in any order and will publish the resulting composition of the Basket by way of such media as specified in the Final Terms:

- (a) change the weighting of any Basket Component, whereas the sum of the weightings of all Basket Components must remain unchanged;
- (b) replace any Basket Component with another component of the same underlying type (i.e. Index, Equity, Fund Share, Commodity, FX Rate, Interest Rate or Future);

Whereas after such Basket Adjustment either the Closing Price or the Settlement Price of the Basket must be identical to the Closing Price resp. Settlement Price of the Basket immediately before such Basket Adjustment.

If the composition of the Basket is not published by the Basket Supervisor but is published by a successor to the Basket Supervisor (the “**Successor Basket Supervisor**”) acceptable to the Calculation Agent, then such successor shall be deemed to be the Basket Supervisor. If, in the determination of the Calculation Agent (i) on or before any Valuation Date the Basket Supervisor makes a material change in the method of performing Basket Adjustments (a “**Supervision Modification**”) or permanently cancels the publication of the composition of the Basket and no Successor Basket Supervisor exists (a “**Supervision Cancellation**”) or (ii) on any Basket Adjustment Date the Basket Supervisor fails to publish the composition of the Basket (a “**Supervision Disruption**”), then instead of a published composition of the Basket, the composition of the Basket as determined by the Calculation Agent last in effect before that Supervision Failure Event shall be used. The Calculation Agent shall notify the Securityholders thereof in accordance with § 20.

“**Supervision Failure Event**” means a Supervision Modification, Supervision Cancellation or Supervision Disruption.

Whereby:

“**Supervised Basket Name**” means the name of the Basket, which is used by the Basket Supervisor in publications regarding any Basket Adjustments.

The “**Basket Supervisor**” and the “**Supervised Basket Name**” are specified in the Final Terms.

## § 7

### (Redemption, Delivery of Reference Assets)

- (1) *Redemption Amount.* The Redemption Amount is an amount calculated in accordance with the provisions included in § 23 and which depends on the Product Type (as specified in the Final Terms).
- (2) *Rounding of Redemption Amounts.* Each Redemption Amount will be rounded to three digits after the comma in accordance with § 14(2).

**The definition of the Redemption Amount and certain other relevant definitions can be found in the relevant Product Terms relating to such Securities.**

- (3) *Adjustments of (parts of) Redemption Amounts.*

**If the Type of Quotation of the Security is par value pursuant to the Final Terms, the following provisions apply:**

If an amount is to be adjusted in accordance with these Terms and Conditions, the amount shall be adjusted according to the following provisions:

- (a) it shall be divided by the Initial Reference Price only if the Initial Reference Price is not zero; and
- (b) if it originally is denominated in a currency other than the Product Currency and the Product Currency is not specified as “Quanto”, it shall be divided by the Initial



Exchange Rate (as specified in the Final Terms) and converted from the original currency to the Product Currency according to § 14; and

- (c) if it originally is denominated in a currency other than the Product Currency and the Product Currency is specified as “Quanto”, it shall be expressed (“Quanto”) in the Product Currency according to § 14; and
- (d) finally it shall be multiplied by the Specified Denomination.

**If the Type of Quotation of the Security is non-par value pursuant to the Final Terms, the following provisions apply:**

If an amount is to be adjusted in accordance with these Terms and Conditions, the amount shall be adjusted according to the following provisions:

- (a) If it is denominated in a currency other than the Product Currency and the Product Currency is not specified as “Quanto”, it shall be converted to the Product Currency according to § 14; and
- (b) if it is denominated in a currency other than the Product Currency and the Product Currency is specified as “Quanto”, it shall be expressed (“Quanto”) in the Product Currency according to § 14; and
- (c) finally it shall be multiplied by the Multiplier.

The “**Multiplier**” is specified in the Final Terms.

**If physical delivery is possible (i.e. if Settlement Method is either (i) Physical or (ii) Conditional) pursuant to the Final Terms, the following provisions apply:**

- (4) *Delivery of Reference Assets.* In case of redemption by delivery of Reference Assets, the Issuer will deliver, or procure the delivery by the Delivery Agent, on or before the Maturity Date of Reference Assets in an amount corresponding to the Reference Asset Quantity per Specified Denomination resp. unit.
- (5) *Manner of Delivery.* Delivery of Reference Assets will be effected by the Issuer or by the Delivery Agent on behalf of the Issuer, to or to the order of the Securityholder and the Reference Assets will be credited to a securities account which forms part of the Securities Depository on or before the Maturity Date. The Issuer shall be discharged by delivery to, or to the order of, the Securities Depository. No Securityholder will be entitled to receive dividends or any other distributions (if any) declared or paid in respect of the Reference Assets to which such Security gives entitlement or to any other rights relating to or arising out of such Reference Assets if the date on which the Reference Assets are quoted cum-dividend or cum-the relevant distribution or right falls before the date on which the Reference Assets are credited to the securities account of the Securityholder.
- (6) *Number of Reference Assets to be delivered and compensation.* The Reference Asset Quantity is specified in the Final Terms per Nominal Amount or unit. The number of Reference Assets to be delivered to the respective Securityholder shall be the Reference Asset Quantity rounded down to the nearest whole number and subsequently multiplied by either (i) in case of par value Securities - the quotient of (a) the aggregated Specified Denomination of the relevant Securities held by the Securityholder and (b) the Specified Denomination, or (ii) in case of non-par value Securities - the number of units of the relevant Securities held by the respective Securityholder. The entitlement to the remaining fractions of Reference Assets will be settled by payment of the cash value of those fractions rounded down to two decimals (the “**Compensation Amount**”). The Compensation Amount shall be calculated by the Calculation Agent on the basis of either (x) in case the Reference Asset is the Underlying – the Final Reference Price, or (y) in case the Reference Asset is not the Underlying – the price of the Reference Asset on the Final Valuation Date that is primarily used for settlement. Before payment the Compensation Amount will be – if necessary – converted into the Product Currency.
- (7) *Delivery Expenses.* All expenses including but not limited to any depository charges, levies, scrip fees, registration, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or taxes or duties (together, “**Delivery Expenses**”) arising from the delivery of Reference

Assets in respect of a Security shall be for the account of the relevant Securityholder and no delivery of Reference Assets in respect of a Security shall be made until all Delivery Expenses have been discharged to the satisfaction of the Issuer by the relevant Securityholder. The Calculation Agent shall be entitled to deduct an amount of Reference Assets equal in value to the Delivery Expenses from the Reference Asset Quantity.

- (8) *No Obligation.* None of the Issuer and the Agents shall be under any obligation to register or procure the registration of the relevant Securityholder prior or after any delivery or any other person in any kind of register (if any, e.g. register of shareholders, register of fundholders, etc.) of any company or otherwise.
- (9) *Settlement Disruption Event.* If, in the opinion of the Delivery Agent, delivery of Reference Assets to one or more Securityholders is not practicable by reason of a Settlement Disruption Event having occurred and continuing on the Maturity Date, then the Maturity Date of the Securities of such Securityholder(s) shall be postponed to the first following Business Day in respect of which there is no Settlement Disruption Event, and notice thereof shall be given to the relevant Securityholder(s) in accordance with § 20. Such Securityholder(s) shall not be entitled to any payment, whether of interest or otherwise, on such Security in the event of any delay in the delivery of the Reference Assets pursuant to this paragraph, and no liability in respect thereof shall attach to the Issuer. For the avoidance of doubt any such postponement shall not constitute a default by the Issuer. For so long as delivery of the Reference Assets in respect of any Security is not practicable by reason of a Settlement Disruption Event, then instead of physical delivery, and notwithstanding any other provision hereof or any postponement of the Maturity Date, the Issuer may elect to satisfy its obligations in respect of the relevant Security and the relevant Securityholder(s) by payment to the relevant Securityholder(s) of the Disruption Cash Settlement Amount of the Underlying not later than on the third Business Day following the date that the notice of such election is given to the relevant Securityholders in accordance with § 20. Payment of the Disruption Cash Settlement Amount of the Underlying will be made in such manner as shall be notified to the Securityholders in accordance with § 20.

## § 8 (Exercise)

**If the Securities are “Exercisable Securities” pursuant to their Final Terms, this § 8 shall apply:**

- (1) *Exercise of Securities.* The date on which a Security is validly exercised or automatic exercise pursuant to item (4) below occurs shall be its “**Exercise Date**”.
- (2) *Day(s) of Exercise.* The Securities may only be validly exercised on an Underlying Business Day, which is one of the following “**Scheduled Exercise Date(s)**”:
  - (a) if “European Style” has been specified to apply in the Final Terms, the Final Valuation Date (as specified in the Final Terms) or, if such day is not a Business Day, the next following Business Day;
  - (b) if “American Style” has been specified to apply in the Final Terms, each Business Day in the period beginning on the Issue Date and ending on the Final Valuation Date; and
  - (c) if “Bermudan Style” has been specified to apply in the Final Terms, each of the days specified as “Scheduled Exercise Dates” in the Final Terms or, if any such day is not a Business Day, the next following Business Day.
- (3) *Duly Exercise.* Each Security, unless previously redeemed or purchased and subject to the provisions of Terms and Conditions, is exercisable as of any Scheduled Exercise Date by performing each of the following actions – if applicable:
  - (a) delivery of a duly completed Exercise Notice to the Securities Depository;

- (b) payment of any due amount according to § 3 (5) by (i) authorizing the Securities Depository to debit a specific account, (ii) providing all necessary account details to the Securities Depository and (iii) instructing the Securities Depository to transfer such due amount on time to the Issuer;
- (c) in case of physical settlement of Put Warrants: delivery of a number of Reference Assets equal to the Reference Asset Quantity to the Delivery Agent by (i) if necessary, delivering the relevant number of Reference Asset to the Securities Depository, (ii) instructing the Securities Depository to deliver in due time such number of Reference Assets to the Delivery Agent;
- (d) in case the Terms and Conditions foresee the physical delivery of Reference Assets to the Securityholder: instructing the Securities Depository to accept on behalf of the Securityholder any number of Reference Assets delivered by the Delivery Agent;
- (e) instructing the Securities Depository to provide the Paying Agent in due time with any relevant information in English or German language regarding the exercise of the Security, including amongst others the ISIN of the Security, the number of units resp. nominal amount to be exercised and – as applicable – delivery or settlement instructions and a cash account;
- (f) certifying that neither the Securityholder nor any person on whose behalf the Securities are held or are being exercised or redeemed is a U.S. person or a person within the United States, and that no cash, and in the case of a physical delivery of a Reference Asset, no securities or other property have been or will be transferred in the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise or redemption thereof. As used herein, “**U.S. person**” means either a U.S. person as defined in Regulation S under the United States Securities Act of 1933, as amended, or a person who does not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended.

Any Exercise Notice, for which all relevant information as aforesaid is delivered by the Securities Depository to the Paying Agent no later than the earlier of (i) 12.00 noon Vienna local time or (ii) two hours before the determination of a price specified as “Final Reference Price” in the Final Terms, shall be binding, unconditional and irrevocable on the respective Securityholder. In case the relevant information is delivered to the Paying Agent after such time, the Exercise Notice shall become effective on the following Scheduled Exercise Date, if any.

By submitting the Exercise Notice to the Securities Depository the Securityholder authorises the production of such notice in any applicable administrative or legal proceedings.

- (4) *Automatic Exercise.* If Automatic Exercise is specified to apply in the Final Terms, the Securities will be exercised automatically on the last occurring Scheduled Exercise Date, and a Securityholder will not be required to complete an Exercise Notice. Such automatic exercise will only occur if a Redemption Amount greater than zero would be payable to the Securityholder.

However, if Automatic Exercise has not been specified to apply in the Final Terms, any exercisable Security not exercised by the last occurring Scheduled Exercise Date shall expire worthless (i.e. the Redemption Amount is zero) on such day and the Issuer shall have no further obligations in respect of any such Security.

- (5) *Form of the Exercise Notice.* “**Exercise Notice**” means a duly completed notice for the exercise of securities either (i) in the form as set out by the Securities Depository, or (ii) if no such form is provided by the Securities Depository, substantially in the form set out in Annex 1 to the Terms and Conditions.

- (6) *Minimum Exercise.* Where a Minimum Exercise Number has been specified in the Final Terms (the “**Minimum Exercise Number**”), any purported exercise of Securities for a number of Securities less than such Minimum Exercise Number shall be void and of no effect. Where a Minimum Exercise Amount has been specified in the Final Terms (the “**Minimum Exercise Amount**”), any purported exercise of Securities for an aggregated amount of the Specified Denomination less than such Minimum Exercise Amount shall be void and of no effect.
- (7) *Delivery of Securities.* Each Securityholder exercising a Security shall deliver by means of the Securities Depository the respective number of Securities not later than the relevant information pursuant to item (3) is submitted. If the Securities have not been delivered to the Paying Agent on such time, the purported exercise of Securities shall be void and of no effect.
- (8) *Due date of cash payments or physical deliveries.* Any cash payments in respect of a duly exercise of Securities shall be due three days after the Exercise Date, whereby each of such days has to be (i) a Business Day and (ii) if applicable, a day on which banks are open for currency exchanges between the Underlying Currency and the Product Currency.

Any delivery of Reference Assets in respect of a duly exercise of Securities shall be due three days after the Exercise Date, whereby each of such days has to be (i) a Business Day and (ii) a Scheduled Trading Day.

## § 9 (Market Disruptions)

<b>For each Underlying which is an <u>Index</u>, the following provisions apply:</b>
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- (1) If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the original date is a Disrupted Day. In that case:
  - (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine the Reference Price on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using the traded or quoted price on the relevant Exchange (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Index Component on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Index Component at the scheduled determination time of the Reference Price on that eighth Scheduled Trading Day) on that eighth Scheduled Trading Day of each Index Component comprising the Index.

<b>For each Underlying which is <u>Equity</u>, the following provisions apply:</b>
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- (2) If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the original date is a Disrupted Day. In that case:
  - (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine its good faith estimate of the value of the Shares as of the scheduled determination time of the Reference Price on that eighth Exchange Business Day.

**For each Underlying which is a Fund Share, the following provisions apply:**

- (3) If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the next succeeding day that is not a Disrupted Day, unless no day that is not a Disrupted Day has occurred prior to the last day of the Cut-off Period starting on the respective Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value of the Fund Shares as of the Valuation Day on that deemed Valuation Date.

**For each Underlying which is a Commodity, FX Rate or Interest Rate the following provisions apply:**

- (4) If any Valuation Date (or, if different, the day on which prices for that Valuation Date would, in the ordinary course, be published by the Price Source) is a Disrupted Day, the Reference Price for that Valuation Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as defined below) that provides a Reference Price.

Whereby:

**“Disruption Fallback”** means a source or method that may give rise to an alternative basis for determining the Reference Price in respect of a specified Reference Price when a Market Disruption Event occurs or exists on a day that is a Valuation Date. A Disruption Fallback means (in the following order):

- (i) Fallback Reference Price;
- (ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Scheduled Trading Days of disruption (measured from and including the original day that would otherwise have been the Valuation Date); provided, however, that the price determined by Postponement shall be the Reference Price only if Delayed Publication or Announcement does not yield a Reference Price within these two consecutive Scheduled Trading Days); and
- (iii) determination by the Calculation Agent in accordance with then prevailing market conditions.

**“Fallback Reference Price”** means that the Calculation Agent will determine the Reference Price based on the price for that Valuation Date of the First Alternate Reference Price and not subject to a Market Disruption Event. The first alternate Reference Price, if any, is specified in the Final Terms (the **“First Alternate Reference Price”**).

**“Delayed Publication or Announcement”** means that the Reference Price for a Valuation Date will be determined based on the Reference Price in respect of the original day scheduled as such Valuation Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Scheduled Trading Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Valuation Date) or the Reference Price continues to be unavailable for five consecutive Scheduled Trading Days. In that case, the next Disruption Fallback will apply. If, as a result of a delay pursuant to this provision, a Reference Price is unavailable to determine any amount payable on any payment date or settlement date, that payment date or settlement date will be delayed to the same extent as was the determination of the Reference Price and, if a corresponding amount would otherwise have been payable in respect of the Securities on the same date that the delayed amount would have been payable but for the delay, the payment date or settlement date for that corresponding amount will be delayed to the same extent.

**“Postponement”** means that the Valuation Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Scheduled Trading Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for five consecutive Scheduled Trading Days (measured from and including the original day that would otherwise have been the Valuation Date). In that case, the next Disruption Fallback will

apply. If, as a result of a postponement pursuant to this provision, a Reference Price is unavailable to determine any amount payable on any payment date or settlement date, that payment date or settlement date will be postponed to the same extent as was the determination of the Reference Price and, if a corresponding amount would otherwise have been payable in respect of the Securities on the same date that the postponed amount would have been payable but for the postponement, the payment date or settlement date for that corresponding amount will be postponed to the same extent.

**For each Underlying which is a Future, the following provisions apply:**

- (5) If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the original date is a Disrupted Day. In that case:
  - (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine its good faith estimate of the value of the Future as of the scheduled determination time of the Reference Price on that eighth Scheduled Trading Day.

**For each Underlying which is a Basket, the following provisions apply:**

- (6) If any Valuation Date in respect of any Basket Component is a Disrupted Day (as determined in § 6), then the Valuation Date for each Basket Component not affected by the occurrence of a Disrupted Day shall be the original date and the Valuation Date for each Basket Component affected by the occurrence of a Disrupted Day (each an “**Affected Basket Component**”) shall be postponed in accordance with the relevant Terms and Conditions for such Underlying.
- (7) “**Common Pricing**” means that if the Final Terms specify that Common Pricing is applicable, if on any Valuation Date not for each single Basket Component a Reference Prices is determined, such Valuation Date shall be postponed to the first succeeding day on which a Reference Price for each single Basket Component is determined.

## § 10 (Adjustments)

- (1) *Potential Adjustment Event.* If a Potential Adjustment Event occurs, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying and, if so, will:
  - (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount and/or the Reference Asset Quantity and/or the Interest Rate and/or the other relevant terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, provided that, no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying; and
  - (b) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any Exchange and/or Related Exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with § 20, stating the adjustment, if any, to any one or more of the relevant terms mentioned above and giving brief details of the Potential Adjustment Event. For the avoidance of doubt, in addition to or instead of varying any terms in accordance with the above provisions, the Calculation Agent may offer to distribute to the holders of the outstanding relevant Securities additional Securities and/or a cash amount. Such

distribution of additional Securities may be made on a “free” or “delivery versus payment” basis.

- (2) *Extraordinary Event.* If “Calculation Agent Adjustment” is specified in the Final Terms, in the event of an Extraordinary Event the Calculation Agent may make such adjustments to the redemption, settlement, payment or any other terms of the Securities as the Calculation Agent determines appropriate to account for the economic effect on the Securities of such Extraordinary Event. In this case within not more than five Business Days after such adjustment has been effected, the Calculation Agent shall give notice of such adjustment to the Securityholders in accordance with § 20.
- (3) *Rounding after an adjustment.* Any numeric result of an adjustment made to the terms of a Security will be rounded to at least such number of digits, so that the effect of such rounding on the value of the Security is less than a thousandth of the main unit of the Product Currency.

## § 11 (Corrections)

- (1) *Corrections of the Underlying.* In the event that any price, quotation, rate or any kind of amount published by any relevant entity (i) is utilised for any calculation or determination made in relation to the Securities and in accordance with these Terms and Conditions and (ii) is subsequently corrected and the correction is published by such entity before the Final Valuation Date and, if applicable, after the latest Basket Adjustment Date, the Calculation Agent will make such adjustments to the terms of the Securities as the Calculation Agent determines appropriate to account for the economic effect of such correction on the Securities. Within not more than five Business Days after such adjustment has been effected, the Calculation Agent shall give notice of such adjustment to the Securityholders in accordance with § 20.
- (2) *Corrections of paid or delivered amounts.* In the event that any amount paid or delivered under the Securities on a specified date (the “**Original Date**”) has to be corrected subsequently, the Calculation Agent (i) determines the additional amount that is payable or deliverable as a result of that correction (the “**Differential Amount**”), (ii) specifies the date on which the Differential Amount has to be paid or delivered to the Securityholders (the “**Differential Payment Date**”) as three Business Days after the day the Differential Amount has been determined and (iii) determines default interest (the “**Correction Default Interest**”) based on a default interest rate of four percent p.a. and a day count fraction equal to the number of calendar days in the period from (and including) the Original Date to (but excluding) the Differential Payment Date divided by 365. The Issuer will then publish the Differential Amount, the Differential Payment Date and the Correction Default Interest according to § 20 within two Business Days after the determination of the Differential Amount and cause the Differential Amount to be paid or delivered and the Correction Default Interest to be paid, both on the Differential Payment Date.

## § 12 (Early Redemption)

- (1) *Waiver of Early Termination.* The Securityholders waive their ordinary right of early redemption of the Securities during the term of the Securities unless stated otherwise herein.

**If “Cancellation and Payment” is specified in the Final Terms, the following provisions apply:**

- (2) *Extraordinary Event.* In the event of an Extraordinary Event the Issuer may redeem all, or some only, of the Securities then outstanding at their Fair Market Value, upon the Issuer having given not less than five Business Days’ notice to the Securityholders in accordance with § 20.

**If “Issuer’s Call” is specified in the Final Terms, the following provisions apply:**

- (3) *Issuer’s Call.* The Issuer may redeem all (but not some) of the Securities then outstanding on any Optional Redemption Date (as specified in the Final Terms, each an “**Optional Redemption Date**”) at their Optional Redemption Amount (as specified in the Final Terms,

each an “**Optional Redemption Amount**”) together with the fair market value of interest (if any) to but excluding the relevant Optional Redemption Date upon having given not less than 5 Business Days’ notice to the Securityholders in accordance with § 20 (which notice shall be irrevocable and shall specify the Optional Redemption Date fixed for redemption).

**If “Early Redemption” is specified in the Final Terms, the following provisions apply:**

- (4) *Early Redemption.* If an Extraordinary Redemption Event occurs not later than on the Final Valuation Date, the Issuer may redeem the Securities in whole (but not in part) on the Early Redemption Date at the Early Redemption Amount. The Calculation Agent shall notify the Securityholders of the occurrence of an Extraordinary Redemption Event as well as the determination of the Early Redemption Amount and the Early Redemption Date in accordance with § 20. On the Early Redemption Date the Issuer will pay or cause to be paid to the relevant Securityholders the Early Redemption Amount, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with these Terms and Conditions. Payments of any applicable taxes and redemption expenses will be made by the relevant Securityholder and the Issuer shall not have any liability in respect thereof.

For the purpose of this provision:

After the occurrence of an Extraordinary Redemption Event, the Calculation Agent determines the Fair Market Value of the Securities (the “**Early Redemption Amount**”), whereby if the Calculation Agent determines in its sole discretion that the market conditions after the occurrence of the Extraordinary Redemption Event would result in a Fair Market Value of the Securities disadvantageous for the Securityholders, the Calculation Agent has the right, but not the obligation, to wait up to six months after the occurrence of the Extraordinary Redemption Event with the determination of the Fair Market Value. Neither the Calculation Agent nor the Issuer shall have any liability due to the delayed determination of the Early Redemption Amount in accordance with this provision.

The “**Early Redemption Date**” means the second Business Day after the determination of the Early Redemption Amount.

**If the relevant Product Terms for the Security foresee “Product Specific Termination” the following provisions apply:**

- (5) *Product Specific Termination.* The Issuer will redeem the Securities at any time until the Maturity Date (including) following the first occurrence of any of the **Product Specific Termination Events** (as defined in the in § 23 and § 24). The Issuer will redeem the Securities in whole (but not in part) on the Product Specific Termination Date (as specified in § 23 and § 24, the “**Product Specific Termination Date**”) and will pay or cause to be paid the Product Specific Termination Amount (as specified in § 23 and § 24, the “**Product Specific Termination Amount**”) in respect of such Securities to the relevant Securityholders for value of such Product Specific Termination Date, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with these Terms and Conditions. Payments of any applicable taxes and redemption expenses will be made by the relevant Securityholder and the Issuer shall not have any liability in respect thereof. The Securityholders will neither receive any further payments (including interest, if any) or deliveries under the Securities, nor receive any compensation for such early redemption.

### § 13 (Payments)

- (1) *Payments.* All payments in respect of Securities shall be made, subject to applicable fiscal and other laws and regulations, in the Product Currency to the Securities Depository or to its order for credit to the accounts of the relevant account holders.
- (2) *Business Day.* If the date for payment of any amount in respect of any Security is not a Business Day, then the Securityholder shall not be entitled to payment until the next Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.



“**Business Day**” means a day on which (other than Saturday and Sunday) (a) banks are open for business (including dealings in foreign exchange and foreign currency deposits) in all Relevant Business Centres (as specified in the Final Terms) and (b) all relevant parts of the Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 or any successor system thereto (“**TARGET**”) are operating to effect payments in Euro.

- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Securities Depository.

## **§ 14 (Currency Conversions, Rounding)**

- (1) *Currency conversions.* Any amounts which are to be converted into another currency in line with these Terms and Conditions are converted as follows:
- (a) If at least one of the involved currencies is specified as “Quanto”, one unit of the first currency involved corresponds to one unit of the second currency involved, i.e. an amount in the first currency is expressed in the second currency; otherwise
  - (b) if the Final Terms explicitly foresee an exchange rate for the relevant currency pair, the currency conversion shall be based on such exchange rate; otherwise
  - (c) if the currency conversion is needed for the determination of an Intraday Price, a Regular Intraday Price or a Basket Distribution Amount, the currency conversion shall be based on current foreign exchange rates; otherwise
  - (d) if one of the involved currencies is Euro, the currency conversion shall be based on the relevant Foreign Exchange Rate Fixing.
  - (e) In any other case, the relevant amount shall be converted to Euro and the resulting Euro amount shall then be converted to the second involved currency, whereas both currency conversions shall be based on the relevant Foreign Exchange Rate Fixing.

“**Foreign Exchange Rate Fixing**” means the relevant official ECB fixing for the relevant date. If at the time of the currency conversion the relevant official ECB fixing has not been published by the ECB for the relevant date, “**Foreign Exchange Rate Fixing**” means the current foreign exchange rate for the relevant date as determined by the Calculation Agent in its reasonable discretion whereby the Calculation Agent will for such conversion use a foreign exchange rate which is used for similar transactions by other recognised financial institutions within the European Economic Area, if available.

- (2) *Rounding.* Any numbers which are to be rounded up to a given number of significant digits in line with these Terms and Conditions are rounded as follows: if the digit immediately following the last significant digit is either 0, 1, 2, 3 or 4, then the number to be rounded will be rounded towards zero, otherwise away from zero.

## **§ 15 (Taxation)**

All payments of principal and/or interest in respect of the Securities will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Austria or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law in which case payments to Securityholders will be reduced accordingly.

**§ 16**  
**(Prescription)**

Claims of any kind against the Issuer arising under the Securities will be prescribed thirty years after the earlier of the date on which the early redemption or the date on which the ordinary redemption of the Securities has become due, except for claims (if any) for interests which will be prescribed three years after such interest claims have become due.

**§ 17**  
**(Agents)**

- (1) *Appointment.* The Paying Agents, the Calculation Agent, the Delivery Agent (if any) (together the “**Agents**”) are specified in the Final Terms.
- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent, to appoint another Calculation Agent and to appoint additional or other Paying Agents and Delivery Agents. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days’ prior notice thereof shall have been given to the Securityholder in accordance with § 20.
- (3) *Agent of the Issuer.* Any Agent acts solely as the agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for any Securityholder.
- (4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Terms and Conditions by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Delivery Agents and the Securityholders.
- (5) None of the Agents shall have any responsibility in respect of any error or omission or subsequent correcting made in the calculation or publication of any amount in relation to the Securities, whether caused by negligence or otherwise (other than gross negligence or wilful misconduct).

**§ 18**  
**(Issuer Fee)**

If an “Issuer Fee” (as specified in the Final Terms, the “**Issuer Fee**”) is specified in the Final Terms, starting with the first day after the Issue Date and until the Final Valuation Date (inclusive) the Nominal Amount and/or the Multiplier, whichever applies, shall be daily multiplied by the difference of (a) one and (b) the quotient of (i) the Issuer Fee and (ii) 360. This adjustment reduces the Nominal Amount and/or the Multiplier and thus, all future payments under the Security and the value of the Security.

**§ 19**  
**(Purchases. Cancellation)**

- (1) *Purchases.* The Issuer may at any time purchase Securities at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Securityholders alike. Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.
- (2) *Cancellation.* All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **§ 20** **(Notices)**

- (1) *Publication.* Unless applicable stock exchange regulations or law require another method of publication, all notices concerning the Securities shall be published in the English language on the Internet on the website specified in the Final Terms or in a leading daily newspaper having general circulation in Austria. This newspaper is expected to be the *Amtsblatt zur Wiener Zeitung*. Any notice so given will be deemed to have been validly given on the first banking business day following the date of such publication (or, if published more than once, on the first banking business day following the date of the earliest of such publications).
- (2) *Notification to Securities Depository.* The Issuer may, instead of a publication pursuant to paragraph (1) above, deliver the relevant notice to the Securities Depository for communication to the Securityholders, provided that, so long as any Securities are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Securityholders on the first banking business day after the day on which the said notice was given to the Securities Depository.

## **§ 21** **(Governing Law. Jurisdiction)**

- (1) *Governing Law.* The Securities are governed by Austrian law, excluding its conflict of laws rules where their application would lead to the applicability of a foreign law.
- (2) *Jurisdiction.* The exclusive place of jurisdiction for all proceedings arising out of or in connection with the Securities shall be the court competent for the first district of Vienna, Austria. The Securityholders, however, may also pursue their claims before any other court of competent jurisdiction.

## PRODUCT TERMS

These Product Terms are an integral part of the Terms and Conditions of the Securities and contain the product specific provisions for the determination of the Redemption Amount and – if applicable – the Variable Interest Rate and Physical Settlement Condition.

### § 22 (Variable Interest Rate)

**If the Securities carry a Barrier Digital Interest pursuant to the Final Terms, the following provisions apply:**

#### Barrier Digital Interest

- (1) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the Digital Interest Rate (i) if an Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-in or Up-and-in, or (ii) if no Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-out or Up-and-out. In any other case the Variable Interest Rate shall be zero.
- (2) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price compared to the respective Interest Barrier was
  - (i) less than or equal to in case the Interest Barrier Style is Down-and-in or Down-and-out, or
  - (ii) greater than or equal to in case the Interest Barrier Style is Up-and-in or Up-and-out.
- (3) *Specifications in Final Terms.* The “**Digital Interest Rate**”, the “**Interest Barrier**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**” and the “**Interest Barrier Style**” are specified in the Final Terms.

**If the Securities carry a Range Digital Interest pursuant to the Final Terms, the following provisions apply:**

#### Range Digital Interest

- (4) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the Digital Interest Rate (i) if an Interest Barrier Event has occurred and the Interest Barrier Style is Knock-in, or (ii) if no Interest Barrier Event has occurred and the Interest Barrier Style is Knock-out. In any other case the Variable Interest Rate shall be zero.
- (5) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price was (i) less than or equal to the Interest Lower Barrier, or (ii) greater than or equal to the Interest Upper Barrier.
- (6) *Specifications in Final Terms.* The “**Digital Interest Rate**”, the “**Interest Barrier Style**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**”, the “**Interest Lower Barrier**” and the “**Interest Upper Barrier**” are specified in the Final Terms.

**If the Securities carry a Reference Rate Interest pursuant to the Final Terms, the following provisions apply:**

## Reference Rate Interest

- (7) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the Interest Final Reference Price multiplied by the Interest Participation as specified in the Final Terms.

**If the Securities carry a Capped Reference Rate Performance Interest pursuant to the Final Terms, the following provisions apply:**

### Capped Reference Rate Performance Interest

- (8) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
  - (b) Otherwise the Variable Interest Rate shall be the difference between (i) either the Interest Cap Level or the Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently multiplied by the Interest Participation.
- (9) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Cap Level**” and the “**Interest Participation**” are specified in the Final Terms.

**If the Securities carry a Capped Reference Rate Reverse Performance Interest pursuant to the Final Terms, the following provisions apply:**

### Capped Reference Rate Reverse Performance Interest

- (10) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If the Interest Final Reference Price is greater than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
  - (b) Otherwise the Variable Interest Rate shall be the difference between (i) the Interest Strike, and (ii) either the Interest Floor Level or the Interest Final Reference Price, whichever is greater, subsequently multiplied by the Interest Participation.
- (11) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Floor Level**” and the “**Interest Participation**” are specified in the Final Terms.

**If the Securities carry a Barrier Reference Rate Performance Interest pursuant to the Final Terms, the following provisions apply:**

### Barrier Reference Rate Performance Interest

- (12) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If no Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-in or Up-and-in, the Variable Interest Rate shall be the Fallback Interest Rate.
  - (b) If an Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-out or Up-and-out, the Variable Interest Rate shall be the Fallback Interest Rate.

- (c) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
  - (d) In any other case the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently multiplied by the Interest Participation.
- (13) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price compared to the respective Interest Barrier was:
- (a) less than or equal to in case the Interest Barrier Style is Down-and-in or Down-and-out, or
  - (b) greater than or equal to in case the Interest Barrier Style is Up-and-in or Up-and-out.
- (14) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Participation**”, the “**Interest Barrier Style**”, the “**Interest Barrier**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**” and the “**Fallback Interest Rate**” are specified in the Final Terms.

**If the Securities carry a Performance Interest pursuant to the Final Terms, the following provisions apply:**

### **Performance Interest**

- (15) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
  - (b) Otherwise the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.
- (16) *Specifications in Final Terms.* The “**Interest Strike**” and the “**Interest Participation**” are specified in the Final Terms.

**If the Securities carry a Capped Performance Interest pursuant to the Final Terms, the following provisions apply:**

### **Capped Performance Interest**

- (17) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
  - (b) Otherwise the Variable Interest Rate shall be the difference between (i) either the Interest Cap Level or the Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.

- (18) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Cap Level**” and the “**Interest Participation**” are specified in the Final Terms.

**If the Securities carry a Capped Absolute Performance Interest pursuant to the Final Terms, the following provisions apply:**

### **Capped Absolute Performance Interest**

- (19) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the greater of (i) the Interest Positive Performance and (ii) the Interest Negative Performance.

Whereby:

“**Interest Positive Performance**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is less than or equal to the Interest Strike, the Interest Positive Performance shall be zero.
- (b) Otherwise the Interest Positive Performance shall be the difference between (i) either Interest Cap Level or Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Positive Participation.

“**Interest Negative Performance**” means an amount determined in accordance with the following provisions:

- (a) If the Interest Final Reference Price is greater than or equal to the Interest Strike, the Interest Negative Performance shall be zero.
- (b) Otherwise the Interest Negative Performance shall be the difference between (i) the Interest Strike and (ii) either Interest Floor Level or Interest Final Reference Price, whichever is greater, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Negative Participation.

- (20) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Positive Participation**”, the “**Interest Negative Participation**”, the “**Interest Cap Level**” and the “**Interest Floor Level**” are specified in the Final Terms.

**If the Securities carry a Barrier Performance Interest pursuant to the Final Terms, the following provisions apply:**

### **Barrier Performance Interest**

- (21) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:

- (a) If no Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-in or Up-and-in, the Variable Interest Rate shall be the Fallback Interest Rate.
- (b) If an Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-out or Up-and-out, the Variable Interest Rate shall be the Fallback Interest Rate.
- (c) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.

- (d) In any other case the Variable Interest Rate shall be the difference between (i) the Interest Final Reference Price and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.
- (22) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price compared to the respective Interest Barrier was:
- (a) less than or equal to in case the Interest Barrier Style is Down-and-in or Down-and-out, or
- (b) greater than or equal to in case the Interest Barrier Style is Up-and-in or Up-and-out.
- (23) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Participation**”, the “**Interest Barrier Style**”, the “**Interest Barrier**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**” and the “**Fallback Interest Rate**” are specified in the Final Terms.

**If the Securities carry a Capped Barrier Performance Interest pursuant to the Final Terms, the following provisions apply:**

### **Capped Barrier Performance Interest**

- (24) *Variable Interest Rate.* “**Variable Interest Rate**” means an amount determined in accordance with the following provisions:
- (a) If no Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-in or Up-and-in, the Variable Interest Rate shall be the Fallback Interest Rate.
- (b) If an Interest Barrier Event has occurred and the Interest Barrier Style is either Down-and-out or Up-and-out, the Variable Interest Rate shall be the Fallback Interest Rate.
- (c) Otherwise if the Interest Final Reference Price is less than or equal to the Interest Strike, the Variable Interest Rate shall be zero.
- (d) In any other case the Variable Interest Rate shall be the difference between (i) either Interest Cap Level or Interest Final Reference Price, whichever is less, and (ii) the Interest Strike, subsequently divided by the Interest Initial Reference Price and multiplied by the Interest Participation.
- (25) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if during the respective Interest Barrier Observation Period any Interest Barrier Reference Price compared to the respective Interest Barrier was:
- (a) less than or equal to in case the Interest Barrier Style is Down-and-in or Down-and-out, or
- (b) greater than or equal to in case the Interest Barrier Style is Up-and-in or Up-and-out.
- (26) *Specifications in Final Terms.* The “**Interest Strike**”, the “**Interest Participation**”, the “**Interest Cap Level**”, the “**Interest Barrier Style**”, the “**Interest Barrier**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**” and the “**Fallback Interest Rate**” are specified in the Final Terms.



**If the Securities carry a Cliquet Interest pursuant to the Final Terms, the following provisions apply:**

### **Cliquet Interest**

- (27) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the Interest Participation multiplied by the sum of all Interest Performances of the relevant Interest Period. If the Variable Interest Rate is greater than the Variable Interest Rate Cap, it shall be deemed to be the Variable Interest Rate Cap. If the Variable Interest Rate is less than the Variable Interest Rate Floor, it shall be deemed to be the Variable Interest Rate Floor.

Whereby:

The “**Interest Performance**” shall be the Interest Performance Reference Price on any Interest Performance Valuation Date, except the first, divided by the Interest Performance Reference Price on the immediately preceding Interest Performance Valuation Date and subsequently reduced by one. If the Interest Performance is greater than the Interest Performance Cap, it shall be deemed to be the Interest Performance Cap. If the Interest Performance is less than the Interest Performance Floor, it shall be deemed to be the Interest Performance Floor.

- (28) *Specifications in Final Terms.* The “**Interest Performance Valuation Dates**”, the “**Interest Performance Reference Price**”, the “**Interest Performance Cap**”, the “**Interest Performance Floor**”, the “**Interest Participation**”, the “**Variable Interest Rate Cap**” and the “**Variable Interest Rate Floor**” are specified in the Final Terms.

**If the Securities carry a Ladder Interest pursuant to the Final Terms, the following provisions apply:**

### **Ladder Interest**

- (29) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the greatest Interest Ladder Rate for which the associated Interest Ladder Level is less than or equal to the Interest Final Reference Price. If no Interest Ladder Level is less than or equal to the Interest Final Reference Price, the Variable Interest Rate shall be zero.
- (30) *Specifications in Final Terms.* Each “**Interest Ladder Rate**” and its associated “**Interest Ladder Level**” is specified in the Final Terms.

**If the Securities carry an Accumulated Distribution Interest pursuant to the Final Terms, the following provisions apply:**

### **Accumulated Distribution Interest**

- (31) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the sum of all Interest Distribution Amounts, if necessary converted into the Underlying Currency according to § 14, whose ex-day is within the respective Interest Observation Period, divided by the Interest Initial Reference Price. If the Underlying is an index, a fund or a basket, and any component of the Underlying pays out distributions, which are not reinvested by the Underlying, those distribution payments will be weighted according to the weighting of the corresponding component within the Underlying on the cum-distribution day and then be treated as distributions paid out by the Underlying itself on the ex-distribution day.
- (32) *Specifications in Final Terms.* The “**Interest Distribution Amount**” is specified in the Final Terms.

**If the Securities carry a Range Accrual Interest pursuant to the Final Terms, the following provisions apply:**

### **Range Accrual Interest**

- (33) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the Digital Interest Rate multiplied by the number of Range Accrual Days and divided by the number of Range Observation Days, both within the respective Interest Barrier Observation Period.

Whereby:

If a Range Observation Day is not an Underlying Business Day, the relevant day for the determination of any Reference Price for such day shall be the immediately preceding Underlying Business Day.

“**Range Accrual Day**” means any Range Observation Day on which (i) no Interest Barrier Event has occurred and the Interest Barrier Style is Stay-in, or (ii) an Interest Barrier Event has occurred and the Interest Barrier Style is Stay-out.

- (34) *Interest Barrier Event.* An “**Interest Barrier Event**” has occurred if any Interest Barrier Reference Price was (i) less than or equal to the Interest Lower Barrier or (ii) greater than or equal to the Interest Upper Barrier.
- (35) *Specifications in Final Terms.* The “**Digital Interest Rate**”, the “**Range Observation Day**”, the “**Interest Barrier Style**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**”, the “**Interest Lower Barrier**” and the “**Interest Upper Barrier**” are specified in the Final Terms.

**If the Securities carry a Pyramid Interest pursuant to the Final Terms, the following provisions apply:**

### **Pyramid Interest**

- (36) *Variable Interest Rate.* The “**Variable Interest Rate**” shall be the greatest Interest Pyramid Rate for which during the respective Interest Barrier Observation Period every Interest Barrier Reference Price was greater than the respective Interest Lower Barrier and less than the respective Interest Upper Barrier. If no Interest Pyramid Rate is specified for which during the respective Interest Barrier Observation Period every Interest Barrier Reference Price was greater than the respective Interest Lower Barrier and less than the respective Interest Upper Barrier, the Variable Interest Rate shall be the Fallback Interest Rate.
- (37) *Specifications in Final Terms.* The “**Interest Pyramid Rate**”, the “**Interest Lower Barrier**”, the “**Interest Upper Barrier**”, the “**Interest Barrier Observation Period**”, the “**Interest Barrier Reference Price**” and the “**Fallback Interest Rate**” are specified in the Final Terms.

## **§ 23**

### **(Redemption Amount)**

If the Securities (i) are Reinvesting Securities and (ii) are duly exercised, the “**Redemption Amount**” relevant for such exercise shall be the Reinvestment Amount applicable in the current Investment Period. In any other case, the following provisions apply.

**If the Securities are Winner Guarantee Certificates (eusipa 1100) or Winner Certificates (eusipa 1100) pursuant to the Final Terms, the following provisions apply:**

**Winner Guarantee Certificates (eusipa 1100) and  
Winner Certificates (eusipa 1100)**

- (1) *Redemption Amount.* The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the Participation multiplied by:

- (a) zero if the Final Reference Price is less than the Strike; otherwise
- (b) the difference between (i) the Final Reference Price and (ii) the Strike.

The resulting Participation Amount shall be adjusted according to § 7 (3).

Whereby:

The “**Protection Amount**”, the “**Strike**” and the “**Participation**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is greater than the Strike.

**If the Securities are Capped Winner Guarantee Certificates (eusipa 1120) or Capped Winner Certificates (eusipa 1120) pursuant to the Final Terms, the following provisions apply:**

**Capped Winner Guarantee Certificates (eusipa 1120) and  
Capped Winner Certificates (eusipa 1120)**

- (2) *Redemption Amount.* The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the Participation multiplied by:

- (a) zero if the Final Reference Price is less than the Strike; otherwise
- (b) the difference between (i) either the Final Reference Price or the Cap, whichever is less, and (ii) the Strike.

The resulting Participation Amount shall be adjusted according to § 7 (3).

Whereby:

The “**Protection Amount**”, the “**Strike**”, the “**Cap**” and the “**Participation**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is greater than the Strike and less than the Cap.

**If the Securities are Barrier Winner Guarantee Certificates (eusipa 1130) or Barrier Winner Certificates (eusipa 1130) pursuant to the Final Terms, the following provisions apply:**

**Barrier Winner Guarantee Certificates (eusipa 1130) and  
Barrier Winner Certificates (eusipa 1130)**

- (3) *Redemption Amount.* The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if a Barrier Event has occurred, the Participation Amount shall be the Fallback Amount; otherwise
- (b) if the Final Reference Price is equal to or less than the Strike, the Participation Amount shall be zero; otherwise
- (c) in any other case the Participation Amount shall be the Participation multiplied by the difference between (i) the Final Reference Price and (ii) the Strike. The resulting amount shall be adjusted according to § 7 (3).

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was greater than or equal to the Barrier;

The “**Protection Amount**”, the “**Fallback Amount**”, the “**Strike**”, the “**Participation**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if no Barrier Event has occurred and the Final Reference Price is greater than the Strike.

**If the Securities are Guarantee Certificates (eusipa 1140) or Protected Certificates (eusipa 1140) pursuant to the Final Terms, the following provisions apply:**

**Guarantee Certificates (eusipa 1140) and Protected Certificates (eusipa 1140)**

- (4) *Redemption Amount.* The “**Redemption Amount**” shall be the Protection Amount. For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Protection Amount**” is specified in the Final Terms.

**If the Securities are Step-Up Guarantee Certificates (eusipa 1199) or Step-Up Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Step-Up Guarantee Certificates (eusipa 1199) and  
Step-Up Certificates (eusipa 1199)**

- (5) *Redemption Amount.* The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the greatest Step-Up Redemption Amount for which the associated Step-Up Level is less than or equal to the Final Reference Price. If no Step-Up Level is less than or equal to the Final Reference Price, the Redemption Amount shall be the Protection Amount. For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Protection Amount**”, the “**Step-Up Redemption Amount(s)**” and the “**Step-Up Level(s)**” are specified in the Final Terms.

**If the Securities are Step-Down Guarantee Certificates (eusipa 1199) or Step-Down Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Step-Down Guarantee Certificates (eusipa 1199) and  
Step-Down Certificates (eusipa 1199)**

- (6) *Redemption Amount.* The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the greatest Step-Down Redemption Amount for which the associated Step-Down Level is greater than or equal to the Final Reference Price. If no Step-Down Level is greater than or equal to the Final Reference Price, the Redemption Amount shall be the Protection Amount. For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Protection Amount**”, the “**Step-Down Redemption Amount(s)**” and the “**Step-Down Level(s)**” are specified in the Final Terms.

**If the Securities are Express Safe Guarantee Certificates (eusipa 1199) or Express Safe Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Express Safe Guarantee Certificates (eusipa 1199) and  
Express Safe Certificates (eusipa 1199)**

- (7) *Redemption Amount.* The “**Redemption Amount**” shall be the Protection Amount.

Whereby:

An “**Express Event**”, which is a Product Specific Termination Event pursuant to § 12, has occurred if the Express Reference Price on an Express Valuation Date was greater than or equal to the respective Express Valuation Level. In such an event the relevant Product Specific Termination Amount shall be the respective Express Redemption Amount and the Product Specific Termination Date shall be the respective Express Redemption Date;

The “**Protection Amount**”, “**Express Valuation Date(s)**”, the “**Express Valuation Level(s)**”, “**Express Redemption Date(s)**”, “**Express Redemption Amount(s)**” and the “**Express Reference Price**” are specified in the Final Terms.

For the avoidance of doubt: Neither the Redemption Amount nor the Product Specific Termination Amount shall be adjusted according to § 7 (3).

**If the Securities are Reverse Express Safe Guarantee Certificates (eusipa 1199) or Reverse Express Safe Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Reverse Express Safe Guarantee Certificates (eusipa 1199) and  
Reverse Express Safe Certificates (eusipa 1199)**

- (8) *Redemption Amount.* The “**Redemption Amount**” shall be the Protection Amount.

Whereby:

An “**Express Event**”, which is a Product Specific Termination Event pursuant to § 12, has occurred if the Express Reference Price on an Express Valuation Date was less than or equal to

the respective Express Valuation Level. In such an event the relevant Product Specific Termination Amount shall be the respective Express Redemption Amount and the Product Specific Termination Date shall be the respective Express Redemption Date;

The “**Protection Amount**”, “**Express Valuation Date(s)**”, the “**Express Valuation Level(s)**”, “**Express Redemption Date(s)**”, “**Express Redemption Amount(s)**” and the “**Express Reference Price**” are specified in the Final Terms.

For the avoidance of doubt: Neither the Redemption Amount nor the Product Specific Termination Amount shall be adjusted according to § 7 (3).

**If the Securities are Range Winner Guarantee Certificates (eusipa 1199) or Range Winner Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Range Winner Guarantee Certificates (eusipa 1199) and  
Range Winner Certificates (eusipa 1199)**

- (9) *Redemption Amount.* The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be the sum of all Range Participation Amounts, for which the respective Range Lower Level is less than the Final Reference Price. The resulting Participation Amount shall be adjusted according to § 7 (3).

The “**Range Participation Amount**” for each Range Lower Level shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the respective Range Lower Level, the Range Participation Amount shall be zero; or
- (b) if the Final Reference Price is equal to or greater than the respective Range Upper Level, the Range Participation Amount shall be the respective Range Participation multiplied by the difference of (i) the respective Range Upper Level and (ii) the respective Range Lower Level; otherwise
- (c) in any other case the Range Participation Amount shall be the respective Range Participation multiplied by the difference of (i) the Final Reference Price and (ii) the respective Range Lower Level.

Whereby:

The “**Protection Amount**”, the “**Range Lower Level(s)**”, the “**Range Upper Level(s)**” and the “**Range Participation(s)**” are specified in the Final Terms.

**If the Securities are Stay-Above Guarantee Certificates (eusipa 1199) or Stay-Above Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:**

**Stay-Above Guarantee Certificates (eusipa 1199) and  
Stay-Above Certificates (eusipa 1199)**

- (10) *Redemption Amount.* The “**Redemption Amount**” shall be the greater of (i) the Protection Amount or (ii) the Stay-Above Redemption Amount, which is associated with the number of Basket Components present within the Basket after the determination of the Final Reference Price. If no Stay-Above Redemption Amount is specified for the actual number of Basket Components, the Redemption Amount shall be the Protection Amount. For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Protection Amount**”, the “**Stay-Above Redemption Amount(s)**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms.

If the Securities are Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) or Capped Twin-Win Safe Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:

**Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) and  
Capped Twin-Win Safe Certificates (eusipa 1199)**

(11) *Redemption Amount.* The “**Redemption Amount**” shall be the sum of the Protection Amount and the Participation Amount.

Whereby:

The “**Participation Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Participation Amount shall be the difference between (i) the Cap and (ii) the Strike; otherwise
- (b) if the Final Reference Price is equal to or greater than the Strike, the Participation Amount shall be the difference between (i) the Final Reference Price and (ii) the Strike; otherwise
- (c) if no Barrier Event has occurred, the Participation Amount shall be the difference between (i) the Strike and (ii) the Final Reference Price; otherwise
- (d) the Participation Amount shall be zero.

The resulting Participation Amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Protection Amount**”, the “**Strike**”, the “**Cap**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred and the Final Reference Price is greater than the Strike and less than the Cap.

If the Securities are Bonus Safe Guarantee Certificates (eusipa 1199) or Bonus Safe Certificates (eusipa 1199) pursuant to the Final Terms, the following provisions apply:

**Bonus Safe Guarantee Certificates (eusipa 1199) and  
Bonus Safe Certificates (eusipa 1199)**

(12) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If only one Barrier is specified in the Final Terms: if no Barrier Event has occurred, the Redemption Amount shall be the Bonus Amount; otherwise, it shall be the Protection Amount.
- (b) If more than one Barrier is specified in the Final Terms: the Redemption Amount shall be the greater of (i) the Protection Amount or (ii) the greatest Bonus Amount for which no Barrier Event has occurred for the relevant Barrier. If for all Bonus Amounts a Barrier

Event has occurred for the relevant Barrier, the Redemption Amount shall be the Protection Amount.

For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” for a specific Barrier has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to such Barrier;

The “**Protection Amount**”, the “**Bonus Amount(s)**”, the “**Barrier(s)**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms.

**If the Securities are Discount Certificates (eusipa 1200) pursuant to the Final Terms, the following provisions apply:**

### **Discount Certificates (eusipa 1200)**

(13) *Redemption Amount.* The “**Redemption Amount**” shall be the lesser of (i) the Cap or (ii) the Final Reference Price. The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Cap**” is specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is less than the Cap.

**If the Securities are Reverse Convertibles (eusipa 1220) pursuant to the Final Terms, the following provisions apply:**

### **Reverse Convertibles (eusipa 1220)**

(14) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Nominal Amount; and
- (b) Otherwise the Redemption Amount shall be the Nominal Amount multiplied by the Final Reference Price and divided by the Strike.

For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Strike**” is specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is less than the Strike.

**If the Securities are Protected Reverse Convertibles (eusipa 1230) pursuant to the Final Terms, the following provisions apply:**

### **Protected Reverse Convertibles (eusipa 1230)**

(15) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:



- (a) If the Final Reference Price is equal to or greater than the Strike or no Barrier Event has occurred, the Redemption Amount shall be the Nominal Amount; and
- (b) Otherwise the Redemption Amount shall be the Nominal Amount multiplied by the Final Reference Price and divided by the Strike.

For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Strike**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred and the Final Reference Price is less than the Strike.

**If the Securities are Capped Bonus Certificates (eusipa 1250) pursuant to the Final Terms, the following provisions apply:**

### **Capped Bonus Certificates (eusipa 1250)**

(16) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Redemption Amount shall be the Cap; otherwise
- (b) if no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Bonus Level; or
- (c) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Bonus Level**”, the “**Cap**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred and the Final Reference Price is less than the Cap.

**If the Securities are Express Certificates (eusipa 1260) pursuant to the Final Terms, the following provisions apply:**

### **Express Certificates (eusipa 1260)**

(17) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Security Level.
- (b) Otherwise the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

An “**Express Event**”, which is a Product Specific Termination Event pursuant to § 12, has occurred if the Express Reference Price on an Express Valuation Date was greater than or equal to the respective Express Valuation Level. In such an event the relevant Product Specific Termination Amount shall be the respective Express Redemption Level adjusted according to § 7 (3) and the Product Specific Termination Date shall be the respective Express Redemption Date;

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Express Valuation Date(s)**”, the “**Express Valuation Level(s)**”, “**Express Redemption Date(s)**”, “**Express Redemption Level(s)**”, the “**Express Reference Price**”, the “**Security Level**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred.

**If the Securities are Inversion Certificates (eusipa 1299) pursuant to the Final Terms, the following provisions apply:**

### **Inversion Certificates (eusipa 1299)**

(18) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be the Nominal Amount; and
- (b) Otherwise the Redemption Amount shall be the greater of (i) the Minimum Redemption Amount or (ii) the Nominal Amount multiplied by the Strike and divided by the Final Reference Price.

For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Minimum Redemption Amount**” and the “**Strike**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is greater than the Strike.

**If the Securities are Reverse Inversion Certificates (eusipa 1299) pursuant to the Final Terms, the following provisions apply:**

### **Reverse Inversion Certificates (eusipa 1299)**

(19) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Nominal Amount; and
- (b) Otherwise the Redemption Amount shall be the lesser of (i) the Maximum Redemption Amount or (ii) the Nominal Amount multiplied by the Strike and divided by the Final Reference Price.

For the avoidance of doubt: The resulting amount shall not be adjusted according to § 7 (3).

Whereby:

The “**Maximum Redemption Amount**” and the “**Strike**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is less than the Strike.

**If the Securities are Capped Twin-Win Certificates (eusipa 1299) pursuant to the Final Terms, the following provisions apply:**

### **Capped Twin-Win Certificates (eusipa 1299)**

(20) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is equal to or greater than the Cap, the Redemption Amount shall be the Cap; otherwise
- (b) if the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Final Reference Price; otherwise
- (c) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) twice the Strike and (ii) the Final Reference Price; or
- (d) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Strike**”, the “**Cap**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred and the Final Reference Price is less than the Cap.

**If the Securities are Capped Reverse Bonus Certificates (eusipa 1299) pursuant to the Final Terms, the following provisions apply:**

### **Capped Reverse Bonus Certificates (eusipa 1299)**

(21) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) if the Final Reference Price is less than the Cap, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) the Cap; or
- (b) if the Final Reference Price is equal to or greater than the Reverse Level, the Redemption Amount shall be zero; otherwise
- (c) if a Barrier Event has occurred, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) the Final Reference Price; or
- (d) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) the Reverse Level and (ii) either the Final Reference Price or the Bonus Level, whichever is less.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was greater than or equal to the Barrier; and

The “**Bonus Level**”, the “**Cap**”, the “**Reverse Level**”, the “**Barrier**”, the “**Barrier Observation Period**”, and the “**Barrier Reference Price**” are specified in the Final Terms.

**If the Securities are Index Certificates (eusipa 1300) or Participation Certificates (eusipa 1300) pursuant to the Final Terms, the following provisions apply:**

### **Index Certificates and Participation Certificates (eusipa 1300)**

- (22) *Redemption Amount.* The “**Redemption Amount**” shall be the Final Reference Price. The resulting amount shall be adjusted according to § 7 (3).

**If the Securities are Outperformance Certificates (eusipa 1310) pursuant to the Final Terms, the following provisions apply:**

### **Outperformance Certificates (eusipa 1310)**

- (23) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:
- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be the Final Reference Price.
  - (b) Otherwise the Redemption Amount shall be the sum of (i) the Participation multiplied by the difference between (a) the Final Reference Price and (b) the Strike, and (ii) the Strike.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Strike**” and the “**Participation**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if the Final Reference Price is less than the Strike.

**If the Securities are Bonus Certificate (eusipa 1320) pursuant to the Final Terms, the following provisions apply:**

### **Bonus Certificates (eusipa 1320)**

- (24) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:
- (a) If no Barrier Event has occurred, the Redemption Amount shall be the greater of (i) the Final Reference Price or (ii) the Bonus Level.
  - (b) Otherwise the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Bonus Level**”, the “**Barrier**”, the “**Barrier Observation Period**”, and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred.

**If the Securities are Twin-Win Certificates (eusipa 1340) pursuant to the Final Terms, the following provisions apply:**

### **Twin-Win Certificates (eusipa 1340)**

- (25) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:
- (a) if the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be the Final Reference Price; otherwise
  - (b) if no Barrier Event has occurred, the Redemption Amount shall be the difference between (i) twice the Strike and (ii) the Final Reference Price; or
  - (c) if a Barrier Event has occurred, the Redemption Amount shall be the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**” has occurred if any Barrier Reference Price during the Barrier Observation Period was less than or equal to the Barrier;

The “**Strike**”, the “**Barrier**”, the “**Barrier Observation Period**” and the “**Barrier Reference Price**” are specified in the Final Terms; and

The “**Physical Settlement Condition**” is fulfilled if a Barrier Event has occurred.

**If the Securities are Call Warrants (eusipa 2100) pursuant to the Final Terms, the following provisions apply:**

### **Call Warrants (eusipa 2100)**

- (26) *Redemption Amount.* The “**Redemption Amount**” shall be the greater of (i) zero or (ii) the difference between (a) the Final Reference Price and (b) the Strike. The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Strike**” is specified in the Final Terms.

**If the Securities are Put Warrants (eusipa 2100) pursuant to the Final Terms, the following provisions apply:**

### **Put Warrants (eusipa 2100)**

- (27) *Redemption Amount.* The “**Redemption Amount**” shall be the greater of (i) zero or (ii) the difference between (a) the Strike and (b) the Final Reference Price. The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Strike**” is specified in the Final Terms.

**If the Securities are Capped Call Warrants (eusipa 2110) pursuant to the Final Terms, the following provisions apply:**

### **Capped Call Warrants (eusipa 2110)**

(28) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or less than the Strike, the Redemption Amount shall be zero.
- (b) Otherwise the Redemption Amount shall be the difference between (i) either the Cap or the Final Reference Price, whichever is less, and (ii) the Strike.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Strike**” and the “**Cap**” are specified in the Final Terms; and

**If the Securities are Capped Put Warrants (eusipa 2110) pursuant to the Final Terms, the following provisions apply:**

### **Capped Put Warrants (eusipa 2110)**

(29) *Redemption Amount.* The “**Redemption Amount**” shall be an amount determined in accordance with the following provisions:

- (a) If the Final Reference Price is equal to or greater than the Strike, the Redemption Amount shall be zero.
- (b) Otherwise the Redemption Amount shall be the difference between (i) the Strike and (ii) either the Floor or the Final Reference Price, whichever is greater.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

The “**Strike**” and the “**Floor**” are specified in the Final Terms; and

**If the Securities are Turbo Long Certificates (eusipa 2210) or Turbo Short Certificates (eusipa 2210) pursuant to the Final Terms, the following provisions apply:**

### **Turbo Long Certificates and Turbo Short Certificates (eusipa 2210)**

(30) *Redemption Amount.* The “**Redemption Amount**” shall be:

- (a) in case of Turbo Long Certificates, the difference between (i) the Final Reference Price and (ii) the Strike; or
- (b) in case of Turbo Short Certificates, the difference between (i) the Strike and (ii) the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

A “**Barrier Event**”, which is a Product Specific Termination Event, pursuant to § 12, has occurred if during the Barrier Observation Period any Barrier Reference Price compared to the Barrier in effect was:

- (a) less than or equal to in case of Turbo Long Certificates; or

- (b) greater than or equal to in case of Turbo Short Certificates.

Within a maximum of three Trading Hours after the occurrence of such Barrier Event, the Calculation Agent shall determine the residual value resulting from the closing of hedging positions concluded by the Issuer, taking into account all costs incurred in connection with such closing. The residual value is usually very small and may even be zero. The Product Specific Termination Amount shall be the residual value and the Product Specific Termination Date shall be the fifth Business Day after the determination of the residual value.

“**Distribution Adjustment**” means the adjustment of the Strike and Barrier caused by distribution payments of the Underlying. If the Underlying pays out distribution, the Calculation Agent will subtract the Distribution Amount from the Strike as well as from the Barrier. The adjustment will be effective on the ex-distribution day.

If the Underlying is an index, a fund or a basket, and any component of the Underlying pays out distributions, which are not reinvested by the Underlying, those distribution payments will be weighted according to the weighting of the corresponding component within the Underlying on the cum-distribution day and then be treated as distributions paid out by the Underlying itself on the ex-distribution day.

The “**Financing Costs**” of each day should be the Strike multiplied by the sum of (i) the Financing Rate and (ii) the Financing Rate Margin, subsequently divided by 360.

“**Trading Hour**” means any hour on which the Exchange and the Related Exchanges as well as the Vienna Stock Exchange and/or EUWAX are open for trading and there is no Market Disruption Event.

“**Ordinary Daily Adjustment**” means the adjustment of Strike and Barrier on a Business Day. The Financing Costs of the Securities are added to Strike and Barrier on a daily basis, whereby the Financing Costs for days which are no Business Days are added on the next following Business Day.

The “**Strike**”, the “**Barrier**”, the “**Barrier Observation Period**”, the “**Barrier Reference Price**”, the “**Distribution Amount**”, the “**Financing Rate**”, and the “**Financing Rate Margin**” are specified in the Final Terms.

<b>If the Securities are <u>Factor Certificates (eusipa 2300)</u> pursuant to the Final Terms, the following provisions apply:</b>
--

### **Factor Certificates (eusipa 2300)**

- (31) *Redemption Amount.* The “**Redemption Amount**” shall be
- (a) the difference between (i) the Final Reference Price and (ii) the Factor Level in case of a Leverage Factor greater than zero,
  - (b) otherwise the difference between (i) the Factor Level and (ii) the Final Reference Price.

The resulting amount shall be adjusted according to § 7 (3).

Whereby:

“**Distribution Adjustment**” means the adjustment of the Factor Level and Protection Level caused by distribution payments of the Underlying. If the Underlying pays out distribution, the Calculation Agent will subtract the Distribution Amount from the Factor Level as well as from the Protection Level. The adjustment will be effective on the ex-distribution day.

If the Underlying is an index, a fund or a basket, and any component of the Underlying pays out distributions, which are not reinvested by the Underlying, those distribution payments will be weighted according to the weighting of the corresponding component within the Underlying on the cum-distribution day and then be treated as distributions paid out by the Underlying itself on the ex-distribution day.

“**Extraordinary Intraday Adjustment**” means the Factor Adjustment by the Calculation Agent in case the Intraday Price of the Underlying on any day during the term of the Security is

- (a) in case of a Leverage Factor greater than zero: equal to or less than, or
- (b) in case of a Leverage Factor less than zero: equal to or greater than

the Protection Level.

The Factor Adjustment will be performed under the assumption that the Factor Adjustment Reference Price is exactly the Protection Level. This Extraordinary Intraday Adjustment efficiently prevents the value of the Security from becoming less than zero. In case of a Hedging Disruption, the Issuer has the right to stipulate a Factor Adjustment Reference Price different to the Protection Level, but only in such a way, that the value of the Security becomes not less than zero.

“**Factor Level**” means a level calculated on the Issue Date according to an Ordinary Daily Adjustment under the assumptions that  $d$  is zero and  $C_{prev}$  is equal to the Issue Price, converted, if necessary, to the Underlying Currency, subject to a Factor Adjustment and Distribution Adjustment.

“**Factor Adjustment**” means an Ordinary Daily Adjustment or an Extraordinary Intraday Adjustment. The Multiplier, Factor Level and Protection Level will be adjusted as follows:

$$Multiplier = s \cdot l \cdot \frac{C_{prev}}{R_{prev}}$$

Leverage reset

$$Factor\ Level = \underbrace{\frac{l-1}{l} \cdot R_{prev}}_{Value\ term} + \underbrace{R_{prev} \cdot \frac{f \cdot l - 1}{l} \cdot \frac{r_{prev} + r_M}{360} \cdot d}_{Interest\ term}$$

where:

- $s$  = 1 (one) if the Leverage Factor is greater than zero, or -1 (minus one) otherwise.
- $C_{prev}$  = the value of the Factor Certificate immediately before this Factor Adjustment calculated under the assumption that the value of the Underlying is equal to the Factor Adjustment Reference Price, i.e.  $C_{prev} = s \cdot M_{prev} \cdot (R_{prev} - FL_{prev})$ , subject to a Roll-Over Adjustment.
- $M_{prev}$  = the Multiplier in effect immediately before this Factor Adjustment
- $R_{prev}$  = Factor Adjustment Reference Price
- $FL_{prev}$  = the Factor Level in effect immediately before this Factor Adjustment
- $l$  = Leverage Factor
- $f$  = 0 (zero) if the Underlying is a Future, or 1 (one) otherwise
- $r_{prev}$  = Financing Rate in effect immediately before this Factor Adjustment
- $r_M$  = Financing Rate Margin of the Issuer
- $d$  = number of calendar days between the day of this Factor Adjustment and the previous Factor Adjustment

The Multiplier will be rounded to eight fractional digits and the Factor Level to four fractional digits. The Protection Level will be adjusted analogously to the provisions for the calculation of the Protection Level as set out below. The resulting Factor Level and Protection Level are subject to a Distribution Adjustment.

“**Factor Adjustment Reference Price**” is a Reference Price and means (i) in relation to an Ordinary Daily Adjustment: such price as specified in the Final Terms of the Underlying; or (ii) in relation to an Extraordinary Intraday Adjustment: the Protection Level in effect immediately before this Factor Adjustment.

“**Factor Adjustment Date**” is a Valuation Date and means any day after the Issue Date that is a banking business day in Austria or Germany and which is an Underlying Business Day.

“**Ordinary Daily Adjustment**” means the Factor Adjustment by the Calculation Agent on every Factor Adjustment Date at the time of the determination of the Factor Adjustment



Reference Price by the Calculation Agent. The Multiplier, Factor Level and Protection Level are constant in the period between each consecutive Ordinary Daily Adjustment, except in case of an Extraordinary Intraday Adjustment.

“**Protection Level**” means a level that

- (a) exceeds the Factor Adjustment Reference Price in case the Leverage Factor is less than zero, or
- (b) falls below the Factor Adjustment Reference Price in case the Leverage Factor is greater than zero,

by the percentage specified as Protection Level in the Final Terms.

If the Underlying is a Future, “**Roll-Over Adjustment**” means the adjustment of the value  $C_{prev}$  of the Factor Certificate during the Ordinary Daily Adjustment caused by a Roll-Over Event of the Underlying. During the Ordinary Daily Adjustment on the Effective Date of the Roll-Over the value  $C_{prev}$  is calculated based on the Roll-Over Future, i.e.  $C_{prev} = s \cdot M_{prev} \cdot (R_{prev}^{roll} - FL_{prev})$ , where  $R_{prev}^{roll}$  means the Roll-Over Reference Price of the Roll-Over Future on the preceding Factor Adjustment Date, “**Roll-Over Future**” means the Future, which was applicable as the Underlying immediately before the Roll-Over Event, and “**Roll-Over Reference Price**” means a price specified as Factor Adjustment Reference Price in the Final Terms.

The “**Leverage Factor**”, the “**Financing Rate**”, the “**Financing Rate Margin**” and the “**Distribution Amount**” are specified in the Final Terms.

## § 24 (Reinvesting Securities)

If the Final Terms specify “Reinvesting” as applicable for a Security (a “**Reinvesting Security**”), the Calculation Agent will perform a Reinvestment Adjustment during each Reinvestment Period, whereby:

“**Reinvestment Adjustment**” means each of (i) an Ordinary Reinvestment Adjustment and (ii) an Early Reinvestment Adjustment. In order to perform a Reinvestment Adjustment with regard to a specific Investment Period, the Calculation Agent will implement the following measures in the given order:

- (1) On the Investment Valuation Date, the Reinvestment Amount will be determined in accordance with its provisions, whereby (i) in case of an Ordinary Reinvestment Adjustment this will occur at the time of the determination of the Investment Reference Price and (ii) in case of an Early Reinvestment Adjustment this will occur at the later of (x) the time of the determination of the Closing Price of the Underlying or (y) the time of the determination of the Settlement Price of the Underlying.
- (2) The Non-par Value will be adjusted to the Reinvestment Amount. Until the Reinvestment Valuation Date (inclusive) and contrary to any applicable Issuer Fee in accordance with § 18, the Non-par Value will not be adjusted and remains constant.
- (3) Any parameter value which is subject to a Relative-to-Fixing Adjustment will be determined according to the provisions of such adjustment and expressed as percentage of the relevant Reinvestment Reference Price.
- (4) All parameter values which are subject to a Most-Favourable-Value Adjustment will be determined according to the provisions of such adjustment. Each so determined parameter value will be expressed in a similar manner as it is expressed in the Final Terms.
- (5) At least two Scheduled Trading Days before the Reinvestment Date, the Calculation Agent shall give notice of all parameter values determined pursuant to paragraphs (1) through (4) in accordance with § 20.
- (6) On the Reinvestment Valuation Date at the time of the determination of the Reinvestment Reference Price, the Multiplier will be determined as the Reinvestment Amount divided by the Reinvestment Reference Price, the latter being converted into the Product Currency, if necessary, and subsequently rounded to eight fractional digits.
- (7) The actual figure of each parameter value expressed as percentage of the relevant Reinvestment Reference Price will be determined and subsequently rounded to four fractional digits.

For the purpose of this provision:

If Interest Type is “Fixed” and any Interest Rate is subject to a Most-Favourable-Value Adjustment, “**Adjustment Part**” means the Bond Part, otherwise the Derivatives Part.

If the Final Terms specify that “Downward Trigger” is applicable, a “**Downward Trigger Event**”, in respect of each individual Investment Period, has occurred if any Trigger Reference Price during the Downward Trigger Observation Period was less than or equal to the Downward Trigger Level for a number of consecutive Underlying Business Days which is equal to Trigger Day Count. The Calculation Agent shall give notice of the occurrence of a Downward Trigger Event in accordance with § 20.

“**Early Reinvestment Adjustment**” means the Reinvestment Adjustment by the Calculation Agent if the Investment Period ends due to the occurrence of an Early Reinvestment Event.

At least two Scheduled Trading Days after the occurrence of either (i) an Upward Trigger Event or (ii) a Downward Trigger Event and only if no Final Valuation Date has yet been determined by the Issuer, an “**Early Reinvestment Event**” is deemed to have occurred as soon as the Calculation Agent was able to determine the Fair Market Value necessary for the proper application of an Early

Reinvestment Adjustment. The Calculation Agent shall give notice in accordance with § 20 of the occurrence of an Early Reinvestment Event and the determined Fair Market Value.

“**Fixed-Value Part**” means either the Bond Part or the Derivatives Part, whichever is not the Adjustment Part.

“**Investment Period**” means the period from (and including) the Issue Date to (and including) the first Investment Valuation Date and each period from (and including) a Reinvestment Date to (including) the immediately following Investment Valuation Date.

“**Investment Reference Price**” means a price determined in accordance with the provisions for the determination of the Final Reference Price stipulated in § 5, whereby any reference to “Final Valuation Date” shall instead refer to the Investment Valuation Date.

“**Investment Valuation Date**”, in respect of each Investment Period, means either (i) the date on which the Calculation Agent determines that an Early Reinvestment Event has occurred or (ii) the respective Scheduled Investment Valuation Date if no Early Reinvestment Event has occurred prior to such Scheduled Investment Valuation Date during the respective Investment Period.

“**Most-Favourable-Value Adjustment**” means the adjustment of parameter values subject to a Most-Favourable-Value Adjustment. The Calculation Agent will implement the following measures in the given order:

- (1) The economic value of the Security is split into (i) one part, that is dependent on the performance of the Underlying (the Derivatives Part, as defined), and (ii) a second part, that is independent of the performance of the Underlying (the Bond Part, as defined). The Fixed-Value Part and the Adjustment Part are determined in accordance with their provisions.
- (2) The market value of the Fixed-Value Part will be determined in accordance with the provisions of such part.
- (3) The target market value of the Adjustment Part (the “**Target Market Value**”) will be determined as the difference of (i) the relevant Reinvestment Amount and (ii) the market value of the Fixed-Value Part, i.e. the combined market value of the Adjustment Part and of the Fixed-Value Part will be equal to the relevant Reinvestment Amount.
- (4) If the Adjustment Part is the Bond Part, the Calculation Agent will determine all values of parameters subject to a Most-Favourable-Value Adjustment as the values as favourable as possible for the investor in the Security using commercially reasonable efforts, given that (i) the ratio between any two of those parameter values is identical to the respective ratio of the values of such parameters applicable on the Issue Date, (ii) the Bond Part expires at the Scheduled Investment Valuation Date applicable in the immediately succeeding Investment Period, and (iii) the market value of the Bond Part is equal to the Target Market Value.
- (5) If the Adjustment Part is the Derivatives Part, the Calculation Agent requests at least three Independent Financial Institutions to provide trading offers to hedge the price risks of the Derivatives Part, given that (i) the values of parameters subject to a Most-Favourable-Value Adjustment are as favourable as possible to the investor in the Security using commercially reasonable efforts, (ii) the ratio between any two of such provided parameter values is identical to the respective ratio of the values of those parameters applicable on the Issue Date, (iii) the Derivatives Part expires at the Scheduled Investment Valuation Date applicable in the immediately succeeding Investment Period, and (iv) the fair and tradable price for the Derivatives Part based on such provided parameter values is equal to the Target Market Value. Each trading offer so provided should be valid for either (x) an amount needed to hedge any price risks originating from the total issued amount of this Security, or (y) an amount as high as feasible for the relevant Independent Financial Institution. If the maximum tradable amount of the most favourable offer is less than the an amount needed to hedge any price risks originating from the total issued amount of this Security, the Calculation Agent may instead determine each parameter value subject to a Most-Favourable-Value Adjustment as average of all the relevant provided parameter values weighted in accordance with the tradable amount provided by each Independent Financial Institution, or any other parameter value more favourable to the investor in the Security.

**“Ordinary Reinvestment Adjustment”** means the Reinvestment Adjustment by the Calculation Agent if the respective Investment Period ends at a Scheduled Investment Valuation Date prior to the Final Valuation Date.

**“Reinvestment Amount”** means (i) in relation to an Ordinary Reinvestment Adjustment, an amount calculated in accordance with the provisions for the calculation of the Redemption Amount stipulated in § 23, whereby any reference to “Final Reference Price” shall instead refer to the Investment Reference Price, and (ii) in relation to an Early Reinvestment Adjustment, the Fair Market Value of the Security on the relevant Investment Valuation Date based on (a) the parameter values applicable in the current Investment Period, and (b) a relevant expiry on the immediately succeeding Scheduled Investment Valuation Date.

A **“Reinvestment Failure Event”**, which is a Product Specific Termination Event pursuant to § 12, has occurred if during the application of a Most-Favourable-Value Adjustment, the Calculation Agent, after using commercially reasonable efforts, was unable to determine any market value needed for the proper application of such adjustment. In such event, the relevant Product Specific Termination Amount shall be the respective Reinvestment Amount, and the Product Specific Termination Date shall be the respective Reinvestment Date.

**“Reinvestment Valuation Date”**, in respect of each Investment Period, means a day, which is the number of days specified in the Final Terms as Reinvestment Period Day Count after the respective Investment Valuation Date, if that Investment Valuation Date is prior to the Final Valuation Date. Otherwise, there will be no Reinvestment Valuation Date for such Investment Period.

**“Reinvestment Reference Price”** means a price determined in accordance with the provisions for the determination of the Initial Reference Price stipulated in § 5, whereby any reference to “Initial Valuation Date” shall instead refer to the Reinvestment Valuation Date.

**“Reinvestment Date”**, in respect of each Investment Period, means the Scheduled Trading Day immediately following the respective Reinvestment Valuation Date. If no Reinvestment Valuation Date is determined with regard to an Investment Period, there will be no Reinvestment Date for such Investment Period.

**“Reinvestment Period”**, in respect of each Investment Period, means any period prior to the Final Valuation Date from (and excluding) an Investment Valuation Date to (and excluding) the immediately following Reinvestment Date.

**“Relative-to-Fixing Adjustment”**, in respect of a Reinvestment Adjustment, means the adjustment of specific parameter values which are specified in the Final Terms as being subject to a Relative-to-Fixing Adjustment. On the relevant Reinvestment Date, any such parameter value will be determined as its value at the Issue Date multiplied by the Reinvestment Reference Price of the relevant Reinvestment Period and divided by the Initial Reference Price.

**“Scheduled Investment Valuation Date”**, in respect of each Investment Period, means such date as specified in the Final Terms.

If the Final Terms specify that “Upward Trigger” is applicable, an **“Upward Trigger Event”**, in respect of each individual Investment Period, has occurred if any Trigger Reference Price during the Upward Trigger Observation Period was greater than or equal to the Upward Trigger Level for a number of consecutive Underlying Business Days which is equal to Trigger Day Count. The Calculation Agent shall give notice of the occurrence of an Upward Trigger Event in accordance with § 20.

The **“Trigger Reference Price”**, the **“Trigger Day Count”**, the **“Downward Trigger Observation Period”**, the **“Downward Trigger Level”**, the **“Upward Trigger Observation Period”** and the **“Upward Trigger Level”** are specified in the Final Terms.

## **ANNEX 1 TO THE TERMS AND CONDITIONS**

The Exercise Notice on the following page is to be used in case the respective Securities Depository does not provide a specific notice to be used in conjunction with the exercise of securities, which are held by such Securities Depository for safekeeping on behalf of the Securityholder.

# Exercise Notice



to

Name and address of Securities Depository

*Any capitalised terms not defined herein shall bear the same meaning as given to such terms in the Base Prospectus for the Securities.*

## Information on the Securityholder

Name: \_\_\_\_\_ Contact person (if different): \_\_\_\_\_

Address:

Email: \_\_\_\_\_

Phone (working hours): \_\_\_\_\_ Fax: \_\_\_\_\_

## Information on the Security

ISIN: \_\_\_\_\_ Product name or description: \_\_\_\_\_

## Exercise details

Number of units/nominal amount to be exercised: \_\_\_\_\_

Bank account  
to which any cash amount is to be credited  
or  
from which any due amount is to be debited

## Contact details of Raiffeisen Centrobank

Address: Corporate Actions & Dividends, Raiffeisen Centrobank AG, Tegetthofstraße 1, 1010 Vienna, Austria

Phone: +43 1 51520 - 423 or +43 1 51520 - 426 Fax: +43 1 51520 - 5428

Email: securities-exercises@rcb.at

By underwriting this Exercise Notice and delivering it in due time to the Securities Depository, the Securityholder

- exercises the specified number of units/nominal amount of the Security with immediate effect in accordance and subject to § 8 of the Terms and Conditions;
- instructs the Securities Depository to debit the bank account indicated above with any due amount according to § 3 (5) of the Terms and Conditions and transfer such amount on time to the Issuer;
- in case of physical settlement of Put Warrants: undertakes to deliver a number of Reference Assets equal to the Reference Asset Quantity to the Delivery Agent by (i) if necessary, delivering the relevant number of Reference Assets to the Securities Depository, (ii) instructing the Securities Depository to deliver in due time such number of Reference Assets to the Delivery Agent;
- in case the Terms and Conditions foresee the physical delivery of Reference Assets to the Securityholder: instructs the Securities Depository to accept on behalf of the Securityholder any number of Reference Assets delivered by the Delivery Agent;
- instructs the Securities Depository to provide the Paying Agent in due time with any relevant information in English or German language regarding the exercise of the Security, including amongst others the ISIN of the Security, the number of units resp. nominal amount to be exercised and – as applicable – delivery or settlement instructions and a cash account;
- certifies that neither the Securityholder nor the beneficial owner of the Securities is a "U.S. person" as specified in Regulation S promulgated under the United States Securities Act of 1933;
- authorises the production of this Exercise Notice in any applicable administrative or legal proceedings and consents to the disclosure to the Issuer and all relevant Agents of any data strictly necessary for the duly execution of this exercise of Securities.

This Exercise Notice is binding and irrevocable.

\_\_\_\_\_  
Place and Date

\_\_\_\_\_  
Signature of the Securityholder

# FORM OF FINAL TERMS FOR SECURITIES



## FINAL TERMS

Series No. [●]

dated [●]

Issue of [up to] [Aggregate Principal Amount of Series] [Number] [Reinvesting] [Title of Securities][Interest Type] on [Underlying][with Credit Reference Entity [insert Credit Reference Entity and – if any – founder of Credit Reference Entity]] ([“Marketing name”, ] the “Securities”)

under the Structured Securities Programme

in connection with the Base Prospectus dated 11 May 2018

for the Structured Securities Programme of

Raiffeisen Centrobank Aktiengesellschaft

[Please insert one or more of the following warnings as applicable]

**LIMITED VALIDITY:** THE BASE PROSPECTUS DATED 11 MAY 2018 WILL PRESUMABLY BE VALID UNTIL 11 MAY 2019. AT LEAST ONE BANKING BUSINESS DAY BEFORE SUCH DATE, THE ISSUER INTENDS TO HAVE AN UPDATED AND APPROVED BASE PROSPECTUS PUBLISHED AND THE FINAL TERMS SHOULD BE READ IN CONJUNCTION WITH SUCH NEW BASE PROSPECTUS WHICH WILL BE MADE AVAILABLE TO INVESTORS ON THE ISSUER'S WEBSITE (www.rcb.at – The Bank – Publications – Securities Prospectus).

[insert in case the single administrator/benchmark is registered: **USE OF A BENCHMARK:** THE SECURITIES REFERENCE A BENCHMARK PROVIDED BY AN ADMINISTRATOR, WHICH IS INCLUDED IN THE PUBLIC REGISTER MAINTAINED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY IN ACCORDANCE WITH ARTICLE 36 OF THE REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL.]

[insert in case the single administrator/benchmark is not registered: **USE OF A BENCHMARK:** THE SECURITIES REFERENCE A FIGURE (THE “BENCHMARK”), WHICH ACCORDING TO THE ISSUER'S ASSESSMENT SHOULD BE A BENCHMARK PURSUANT TO ARTICLE 3 OF THE REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE

COUNCIL (THE “BENCHMARK REGULATION”). AT THE DATE OF THESE FINAL TERMS, NEITHER THE BENCHMARK NOR ITS ADMINSTRATOR (THE “ADMINISTRATOR”) IS INCLUDED IN THE PUBLIC REGISTER (THE “REGISTER”) MAINTAINED BY THE EUROPEAN SECURITIES AND MARKET AUTHORITY IN ACCORDANCE WITH ARTICLE 36 OF THE BENCHMARK REGULATION. AS FAR AS THE ISSUER IS AWARE, THE TRANSITIONAL PROVISIONS IN ARTICLE 51 OF THE BENCHMARK REGULATION APPLY, AND THEREFORE, THE BENCHMARK MAY BE USED EVEN IF NEITHER THE ADMINISTRATOR NOR THE BENCHMARK IS INCLUDED IN THE REGISTER. POTENTIAL PURCHASERS OF THE SECURITIES SHOULD BE AWARE THAT THE SECURITIES MIGHT HAVE TO BE REDEEMED EARLY IF THE ADMINISTRATOR FAILS TO REGISTER ITSELF AND/OR THE BENCHMARK BEFORE THE END OF THE TRANSITIONAL PERIOD.]

*[insert in case all administrators/benchmarks are registered:* **USE OF MULTIPLE BENCHMARKS:** THE SECURITIES REFERENCE MULTIPLE BENCHMARKS PROVIDED BY ADMINISTRATORS, WHICH ARE INCLUDED IN THE PUBLIC REGISTER MAINTAINED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY IN ACCORDANCE WITH ARTICLE 36 OF THE REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL.]

*[insert in case all administrators/benchmarks are not registered:* **USE OF MULTIPLE BENCHMARKS:** THE SECURITIES REFERENCE MULTIPLE FIGURES (EACH A “BENCHMARK”), WHICH ACCORDING TO THE ISSUER’S ASSESSMENT SHOULD BE BENCHMARKS PURSUANT TO ARTICLE 3 OF THE REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (THE “BENCHMARK REGULATION”). AT THE DATE OF THESE FINAL TERMS, NEITHER THE BENCHMARKS NOR ITS ADMINSTRATORS (EACH AN “ADMINISTRATOR”) ARE INCLUDED IN THE PUBLIC REGISTER (THE “REGISTER”) MAINTAINED BY THE EUROPEAN SECURITIES AND MARKET AUTHORITY IN ACCORDANCE WITH ARTICLE 36 OF THE BENCHMARK REGULATION. AS FAR AS THE ISSUER IS AWARE, THE TRANSITIONAL PROVISIONS IN ARTICLE 51 OF THE BENCHMARK REGULATION APPLY, AND THEREFORE, THE BENCHMARKS MAY BE USED EVEN IF NEITHER THE ADMINISTRATORS NOR THE BENCHMARKS ARE INCLUDED IN THE REGISTER. POTENTIAL PURCHASERS OF THE SECURITIES SHOULD BE AWARE THAT THE SECURITIES MIGHT HAVE TO BE REDEEMED EARLY IF THE ADMINISTRATORS FAIL TO REGISTER THEMSELVES AND/OR THE BENCHMARKS BEFORE THE END OF THE TRANSITIONAL PERIOD.]

*[insert in case some administrators/benchmarks are registered and some are not:* **USE OF MULTIPLE BENCHMARKS:** THE SECURITIES REFERENCE (I) BENCHMARKS PROVIDED BY ADMINISTRATORS, WHICH ARE INCLUDED IN THE PUBLIC REGISTER (THE “REGISTER”) MAINTAINED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY IN ACCORDANCE WITH ARTICLE 36 OF THE REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (THE “BENCHMARK REGULATION”), BUT ALSO (II) FIGURES (EACH AN “EXPECTED BENCHMARK”), WHICH ACCORDING TO THE ISSUER’S ASSESSMENT SHOULD BE BENCHMARKS PURSUANT TO ARTICLE 3 OF THE BENCHMARK REGULATION. AT THE DATE OF THESE FINAL TERMS, NEITHER THE EXPECTED BENCHMARKS NOR ITS ADMINSTRATORS (EACH AN “EXPECTED ADMINISTRATOR”) ARE INCLUDED IN THE REGISTER. AS FAR AS THE ISSUER IS AWARE, THE TRANSITIONAL PROVISIONS IN ARTICLE 51 OF THE BENCHMARK REGULATION APPLY, AND THEREFORE, THE EXPECTED BENCHMARKS MAY BE USED EVEN IF NEITHER THE EXPECTED ADMINISTRATORS NOR THE EXPECTED BENCHMARKS ARE INCLUDED IN THE REGISTER. POTENTIAL PURCHASERS OF THE SECURITIES SHOULD BE AWARE THAT THE SECURITIES MIGHT HAVE TO BE REDEEMED EARLY IF THE EXPECTED ADMINISTRATORS FAIL TO REGISTER THEMSELVES AND/OR THE EXPECTED BENCHMARKS BEFORE THE END OF THE TRANSITIONAL PERIOD.]

**[RESTRICTIONS ON THE OFFER:** [THE SECURITIES ARE NOT INTENDED FOR [RETAIL CLIENTS][,][PROFESSIONAL CLIENTS][OR][ELIGIBLE COUNTERPARTIES].] THE



SECURITIES MAY ONLY BE OFFERED IN LINE WITH THE APPLICABLE MIFID II PRODUCT GOVERNANCE REQUIREMENTS AS SET OUT IN THE KEY INFORMATION DOCUMENT (WHICH IS AVAILABLE ON THE ISSUER'S WEBSITE) AND/OR AS DISCLOSED BY THE ISSUER ON REQUEST.]

*[insert other required warnings]*

**[WARNING:** POTENTIAL PURCHASERS OF THESE SECURITIES SHOULD BE AWARE THAT THE SECURITIES ARE CREDIT LINKED AND THEREFORE THE INVESTORS ARE EXPOSED TO A HIGH ADDITIONAL RISK OF A TOTAL LOSS. IF A CREDIT EVENT OCCURS, THE REDEMPTION AMOUNT IN RESPECT OF EACH SECURITY WILL BE REDUCED ACCORDINGLY (POTENTIALLY DOWN TO ZERO) AND/OR INTEREST PAYMENTS WILL BE TERMINATED. THUS, THE HOLDERS OF SUCH SECURITIES HAVE, IN ADDITION TO THE RISKS ASSOCIATED WITH THE ISSUER, TO BEAR RISKS, IN PARTICULAR THE INSOLVENCY RISK, RELATING TO THE CREDIT REFERENCE ENTITY. [FURTHERMORE, THE CREDIT REFERENCE ENTITY'S ABILITY TO REDEEM THE CREDIT REFERENCE OBLIGATION IS SEVERELY LIMITED BY ITS BUSINESS AND TRADING ACTIVITY: AS THE CREDIT REFERENCE ENTITY WAS FOUNDED FOR THE SOLE PURPOSE OF ISSUING NOTES AND THE FUNDS INVESTED IN SUCH NOTE WILL BE EXTENDED AS A LOAN BY THE CREDIT REFERENCE ENTITY TO THE CREDIT REFERENCE ENTITY FOUNDER, THE HOLDERS OF THE SECURITIES IN ADDITION HAVE TO BEAR THE INSOLVENCY RISK OF THE CREDIT REFERENCE ENTITY FOUNDER. BESIDES THE AFOREMENTIONED ACTIVITIES, THE CREDIT REFERENCE ENTITY HAS NO SIGNIFICANT COMMERCIAL ACTIVITY, AND IT DOES NOT RECEIVE ANY MATERIAL INCOME OTHER THAN THE REPAYMENTS AND INTEREST PAYMENTS IN RELATION TO THE LOANS TO THE CREDIT REFERENCE ENTITY FOUNDER. IF A LOAN IS NOT REPAYED BY THE CREDIT REFERENCE ENTITY FOUNDER WHEN DUE FOR WHATEVER REASON, THE CREDIT REFERENCE ENTITY WILL VERY LIKELY BE UNABLE TO REDEEM THE RELEVANT CREDIT REFERENCE OBLIGATION AND THUS, A CREDIT EVENT WILL OCCUR.] [IF THE CREDIT REFERENCE ENTITY BECOMES INSOLVENT OR UNABLE TO PAY ITS DEBT AND/OR REPAY THE CREDIT REFERENCE OBLIGATION, A CREDIT EVENT WILL OCCUR.]]

**[CONFIRMATION: BY ACQUIRING A SECURITY, EACH INVESTOR HERewith CONFIRMS THAT (i) IT IS AWARE OF THE ABOVE RISK WARNING, AND PARTICULARLY THE DEPENDENCE OF THE SECURITIES ON THE SOLVENCY OF THE CREDIT REFERENCE ENTITY [AND THE CREDIT REFERENCE ENTITY FOUNDER]; (ii) IT HAS CAREFULLY READ AND UNDERSTOOD THE ENTIRE FINAL TERMS [INCLUDING THE ANNEXES TO THE FINAL TERMS] AND THE RELEVANT SECTIONS OF THE BASE PROSPECTUS.]**

These Final Terms relate to the base prospectus dated 11 May 2018 as amended by the relevant supplements, if any, (the “**Base Prospectus**”) as long as this Base Prospectus is valid (which will presumably be 11 May 2019).

**The Final Terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended) (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus and its supplement(s) (if any). Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (including any supplements, if any, thereto and the documents incorporated by reference). The term “Prospectus” means the Base Prospectus which shall be considered together with the information included in the relevant Final Terms and the issue-specific summary.**

The Final Terms to the Prospectus are represented in the form of a separate document according to Article 26 (5) of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the “**Prospectus Regulation**”).

The subject of the Final Terms is determined by Article 22 (4) of the Prospectus Regulation. Accordingly, the Final Terms (i) contain new information in relation to information items from the securities note schedules which are listed as Categories B and C in Annex XX of the Prospectus Regulation, and (ii) replicate or make reference to options already provided for in the Base Prospectus which are applicable to the individual series of Securities. Consequently, within the relevant options all information items are required to be completed and if information items are not applicable the item shall appear in the Final Terms with the mention “not applicable”.

**The Base Prospectus, any supplements thereto and the Final Terms are published by making them available free of charge at specified office of Raiffeisen Centrobank AG at Tegetthoffstraße 1, 1010 Vienna, Austria. Furthermore, these documents are published in electronic form on the website of the Issuer (www.rcb.at).**

**An issue specific summary, fully completed for the Securities, is annexed to these Final Terms.**

**[A summary on the Credit Reference Entity Founder is annexed to these Final Terms.]**

These Final Terms are issued to give details of an issue under the Structured Securities Programme of Raiffeisen Centrobank Aktiengesellschaft (the “**Programme**”) and are to be read in conjunction with the Terms and Conditions of the Securities (the “**Terms and Conditions**”) set forth in the Base Prospectus dated 11 May 2018, as the same may be supplemented from time to time. Capitalised Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

Save as disclosed in item 34 below, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

All references in these Final Terms to numbered sections are to sections of the Terms and Conditions and all provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Securities (the “**Conditions**”).

The Issuer accepts responsibility for the information contained in these Final Terms and declares, that having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is, to the best knowledge, in accordance with the facts and contains no omission likely to affect its import, save for the information regarding (the issuer(s) of) the relevant underlying(s). The information included herein with respect to (the issuer(s) of) the relevant underlying(s) consists of extracts from, or summaries of, annual reports and other publicly available information. The Issuer makes no representation that any publicly available information or any other publicly available documents regarding (the issuer(s) of) the relevant underlying(s) are accurate and complete and does not accept any responsibility in respect of such information. There can be no assurance that all events occurring prior to the date of these Final Terms that would affect the trading price of the relevant underlying(s) (and therefore the trading price and value of the Securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning the relevant underlying(s) could affect the trading price and value of the Securities.

These Final Terms do not constitute an offer to buy or the solicitation of an offer to sell any Securities or an investment recommendation. Neither the delivery of these Final Terms nor any sale hereunder

shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Underlyings since the date hereof or that the information contained herein is correct as of any date subsequent to this date.

The distribution of these Final Terms and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on the offering and sale of the Series, see the Base Prospectus as supplemented or amended by these Final Terms.

## A. CONTRACTUAL INFORMATION

### GENERAL PROVISIONS RELATING TO THE SECURITIES

**IMPORTANT NOTE:** Next to the below headings of certain items certain §§ of the Terms and Conditions to which these items (*inter alia*) relate may be indicated but such items may be relevant for other §§, also. Investors may not rely on that the below items only relate to the indicated §§.

1. **Issuer:** [Raiffeisen Centrobank Aktiengesellschaft]  
[Raiffeisen Centrobank Aktiengesellschaft acting through its permanent Slovak branch]
  
2. **Identification:** [ISIN: *Insert ISIN*]  
[CFI: *Insert CFI*]  
[German *Wertpapierkennnummer*: *insert*]  
[Common Code: *Insert Common Code*]
  
3. **Product Currency** (cf § 1): [Quanto] [●]
  

<b>[Currency Conversions</b> (cf § 14):	<b>Currency pair</b>	<b>Exchange rate</b>
	[ <i>insert currency pair</i> ]	[ <i>insert description of the FX Rate</i> ]
	[●]	[●]
	[Continue table as appropriate.]	

  
4. **Product Type** (cf § 23): [Winner Guarantee Certificates (eusipa 1100)]  
[Winner Certificates (eusipa 1100)] [Capped Winner Guarantee Certificates (eusipa 1120)] [Capped Winner Certificates (eusipa 1120)] [Barrier Winner Guarantee Certificates (eusipa 1130)] [Barrier Winner Certificates (eusipa 1130)] [Guarantee Certificates (eusipa 1140)] [Protected Certificates (eusipa 1140)] [Step-Up Guarantee Certificates (eusipa 1199)] [Step-Up Certificates (eusipa 1199)] [Step-Down Guarantee Certificates (eusipa 1199)] [Step-Down Certificates (eusipa 1199)] [Express Safe Guarantee Certificates (eusipa 1199)] [Express Safe Certificates (eusipa 1199)] [Reverse Express Safe Guarantee Certificates (eusipa 1199)] [Reverse Express Safe Certificates (eusipa 1199)] [Range Winner Guarantee Certificates (eusipa 1199)] [Range Winner Certificates (eusipa 1199)] [Stay-Above Guarantee Certificates (eusipa 1199)] [Stay-Above Certificates (eusipa 1199)] [Capped Twin-Win Safe Guarantee Certificates (eusipa 1199)] [Capped Twin-Win Safe Certificates (eusipa 1199)] [Bonus Safe Guarantee Certificates (eusipa 1199)] [Bonus Safe Certificates (eusipa 1199)] [Discount Certificates (eusipa 1200)] [Reverse Convertibles (eusipa 1220)] [Protected Reverse Convertibles (eusipa 1230)] [Capped Bonus Certificates (eusipa 1250)] [Express Certificates (eusipa 1260)] [Capped Twin-Win Certificates (eusipa 1299)] [Capped Reverse Bonus Certificates (eusipa 1299)] [Inversion Certificates (eusipa 1299)] [Reverse Inversion Certificates (eusipa 1299)] [Index Certificates (eusipa 1300)] [Participation Certificates (eusipa 1300)]

- [Outperformance Certificates (eusipa 1310)] [Bonus Certificates (eusipa 1320)] [Twin-Win Certificates (eusipa 1340)] [Call Warrants (eusipa 2100)] [Put Warrants (eusipa 2100)] [Capped Call Warrants (eusipa 2110)] [Capped Put Warrants (eusipa 2110)] [Turbo Long Certificates (eusipa 2210)] [Turbo Short Certificates (eusipa 2210)] [Factor Certificates (eusipa 2300)]
5. **Interest Payment (and Type)** (cf § 4): [Not applicable] [Fixed] [Variable]
6. **Underlying Type** (cf §§ 6, 9): [Index] [Equity] [Fund Share] [Commodity] [FX Rate] [Interest Rate] [Future] [Basket] [for the calculation of the Redemption Amount] [for the calculation of the Variable Interest Rate]
7. **[Aggregate Principal Amount]/[Number of Units]:** [Up to] [*Insert amount/number*]
8. **Issue Price:** [*Insert Product currency*] [*insert amount*] / [*Insert number*] % [of the Specified Denomination] / [*Insert number*] % [of the Initial Reference Price [multiplied by the Multiplier] [and converted into the Product Currency] [and expressed (“Quanto”) in the Product Currency]]
9. **Issue Surcharge:** [An issue surcharge of [*insert percentage*]% of the [Specified Denomination]] [*insert amount in Product Currency*] per Security] will be charged] [An issue surcharge of up to [*insert percentage*]% of the [Specified Denomination]] [*insert amount in Product Currency*] per Security] may be charged] [Not applicable]
10. **Type of Quotation** (cf § 7): [Par value] [Non-par value] [dirty, i.e. accrued interest is included in the quoted price] [clean, i.e. accrued interest is not included in the quoted price]
- [Initial Exchange Rate:** [*Insert exchange rate*] [*Delete sub-paragraph if not applicable*]]
- [Multiplier:** [*Insert number*] [[[*Insert number*] % of the Issue Price] [[*Insert number*] % of the Non-par Value] [divided by the Strike] [divided by the Initial Reference Price]] [, the latter being converted into the Product Currency.] [, the latter being expressed (“Quanto”) in the Product Currency.] [The resulting value will be rounded to [●] digits after the comma.] [The Multiplier is subject to Issuer Fee related adjustments.] [The Multiplier is subject to Reinvestment Adjustments.] [The Multiplier is subject to Issuer Fee related adjustments and Reinvestment Adjustments.] [*Delete sub-paragraph if not applicable*]]
11. **[Specified Denomination] [Non-par Value]** (cf § 1): [*Insert denomination/non-par value*][, subject to Issuer Fee related adjustments.][, subject to Reinvestment Adjustments.][, subject to Issuer Fee related adjustments and Reinvestment Adjustments.]

- [[●] % of the Initial Reference Price [, converted into the Product Currency][, expressed (“Quanto”) in the Product Currency]] [Not applicable]
12. **Initial Valuation Date** (cf § 5): **[Insert date]**
13. **Initial Reference Price** (cf § 5): [Closing Price] [Settlement Price] [and the following Minimum Entry Valuation Date(s): **[insert dates]**] [and the following Maximum Entry Valuation Date(s): **[insert dates]**] [and the following Averaging Entry Valuation Date(s): **[insert dates]**] **[Insert amount in Underlying Currency]**
14. **Issue Date** (cf § 1): **[Insert date]**
15. **Final Valuation Date** (cf § 5): **[Insert date]** [The Securities do not have a fixed maturity date (“open-end”).]
16. **Final Reference Price** (cf § 5): [Closing Price] [Settlement Price] [Fixing Rate] [Settlement Rate] [and the following Minimum Valuation Date(s): **[insert dates]**] [and the following Maximum Valuation Date(s): **[insert dates]**] [and the following Averaging Valuation Date(s): **[insert dates]**]
17. **Maturity Date** (cf § 3): **[Insert date]** [The Securities do not have a fixed maturity date (“open-end”).]
18. **Exercisable Securities** (cf § 8): [Yes] [No] **[In case of Securities which are not exercisable, delete following sub-paragraphs]**
- (i) Exercise Style: [European] [American] [Bermudan] [Automatic Exercise applies]
- [(ii) Minimum Exercise Number: **[Insert]** ]
- [(ii) Minimum Exercise Amount: **[Insert]** ]
- [(iii) Scheduled Exercise Dates: **[Insert dates]** **[In case of any Exercise Style other than Bermudan, delete this sub-paragraph]**]
19. **Settlement Method** (cf § 3): [Cash] [Physical] [Conditional]
- [Provisions for Physical Delivery: **[If not applicable, delete this sub-paragraph]****
- (i) Reference Asset: **[Insert description or other identification]** [the Underlying] [the Underlying Currency] [the Base Currency of the Underlying] [the Least Value Component applicable for the determination of the Final Reference Price] [the Greatest Value Component applicable for the determination of the Final Reference Price]
- (ii) (Provisions for the calculation of the Reference Asset Quantity: **[Insert number]** **[[Insert number] % of the Issue Price]** **[[Insert number] % of the Non-par Value]** **[[Insert number] % of the Specified Denomination]** [divided by the Multiplier of the Reference Asset, which is in effect on the Final Valuation Date of the Security, and] [multiplied by the Component

Quantity of the Reference Asset, and] [divided by the Strike] [divided by the Initial Reference Price]] [, the latter being converted into the Product Currency.] [, the latter being expressed (“Quanto”) in the Product Currency.] [The resulting value will be rounded to [●] digits after the comma.] [The Multiplier] [The Multiplier of the Security divided by the Multiplier of the Reference Asset, which is in effect on the Final Valuation Date of the Security] [The Multiplier multiplied by the Component Quantity of the Reference Asset] [The Component Quantity of the Reference Asset] [*Delete sub-paragraph if not applicable*]

(iii) Delivery Agent: [*Insert name and address*]

(iv) Disruption Cash Settlement Amount: [●] [An amount equal to the official closing price of the Reference Asset on the postponed Maturity Date multiplied by the Reference Asset Quantity and, if necessary, converted to the Product Currency.] ]

**20. Provisions for the Underlying [for the calculation of the Redemption Amount] (cf § 6):** [*If not applicable, delete this sub-paragraph and insert: Not applicable.*]

*[If the Underlying is an Index, insert the following paragraphs, if not, delete the following paragraphs:*

(i) Index (Underlying): [*Insert name of the Index and details on where information about the index can be obtained*]

[*Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.*]

[*Insert index disclaimer and/or trademarks*]

(ii) Index Sponsor: [*Insert name*]

(iii) Related Exchange(s): [*Insert name(s)*] [All Exchanges]

(iv) Underlying Currency: [*Insert currency*] ]

*[If the Underlying is Equity, insert the following paragraphs, if not, delete the following paragraphs:*

(i) Shares (Underlying): [*Insert name of the Issuer of the shares and the shares' ISIN*]

[*Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.*]

(ii) Exchange: [*Insert name*]

(iii) Related Exchange(s): [*Insert name(s)*] [All Exchanges]

(iv) Underlying Currency: [*Insert currency*] ]

*[If the Underlying is Fund Shares, insert the following paragraphs, if not, delete the following*

**paragraphs:**

- (i) Fund Shares (Underlying): ***[Insert name of the Issuer of the fund shares and the fund shares' ISIN]***
- [Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.]***
- [(ii) Exchange: ***[Insert fund disclaimer and/or trademarks]***  
***[Insert name]***
- (iii) Related Exchange(s): ***[Insert name(s)] [All Exchanges] ]***
- (●) Underlying Currency: ***[Insert currency]***
- (●) Other Cut-off Period: ***[Insert period]*** [Eight Scheduled Trading Days immediately following the original date][Not applicable.]
- (●) Extraordinary Fund Event: [Fund Insolvency Event] [NAV Trigger Event with a NAV Trigger Percentage of ***[insert percentage]*** within a NAV Trigger Period of ***[insert period]***] [Adviser Resignation Event] [Fund Modification] [Strategy Breach] [Regulatory Action] [Reporting Disruption] [Not applicable.] ]

***[If the Underlying is a Commodity, insert the following paragraphs, if not, delete the following paragraphs:***

- (i) Relevant Commodity (Underlying): ***[Insert description of the Relevant Commodity]***
- [Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.]***
- (ii) Exchange: ***[Insert commodity disclaimer and/or trademarks]***  
***[Insert name]***
- (iii) Price Source: ***[Insert name]*** [Not applicable.]
- (iv) Underlying Currency: ***[Insert currency]***
- (v) First Alternate Reference Price: ***[Insert]*** [Not applicable.] ]

***[If the Underlying is a FX Rate, insert the following paragraphs, if not, delete the following paragraphs:***

- (i) Relevant FX Rate (Underlying): ***[Insert description of the FX Rate]***
- [Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.]***
- (ii) Underlying Currency: ***[Insert currency]***
- (iii) Base Currency: ***[Insert currency]***



- (iv) Further Event Currencies: **[Insert currency]** [Not applicable.]
- (v) Price Materiality Percentage: **[Insert percentage]**
- (vi) Primary Rate: **[Insert rate]**
- (vii) Secondary Rate: **[Insert rate]**
- (viii) Price Source: **[Insert name]** [Not applicable.]
- (ix) Specified Financial Centres: **[Insert]**
- (x) First Alternate Reference Price: **[Insert]** [Not applicable.] ]

***[If the Underlying is an Interest Rate, insert the following paragraphs, if not, delete the following paragraphs:***

- (i) Relevant Interest Rate (Underlying): **[Insert description of the Relevant Interest Rate]**  
***[Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.]***
- (ii) Price Source: **[Insert name]** [Not applicable.]
- (iii) Underlying Currency: **[Insert currency]**
- (iv) Specified Financial Centres: **[Insert]** ]

***[If the Underlying is a Future, insert the following paragraphs, if not, delete the following paragraphs:***

- (i) Future (Underlying): **[Insert name of the Issuer of the Future and the Future's ISIN]**  
***[Insert indication where information about the past and the further performance of the underlying and its volatility can be obtained.]***
- (ii) Underlying Currency: **[Insert currency]**
- (iii) Future Base Value Provisions: [Applicable.] [Not applicable.]  
Future Base Value: **[Insert description/name and reference place]**  
***[Delete line if Future Base Value Provisions do not apply.]***
- (iv) Exchange: **[Insert name]**
- (v) Roll-Over: [Next Future] [New Future] [None]
- (vi) Effective Date: **[insert date]** ]

***[If the Underlying is a Basket, insert the following paragraphs, if not, delete the following paragraphs:***

- (i) Basket (Underlying):  

Basket Component	[Component] Quantity [indicative]	[Initial] [Weighting]	[Insert Basket-type related additional columns (e.g. for Cappuccino Basket)]

[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

[Continue table as appropriate.]

- [Quantity Determination Price: [Closing Price] [Settlement Price] [Intraday Price] [Regular Intraday Price] *[Delete line if quantities are not indicative.]* ]
- [Date of Quantity Indication: *[insert date] [Delete line if not applicable.]* ]
- (ii) Underlying Currency: [Quanto] *[Insert currency]*
- (iii) Basket Type: [Cappuccino Basket] [Value-weighted Basket] [Best-of Basket] [Worst-of Basket] [Minimum-deviation] [Maximum-deviation] [Conventional Basket]

***[In case of Cappuccino Basket, insert the following columns at the right end of the table contained in (i) above, if other Basket Type, delete following sub-paragraph:***

Cappuccino Floor [*]	Cappuccino Level [*]	Cappuccino Cap [*]
<i>[Insert Basket Component Currency] [Insert Cappuccino Floor] [●]% [; might be increased to [●]% by the Issuer on the Initial Valuation Date.]</i>	<i>[Insert Basket Component Currency] [Insert Cappuccino Level] [●]% [; might be reduced to [●]% by the Issuer on the Initial Valuation Date.]</i>	<i>[Insert Basket Component Currency] [Insert Cappuccino Cap] [●]% [; might be increased to [●]% by the Issuer on the Initial Valuation Date.]</i>
[●]	[●]	[●]
[●]	[●]	[●]

[Continue table as appropriate.]

[\*] The values below are specified as [percentage of the Closing Price] [percentage of the Settlement Price] [percentage of the Fixing Rate] of the respective Basket Component on the Initial Valuation Date]]

***[In case of Minimum-deviation or Maximum-deviation Basket, insert the following column at the right end of the table contained in (i) above, if other Basket Type, delete following sub-paragraph:***

Deviation Reference Level [*]
<i>[Insert Basket Component Currency] [Insert Deviation Reference Level] [insert percentage]</i>
[●]

[Continue table as appropriate.]

[\*] The values below are specified as [percentage of the Closing Price] [percentage of the Settlement Price] [percentage of the Fixing Rate] of the respective Basket Component on the Initial Valuation Date]]

***[In case of a Value-weighted Basket, insert if other Basket Type, delete following sub-paragraph:***

Value Weightings
<i>[insert percentages] [insert weightings]</i>
[●]
[●]
[●]

[Continue table as appropriate.]

(iv) Common Pricing:	[Applicable.] [Not applicable.]
(v) Cash Distribution:	[Applicable.] [Not applicable. <i>If not applicable, delete sub-paragraph below</i> ]
Cash Distribution Date(s):	<b>[Insert dates]</b>
(vi) Basket Adjustment:	[Volatility Adjusted] [Reinvestment] [Weighting Reset] [Barrier Event Kick-Out] [Supervised Basket] <b>[Delete any sub-paragraphs below which are not required]</b> [None. <i>If applicable, delete sub-paragraph below</i> ]
[Basket Adjustment Date (s):	<b>[Insert ]</b>
[Basket Weighting Reset:	<b>[Insert ]</b>
[Basket Weighting Lower Limit:	<b>[Insert ]</b>
[Basket Weighting Upper Limit:	<b>[Insert ]</b>
[Reinvestment:	[Component] [Basket] [Cash]]
[Basket Distribution Amount:	<b>[[insert percentage]</b> of the Gross Amount][ <b>insert percentage</b> ] of the Net Amount][the Gross Amount][the Net Amount] [of any distribution][of any dividend][of any Extraordinary Dividend][of any Ordinary Dividend]]
[Basket Volatility Component:	<b>[Insert ]</b>
[Basket Cash Component:	<b>[Insert ]</b>
[Realized Volatility Reference Price:	<b>[Insert ]</b>
[Realized Volatility Days:	<b>[Insert ]</b>
[Realized Volatility Determination Days:	<b>[Insert ]</b>
[Cash Interest Rate:	<b>[Insert ]</b>
[Weighting Table:	<b>[Insert ]</b>
[Component Removal:	[Trigger] [Remaining] ]
[Basket Components Minimum Number:	<b>[Insert ]</b>
[Basket Supervisor:	<b>[Insert name of and further information about the Basket Supervisor and indicate where investors can receive information on the Basket Supervisor] ]</b>
[Supervised Basket Name:	<b>[Insert name of the Supervised Basket and details on where information about the basket and its composition can be obtained] ] ]</b>

**[Further information for investors resulting from contractual information:]**

Basket Component specific barrier levels (“Component barrier level”):

Basket Component	Component barrier level
<i>[insert name of Basket Component]</i>	<i>[insert Currency] [insert level]</i>
<i>[•]</i>	<i>[•]</i>

*[Continue table as appropriate.]*

21. Provisions for the Underlying for the calculation of the Variable Interest Rate (cf § 6): *[If required, insert relevant provisions analogous to the above paragraph, if not applicable insert: Not applicable.] [See item 20]*

22. Redemption Amount Provisions (cf § 23):

*[In case of Winner Guarantee Certificates (eusipa 1100) or Winner Certificates (eusipa 1100), insert:*

- (i) Protection Amount: *[insert “amount information” as: [[insert Product Currency] [insert amount]] [[insert percentage] % of the Specified Denomination] [; might be increased to [[Product Currency] [insert amount]] [[insert percentage] % of the Specified Denomination] by the Issuer on the Initial Valuation Date] [, subject to a Most-Favourable-Value Adjustment]]*
- (ii) Strike: *[insert “level information” as: [[insert Underlying Currency] [insert level]] [[insert percentage] % of the Initial Reference Price] [; might be reduced to [insert percentage] % of the Initial Reference Price by the Issuer on the Initial Valuation Date.] [; might be increased to [insert percentage] % of the Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]]*
- (iii) Participation: *[insert “percentage information” as: [insert percentage] % [; might be increased to [insert percentage] % by the Issuer on the Initial Valuation Date.] [, subject to a Most-Favourable-Value Adjustment]]*

*[In case of Capped Winner Guarantee Certificates (eusipa 1120) or Capped Winner Certificates (eusipa 1120), insert:*

- (i) Protection Amount: *[insert amount information as described above]*
- (ii) Strike: *[insert level information as described above]*
- (iii) Cap: *[insert level information as described above]*
- (iv) Participation: *[insert percentage information as described above]*

*[In case of Barrier Winner Guarantee Certificates (eusipa 1130) or Barrier Winner Certificates (eusipa 1130), insert:*

- (i) Protection Amount: *[insert amount information as described above]*
- (ii) Strike: *[insert level information as described above]*
- (iii) Participation: *[insert percentage information as described above]*

- (iv) Fallback Amount: *[insert amount information as described above]*
- (v) Barrier: *[insert level information as described above]*
- (vi) Barrier Observation Period: *[insert period]*
- (vii) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

**[In case of *Guarantee Certificates (eusipa 1140)* or *Protected Certificates (eusipa 1140)*, insert:**

- (i) Protection Amount: *[insert amount information as described above]* ]

**[In case of *Step-Up Guarantee Certificates (eusipa 1199)* or *Step-Up Certificates (eusipa 1199)* or *Step-Down Guarantee Certificates (eusipa 1199)* or *Step-Down Certificates (eusipa 1199)*, insert:**

- (i) Protection Amount: *[insert amount information as described above]*

(ii) Step-[Up][Down] Level(s), Step-[Up][Down] Redemption Amount(s):	Step-[Up][Down] Level [*]	Step-[Up][Down] Redemption Amount [**]
	<i>[Insert Underlying Currency]</i> <i>[Insert level]</i> [%] [; might be reduced/increased to <i>[insert number]</i> % by the Issuer on the Initial Valuation Date.]	<i>[Insert Product Currency]</i> <i>[Insert amount]</i> [%] [; might be increased to <i>[insert Product Currency]</i> <i>[insert amount]</i> [%] by the Issuer on the Initial Valuation Date.]
	●	●

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Initial Reference Price [and are subject to a Relative-to-Fixing Adjustment] [and are subject to a Most-Favourable-Value Adjustment].]

[\*\*] The values below are specified as percentage of the Specified Denomination.]

[\*\*] The values below are specified as percentage of the Non-par Value [and are subject to a Most-Favourable-Value Adjustment].]

**[In case of *Express Safe Guarantee Certificates (eusipa 1199)* or *Express Safe Certificates (eusipa 1199)* or *Reverse Express Safe Guarantee Certificates (eusipa 1199)* or *Reverse Express Safe Certificates (eusipa 1199)*, insert:**

- (i) Protection Amount: *[insert amount information as described above]*

(ii) Express Valuation Date(s), Express Valuation Level(s), Express Redemption Date(s), Express Redemption Amount(s):	Express Valuation Date	Express Valuation Level [*]	Express Redemption Date	Express Redemption Amount [**]
	<i>[Insert date]</i>	●	<i>[Insert date]</i>	●
	●	●	●	●

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Initial Reference Price [and are subject to a Relative-to-Fixing Adjustment] [and are subject to a Most-Favourable-Value Adjustment].]

[\*\*] The values below are specified as percentage of the Specified Denomination.]

[\*\*) The values below are specified as percentage of the Non-par Value [and are subject to a Most-Favourable-Value Adjustment].]

(iii) Express Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

**[In case of Range Winner Guarantee Certificates (eusipa 1199) or Range Winner Certificates (eusipa 1199), insert:**

(i) Protection Amount: [insert amount information as described above]

Range Lower Level [*]	Range Upper Level [*]	Range Participation
[•]	[•]	[•]
[•]	[•]	[•]

[Continue table as appropriate.]

[\*) The values below are specified as percentage of the Initial Reference Price [and are subject to a Relative-to-Fixing Adjustment] [and are subject to a Most-Favourable-Value Adjustment].]

**[In case of Stay-Above Guarantee Certificates (eusipa 1199) or Stay-Above Certificates (eusipa 1199), insert:**

(i) Protection Amount: [insert amount information as described above]

Stay-Above Redemption Amount(s):	Number of Basket Components	Stay-Above Redemption Amount [*]
[insert number]	[insert number]	[Insert Product Currency] [Insert amount] [%] [; might be increased to [insert Product Currency] [insert amount] [%] by the Issuer on the Initial Valuation Date.]
[•]	[•]	[•]

[Continue table as appropriate.]

[\*) The values below are specified as percentage of the Specified Denomination.]

(iii) Barrier: [insert level information as described above]

(iv) Barrier Observation Period: [Insert Period]

(v) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

**[In case of Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) or Capped Twin-Win Safe Certificates (eusipa 1199), insert:**

(i) Protection Amount: [insert amount information as described above]

(ii) Strike: [insert level information as described above]

(iii) Cap: [insert level information as described above]

(iv) Barrier: [insert level information as described above]

(v) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]

[Regular Intraday Price] [Fixing Rate] [Settlement Rate]

(vi) Barrier Observation Period: **[Insert Period] ]**

**[In case of Bonus Safe Guarantee Certificates (eusipa 1199) or Bonus Safe Certificates (eusipa 1199), insert:**

(i) Protection Amount: **[insert amount information as described above]**

[(ii) Bonus Amount: **[insert amount information as described above]**

(iii) Barrier: **[insert level information as described above]**

[(ii) Bonus Amounts, Barriers:

Barrier [*]	Bonus Amount [**]
[•]	[•]
[•]	[•]

**[Continue table as appropriate.]**

[\*] The values below are specified as percentage of the Initial Reference Price [and are subject to a Relative-to-Fixing Adjustment] [and are subject to a Most-Favourable-Value Adjustment].]

[\*\*] The values below are specified as percentage of the Specified Denomination.]

[\*\*] The values below are specified as percentage of the Non-par Value [and are subject to a Most-Favourable-Value Adjustment].]

(●) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]

(●) Barrier Observation Period: **[Insert Period] ]**

**[In case of Discount Certificates (eusipa 1200), insert:**

(i) Cap: **[insert level information as described above] ]**

**[In case of Reverse Convertibles (eusipa 1220), insert:**

(i) Strike: **[insert level information as described above] ]**

**[In case of Protected Reverse Convertibles (eusipa 1230), insert:**

(i) Strike: **[insert level information as described above]**

(ii) Barrier: **[insert level information as described above]**

(iii) Barrier Observation Period: **[Insert Period]**

(iv) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

**[In case of Capped Bonus Certificates (eusipa 1250), insert:**

(i) Bonus Level: **[insert level information as described above]**

(ii) Cap: **[insert level information as described above]**

- (iii) Barrier: *[insert level information as described above]*
- (iv) Barrier Observation Period: *[Insert Period]*
- (v) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

***[In case of Express Certificates (eusipa 1260), insert:***

Express Valuation Date	Express Valuation Level [*]	Express Redemption Date	Express Redemption Level [*]
<i>[Insert date]</i>	●	<i>[Insert date]</i>	●
●	●	●	●

*[Continue table as appropriate.]*

(\*) The values below are specified as percentage of the Initial Reference Price.]

- (ii) Express Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- (iii) Security Level: *[insert level information as described above]*
- (iv) Barrier: *[insert level information as described above]*
- (v) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- (vi) Barrier Observation Period: *[Insert Period] ]*

***[In case of Capped Twin-Win Certificates (eusipa 1299), insert:***

- (i) Strike: *[insert level information as described above]*
- (ii) Cap: *[insert level information as described above]*
- (iii) Barrier: *[insert level information as described above]*
- (iv) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- (v) Barrier Observation Period: *[Insert Period] ]*

***[In case of Capped Reverse Bonus Certificates (eusipa 1299), insert:***

- (i) Bonus Level: *[insert level information as described above]*
- (ii) Cap: *[insert level information as described above]*
- (iii) Reverse Level: *[insert level information as described above]*



- (iv) Barrier: *[insert level information as described above]*
- (v) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- (vi) Barrier Observation Period: *[Insert Period] ]*

***[In case of Inversion Certificates (eusipa 1299), insert:***

- (i) Minimum Redemption Amount: *[insert amount information as described above]*
- (ii) Strike: *[insert level information as described above] ]*

***[In case of Reverse Inversion Certificates (eusipa 1299), insert:***

- (i) Maximum Redemption Amount: *[insert amount information as described above]*
- (ii) Strike: *[insert level information as described above] ]*

***[In case of Index Certificates (eusipa 1300), insert:***

The Securities are Index Certificates (eusipa 1300) for which no specifications as regards the Redemption Amount are required.]

***[In case of Participation Certificates (eusipa 1300), insert:***

The Securities are Participation Certificates (eusipa 1300) for which no specifications as regards the Redemption Amount are required.]

***[In case of Outperformance Certificates (eusipa 1310), insert:***

- (i) Strike: *[insert level information as described above]*
- (ii) Participation: *[insert percentage information as described above] ]*

***[In case of Bonus Certificates (eusipa 1320), insert:***

- (i) Bonus Level: *[insert level information as described above]*
- (ii) Barrier: *[insert level information as described above]*
- (iii) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]  
[Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- (iv) Barrier Observation Period: *[Insert Period] ]*

***[In case of Twin-Win Certificates (eusipa 1340), insert:***

- (i) Strike: *[insert level information as described above]*
- (ii) Barrier: *[insert level information as described above]*
- (iii) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price]

[Regular Intraday Price] [Fixing Rate] [Settlement Rate]

(iv) Barrier Observation Period: **[Insert Period]** ]

**[In case of Call Warrants (eusipa 2100), insert:**

(i) Strike: **[insert level information as described above]** ]

**[In case of Put Warrants (eusipa 2100), insert:**

(i) Strike: **[insert level information as described above]** ]

**[In case of Capped Call Warrants (eusipa 2110), insert:**

(i) Strike: **[insert level information as described above]**

(ii) Cap: **[insert level information as described above]** ]

**[In case of Capped Put Warrants (eusipa 2110), insert:**

(i) Strike: **[insert level information as described above]**

(ii) Floor: **[insert level information as described above]** ]

**[In case of Turbo Long Certificates (eusipa 2210) or Turbo Short Certificates (eusipa 2210), insert:**

(i) Strike: **[insert level information as described above]**

(ii) Barrier: **[insert level information as described above]**

(iii) Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]

(iv) Barrier Observation Period: **[insert period]**

(v) Distribution Amount: **[[insert percentage]** of the Gross Amount][**[insert percentage]** of the Net Amount][the Gross Amount][the Net Amount] [of any distribution][of any dividend][of any Extraordinary Dividend][of any Ordinary Dividend]

(vi) Financing Rate: **[insert rate]**

(vii) Financing Rate Margin: **[Insert]** % at the Issue Date. The Issuer reserves the right to change the Financing Rate Margin within the range of 0% to twice the value at the Issue Date after giving notice to the Securityholder in accordance with § 20. ]

**[In case of Factor Certificates (eusipa 2300), insert:**

(i) Factor Adjustment Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]

(ii) Leverage Factor: **[Insert number]**

- (iii) Financing Rate: *[insert rate]*
- (iv) Financing Rate Margin: *[Insert]* % at the Issue Date. The Issuer reserves the right to change the Financing Rate Margin within the range of 0% to twice the value at the Issue Date after giving notice to the Securityholder in accordance with § 20.
- (v) Protection Level: *[insert number]* %
- (vi) Distribution Amount: *[[insert percentage]* of the Gross Amount*][[insert percentage]* of the Net Amount*][the Gross Amount][the Net Amount]* [of any distribution]*][of any dividend][of any Extraordinary Dividend][of any Ordinary Dividend]* ]

***[In case of Reinvesting Securities, insert:***

- () Reinvesting (cf § 24): Applicable
- () Scheduled Investment Valuation Date: *[insert date]*. After such date, the *[1<sup>st</sup>][5<sup>th</sup>][10<sup>th</sup>][15<sup>th</sup>][20<sup>th</sup>][25<sup>th</sup>]* day of such month, which is *[one month][three months][six months][one year][two years][three years][four years][five years][six years][seven years][eight years]* after the immediately preceding Reinvestment Date.
- () Reinvestment Period Day Count: *[Three Underlying Business Days][Five Underlying Business Days][Ten Underlying Business Days]*
- [if Downward and/or Upward Trigger is applicable:***
- () Trigger Reference Price: *[Closing Price] [Settlement Price] [Fixing Rate] [Settlement Rate]*
- () Trigger Day Count: *[insert number of days]*
- () Downward Trigger: *[Not applicable.][Applicable.]*
- [if Downward Trigger is applicable:***
- () Downward Trigger Level: *[●]*% of the *[Barrier][Bonus Level][Cap][Reverse Level][Strike]* applicable during the relevant Investment Period, rounded to four fractional digits
- () Downward Trigger Observation Period: *[●]* *[The Investment Period][The whole Investment Period, except for the last week.] [The whole Investment Period, except for the last month.] [The whole Investment Period, except for the last three months.] [The whole Investment Period, except for the last six months.] ]*
- () Upward Trigger: *[Not applicable.][Applicable.]*
- [if Upward Trigger is applicable:***
- () Upward Trigger Level: *[●]*
- () Upward Trigger Observation Period: *[●]* ]

**[Further information for investors resulting from contractual information:]**

- () Maximum attainable Redemption Amount (“Maximum amount”): *[insert Product Currency] [insert amount] [[insert percentage]* of the Specified Denomination*]]*
- () Redemption Amount calculated *[insert Product Currency] [insert amount] [[insert*

- by Bonus Level (“Bonus amount”):
- [(●)] Redemption Amount calculated by Security Level (“Security amount”):
- [(●)] Product Specific Termination Amount calculated by Express Redemption Level(s) (“Express redemption amount”):

*percentage*] of the Specified Denomination]]

*[insert Product Currency] [insert amount] [[insert percentage*] of the Specified Denomination]]

Express Redemption Date	Express redemption amount [*]
<i>[insert date]</i>	<i>[insert Product Currency]</i> <i>[insert amount] [insert percentage]</i>
<i>[●]</i>	<i>[●]</i>

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Specified Denomination.]]

**[Credit Linked Securities Provisions:**

[Applicable][to redemption only][to interest only]  
***[Delete sub-paragraphs if not applicable]***

- (i) Credit Reference Entity:

***[Insert name of and further information about the (respective) Credit Reference Entity, including information of the Credit Reference Entity Founder, if any, and indicate where investors can receive information on the Credit Reference Entity (if possible)]***

- (ii) Credit Reference Obligation:

**[●]**

- [(iii) Credit Amount:

**[●]**% of the Specified Denomination] **[●]** per unit] [; might be reduced to **[●]**% of the Specified Denomination] **[●]** per unit] by the Issuer on the Initial Valuation Date.]]

- [(●)]Credit Event Agent:

**[●]** [Issuer]]]

**23. General Provisions for Interest (cf § 4):**

***[If not applicable, delete the following sub-paragraphs and insert here: Not applicable.]***

- (i) Day Count Fraction:

[Actual/Actual (ICMA)] [30/360] [30E/360] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [Period Independent]

- (ii) Business Day Convention:

[Modified Following Business Day Convention] [Floating Rate Convention (FRN Convention)] [Following Business Day Convention] [Preceding Business Day Convention] [Following Unadjusted Business Day Convention] [Modified Following Unadjusted Business Day Convention]

***[If not applicable, delete this sub-paragraph for Provisions for Fixed Interest:***

- [(iii) Interest Payment Date, Interest Rate:

Interest Period No.	Interest Payment Date	Interest Rate <i>[per annum]</i>
<i>[1.]</i>	<i>[●]</i>	<i>[●]</i>
<i>[2.]</i>	<i>[●]</i>	<i>[●]</i>
<i>[3.]</i>	<i>[●]</i>	<i>[●]</i>

*[Continue table as appropriate.]*

- [(iii) Interest Payment Date:

**[●]** [During each Investment Period, the respective Scheduled Investment Valuation Date and its latest

[Yearly Predecessor Date][two Yearly Predecessor Dates][five Yearly Predecessor Dates][*insert number*] Yearly Predecessor Dates]] [[*insert number*] Semi-Annual Predecessor Dates]] [[*insert number*] Quarterly Predecessor Dates]]  
 [●] [*per annum*] [, subject to a Most-Favourable-Value Adjustment] ] ]

(iv) Interest Rate:

***[If not applicable, delete this sub-paragraph for Provisions for Variable Interest:***

(iii) Variable Interest Rate (cf § 22):

[Barrier Digital Interest] [Range Digital Interest] [Reference Rate Interest] [Capped Reference Rate Performance Interest] [Capped Reference Rate Reverse Performance Interest] [Barrier Reference Rate Performance Interest] [Performance Interest] [Capped Performance Interest] [Capped Absolute Performance Interest] [Barrier Performance Interest] [Capped Barrier Performance Interest] [Cliquet Interest] [Ladder Interest] [Accumulated Distribution Interest] [Range Accrual Interest] [Pyramid Interest]

Base Interest Rate, Interest Payment Date, Interest Final Valuation Date  
*[Insert additional items, whose value is dependent on the Interest Period]:*

Interest Period No.	Interest Final Valuation Date	Interest Payment Date	Base Interest Rate [ <i>per annum</i> ]	<i>[Insert additional columns for any item of this line starting with Digital Interest Rate, whose value is dependent on the Interest Period and remove the respective item below][*]</i>
[1.]	[●]	[●]	[●]	
[2.]	[●]	[●]	[●]	
[3.]	[●]	[●]	[●]	

*[Continue table as appropriate.]*

[\*] The values below are specified as percentage of the Interest Initial Reference Price.]]

[(iv) Interest Final Valuation Date:

[●]

(v) Interest Payment Date:

[●]

(vi) Base Interest Rate:

[●] [*per annum*] [, subject to a Most-Favourable-Value Adjustment] ] ]

[(●)] Interest Initial Reference Price:

[Initial Reference Price] [Closing Price] [Settlement Price] [Fixing Rate] [Settlement Rate] [and the following Minimum Entry Valuation Date(s): *insert dates*]] [and the following Maximum Entry Valuation Date(s): *insert dates*]] [and the following Averaging Entry Valuation Date(s): *insert dates*]]

[(●)] Interest Final Reference Price:

[Final Reference Price] [Closing Price] [Settlement Price] [Fixing Rate] [Settlement Rate] [and the following Minimum Valuation Date(s): *insert dates*]] [and the following Maximum Valuation Date(s): *insert dates*]] [and the following Averaging Valuation Date(s): *insert dates*]]

[(●)] Optional interest features:

[Not applicable.] [Interest Reference Reset] [and] [Interest Lock-in] [and] [Memory]

**[In case of *Barrier Digital Interest*, insert:**

- ([●]) Digital Interest Rate: **[insert percentage]** % [; might be increased to **[insert percentage]** % by the Issuer on the Initial Valuation Date.] [, subject to a Most-Favourable-Value Adjustment]
- ([●]) Interest Barrier: **[insert Underlying Currency]** **[insert level]** **[insert percentage]** % of the Interest Initial Reference Price [; might be [increased/reduced] to **[insert percentage]** % of the Interest Initial Reference Price by the Issuer on the Initial Valuation Date.] [, subject to a Relative-to-Fixing Adjustment] [, subject to a Most-Favourable-Value Adjustment]
- ([●]) Interest Barrier Observation Period: **[Insert Period]**
- ([●]) Interest Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- ([●]) Interest Barrier Style: [Down-and-in] [Down-and-out] [Up-and-in] [Up-and-out] ]

**[In case of *Range Digital Interest*, insert:**

- ([●]) Digital Interest Rate: [●]
- ([●]) Interest Lower Barrier: [●]
- ([●]) Interest Upper Barrier: [●]
- ([●]) Interest Barrier Style: [Knock-in] [Knock-out]
- ([●]) Interest Barrier Observation Period: **[Insert Period]**
- ([●]) Interest Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]

**[In case of *Reference Rate Interest*, insert:**

- ([●]) Interest Participation: [●] ]

**[In case of *Capped Reference Rate Performance Interest*, insert:**

- ([●]) Interest Strike: [●]
- ([●]) Interest Cap Level: [●]
- ([●]) Interest Participation: [●] ]

**[In case of *Capped Reference Rate Reverse Performance Interest*, insert:**

- ([●]) Interest Strike: [●]
- ([●]) Interest Floor Level: [●]
- ([●]) Interest Participation: [●] ]

***[In case of Barrier Reference Rate Performance Interest, insert:***

- () Interest Strike:
- () Interest Barrier Style: [Down-and-in] [Down-and-out] [Up-and-in] [Up-and-out]
- () Interest Barrier:
- () Interest Barrier Observation Period: ***[Insert Period]***
- () Interest Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- () Interest Participation:
- () Fallback Interest Rate:

***[In case of Performance Interest, insert:***

- () Interest Strike:
- () Interest Participation:

***[In case of Capped Performance Interest, insert:***

- () Interest Strike:
- () Interest Cap Level:
- () Interest Participation:

***[In case of Capped Absolute Performance Interest, insert:***

- () Interest Strike:
- () Interest Cap Level:
- () Interest Floor Level:
- () Interest Positive Participation:
- () Interest Negative Participation:

***[In case of Barrier Performance Interest, insert:***

- () Interest Strike:
- () Interest Barrier Style: [Down-and-in] [Down-and-out] [Up-and-in] [Up-and-out]
- () Interest Barrier:
- () Interest Barrier Observation Period: ***[Insert Period]***
- () Interest Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]

- () Interest Participation:
- () Fallback Interest Rate:

***[In case of Capped Barrier Performance Interest, insert:***

- () Interest Strike:
- () Interest Barrier Style: [Down-and-in] [Down-and-out] [Up-and-in] [Up-and-out]
- () Interest Barrier:
- () Interest Cap Level:
- () Interest Barrier Observation Period: ***[Insert Period]***
- () Interest Barrier Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- () Interest Participation:
- () Fallback Interest Rate:

***[In case of Cliquet Interest, insert:***

- () Interest Performance Valuation Dates: ***[insert dates]***
- () Interest Performance Reference Price: [Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]
- () Interest Performance Cap:
- () Interest Performance Floor:
- () Interest Participation:
- () Variable Interest Rate Cap:
- () Variable Interest Rate Floor:

***[In case of Ladder Interest, insert:***

- () Interest Ladder Rate and Interest Ladder Level:

Interest Ladder Level [*]	Interest Ladder Rate
<i>[Insert Underlying Currency]</i>	<i>[Insert rate]</i> % [; might be increased to <i>[insert number]</i> %
<i>[Insert Interest Ladder Level]</i>	by the Issuer on the Initial Valuation Date.]
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

***[Continue table as appropriate.]***

[\*] The values below are specified as percentage of the Interest Initial Reference Price.]]



***[In case of Accumulated Distribution Interest, insert:***

([●]) Interest Distribution Amount: ***[insert amount]***

***[In case of Range Accrual Interest, insert:***

([●]) Digital Interest Rate: ***[●]***

([●]) Interest Lower Barrier: ***[●]***

([●]) Interest Upper Barrier: ***[●]***

([●]) Range Observation Day: ***[Insert days]***

([●]) Interest Barrier Style: ***[Stay-in] [Stay-out]***

([●]) Interest Barrier Observation Period: ***[Insert Period]***

([●]) Interest Barrier Reference Price: ***[Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate] ]***

***[In case of Pyramid Interest, insert:***

([●]) Interest Pyramid Rate, Interest Lower Barrier and Interest Upper Barrier:

<b>Interest Lower Barrier [*]</b>	<b>Interest Upper Barrier [*]</b>	<b>Interest Pyramid Rate</b>
<b><i>[Insert Underlying Currency] [Insert Interest Lower Barrier] [●]% [; might be reduced to [●]% by the Issuer on the Initial Valuation Date.]</i></b>	<b><i>[Insert Underlying Currency] [Insert Interest Upper Barrier] [●]% [; might be increased to [●]% by the Issuer on the Initial Valuation Date.]</i></b>	<b><i>[Insert rate] % [; might be increased to [insert number] % by the Issuer on the Initial Valuation Date.]</i></b>
<b><i>[●]</i></b>	<b><i>[●]</i></b>	<b><i>[●]</i></b>
<b><i>[●]</i></b>	<b><i>[●]</i></b>	<b><i>[●]</i></b>
<b><i>[●]</i></b>	<b><i>[●]</i></b>	<b><i>[●]</i></b>

***[Continue table as appropriate.]***

(\*) The values below are specified as percentage of the Interest Initial Reference Price.]

([●]) Interest Barrier Observation Period: ***[insert period]***

([●]) Interest Barrier Reference Price: ***[Closing Price] [Intraday Price] [Settlement Price] [Regular Intraday Price] [Fixing Rate] [Settlement Rate]***

([●]) Fallback Interest Rate: ***[●] ]***

**[Further information for investors resulting from contractual information:**

([●])Maximum attainable Interest Rate: ***[[insert rate]%] [per annum]***

<b>Interest Period No.</b>	<b>Maximum attainable Interest Rate [per annum]</b>
<b><i>[1.]</i></b>	<b><i>[●]</i></b>

***[Continue table as appropriate.] ]***

([●])Maximum attainable Interest Amount: ***[insert Product Currency] [insert amount] [[insert percentage] % of the Specified Denomination]***

Interest Period No.	Maximum attainable Interest Amount
[1.]	[•]

[Continue table as appropriate.] ] ]

[[[•]] Interest Amount considering Day Count Fraction:

*[insert Product Currency]* *[insert amount]* *[[insert percentage]* % of the Specified Denomination

Interest Period No.	Interest Amount considering Day Count Fraction
[1.]	[•]

[Continue table as appropriate.] ] ] ] ]

24. **Cancellation and Payment** (cf § 12):

[Applicable.] [Not applicable.]

25. **Issuer's Call** (cf § 12):

[Applicable.] [Not applicable.]

Optional Redemption Date	Optional Redemption Amount
[•]	[•]

[Continue table as appropriate.] ] ]

26. **Early Redemption** (cf § 12):

[Applicable.] [Not applicable.]

27. **Calculation Agent Adjustment** (cf § 10):

[Applicable.] [Not applicable.]

28. **Issuer Fee** (cf § 18):

*[[Insert number]* % [per annum] *[[insert interest rate]* divided by the exchange rate for the conversion of one unit of *[insert currency]* to *[insert currency]*, subsequently reduced by *[insert interest rate]* and increased by *[insert number]*% *[[insert number]*% reduced by *[insert interest rate]*] [Not applicable.]

29. **Relevant Business Centres** (cf § 13):

[Insert]

30. **Paying Agent** (cf § 17):

[Insert]

31. **Calculation Agent** (cf § 17):

[Insert]

32. **Extraordinary Redemption Event** (cf § 5):

[Not applicable.] [Change of Control] [and] [Change in Law] [and] [Change of Taxation] [and] [Hedging Disruption] [and] [Increased Cost of Hedging] [and] [Insolvency Filing]

## B. NON-CONTRACTUAL INFORMATION

33. **Listing:**

[The Issuer intends to apply for trading for the Securities on [the Official Market of the Vienna Stock Exchange] [the Regulated Unofficial Market (EUWAX) of the Stuttgart Stock Exchange] [the Regulated Unofficial Market (SCOACH) of the Frankfurt Stock Exchange] [and] [the regulated market(s) in] [Bulgaria] [and] [Croatia] [and] [the Czech Republic] [and] [Hungary] [and] [Italy] [and] [Poland] [and] [Romania] [and] [the Slovak Republic] [and] [Slovenia] [and, if the Issuer so decides, on a further regulated market in the EU member states of Austria, Germany, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland,

- Romania, the Slovak Republic and Slovenia.]]  
 [If the Issuer so decides, it may apply for trading of the Securities on a regulated market in the EU member states of Austria, Germany, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic and Slovenia.]  
 [Not applicable]
- 34. Material Interest:** [Applicable/Not applicable; *if applicable, give details of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest*]
- 35. Notices** (cf § 20):
- (i) Internet address: [www.rcb.at] [*insert other*]
- (ii) Other or additional location for newspaper notice: [Not applicable.] [*specify other or additional location*]
- 36. Public Offer:** A public offer of Securities may be made by Raiffeisen Centrobank Aktiengesellschaft [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdiction(s) where the Base Prospectus has been approved and/or passported*] (the “**Public Offer Jurisdiction(s)**”) during the period from, and including, the [Issue Date] [first day of the Subscription Period (as defined below)] to, and including, [the Final Valuation Date][*specify date*] (the “**Offer Period**”), subject to early termination and extension within the discretion of the Issuer. [From and including the Issue Date up to and including the last day of the Offer Period the Securities will be publicly offered as a tap issue.]
- [**Further conditions attached to the Issuer’s consent to use the prospectus:** [*insert conditions*]]
- 37. Subscription:**
- (i) Subscription Period: [The Securities will be placed without a subscription period.] [The Securities may be subscribed from, and including, [*insert date*] up to, and including, [*insert time*] on [*insert date*] (the “**Subscription Period**”), subject to early termination and extension within the discretion of the Issuer. During the Subscription Period, investors are invited to place offers for the purchase of Securities (i.e. to subscribe Securities) subject to (i) such offers being valid for at least [●] [business days] [weeks] and (ii) the Issuer being entitled in its sole discretion to accept or reject such offers entirely or partly without giving any reason.]
- [(ii) Entity accepting subscriptions: [Raiffeisen Centrobank Aktiengesellschaft] [*insert others if applicable.* ]

## [BASKET ANNEX

The below table(s) give(s) additional details for Basket Components:

**Please note** that where there is no information on one or more Basket Components applicable in the below table “N/A” or “Not applicable” is included.

*[Depending on basket components, here, one of the tables below outlining the specifics of each basket component is inserted. In case of a mixed basket, the relevant tables below will be shown one after the other for each relevant type of basket component. If the basket components are futures, and the future base value provisions apply, furthermore, one or more tables for the future base values are included.]*

*[If Basket Components are Indices, insert the following table, if not, delete the following paragraphs:*

Index (Basket Component)	Information on the Index <sup>[1]</sup>	Basket Component Currency	Index Sponsor	Related Exchange
[Insert name]	[Insert source, e.g. website]	[Insert currency]	[Insert name]	[Insert name(s)] [All Exchanges]

*[Continue table as appropriate.]*

*[If Basket Components are Equity, insert the following table, if not, delete the following paragraphs:*

Shares (Basket Component)	Information on the Shares <sup>[1]</sup>	ISIN	Basket Component Currency	Exchange	Related Exchange
[Insert name]	[Insert indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]	[Insert ISIN]	[Insert currency]	[Insert name]	[Insert name(s)] [All Exchanges]

*[Continue table as appropriate.]*

*[If Basket Components are Funds, which are not Exchange Traded Funds, insert the following table, if not, delete the following paragraphs:*

Fund Shares (Basket Component)	Information on the Fund Shares <sup>[1]</sup>	ISIN	Basket Component Currency	Other Cut-off Period	Extraordinary Fund Event
<i>[Insert name]</i>	<i>[Insert indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert ISIN]</i>	<i>[Insert currency]</i>	<i>[Insert period]</i> [N/A]	[Fund Insolvency Event] [NAV Trigger Event with a NAV Trigger Percentage of <i>[insert percentage]</i> within a NAV Trigger Period of <i>[insert period]</i> ] [Adviser Resignation Event] [Fund Modification] [Strategy Breach] [Regulatory Action] [Reporting Disruption] [N/A]

*[Continue table as appropriate.] ]*

*[If Basket Components are Exchange Traded Funds, insert the following table, if not, delete the following paragraphs:*

Fund Shares (Basket Component)	Information on the Fund Shares <sup>[1]</sup>	ISIN	Exchange	Related Exchange	Basket Component Currency	Other Cut-off Period	Extraordinary Fund Event
<i>[Insert name]</i>	<i>[Insert indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert ISIN]</i>	<i>[Insert name]</i>	<i>[Insert name(s)]</i> [All Exchanges]	<i>[Insert currency]</i>	<i>[Insert period]</i> [N/A]	[Fund Insolvency Event] [NAV Trigger Event with a NAV Trigger Percentage of <i>[insert percentage]</i> within a NAV Trigger Period of <i>[insert period]</i> ] [Adviser Resignation Event] [Fund Modification] [Strategy Breach] [Regulatory Action] [Reporting Disruption] [N/A]

*[Continue table as appropriate.] ]*

*[If Basket Components are Commodities, insert the following table, if not, delete the following paragraphs:*

<b>Relevant Commodity (Basket Component)</b>	<b>Description<sup>[1]</sup></b>	<b>Basket Component Currency</b>	<b>Exchange</b>	<b>Price Source</b>	<b>First Alternate Reference Price</b>
<i>[Insert name]</i>	<i>[Insert description of the Basket Component and an indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert currency]</i>	<i>[Insert Exchange]</i>	<i>[Insert name] [N/A]</i>	<i>[Specify] [N/A]</i>

*[Continue table as appropriate.] ]*

*[If Basket Components are FX Rates, insert the following table, if not, delete the following paragraphs:*

<b>FX Rate (Basket Component)</b>	<b>Description<sup>[1]</sup></b>	<b>Basket Component Currency</b>	<b>Base Currency</b>	<b>Further Event Currencies</b>	<b>Price Materiality Percentage</b>	<b>Primary Rate</b>	<b>Secondary Rate</b>	<b>Price Source</b>	<b>Specified Financial Centres</b>	<b>First Alternate Reference Price</b>
<i>[Insert name]</i>	<i>[Insert description of the Basket Component and indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert currency]</i>	<i>[Insert currency]</i>	<i>[Insert currency] [N/A]</i>	<i>[Insert percentage]</i>	<i>[Insert rate]</i>	<i>[Insert rate]</i>	<i>[Insert name] [N/A]</i>	<i>[Insert]</i>	<i>[Insert] [N/A]</i>

*[Continue table as appropriate.] ]*

*[If Basket Components are Interest Rates, insert the following table, if not, delete the following paragraphs:]*

<b>Relevant Interest Rate (Basket Component)</b>	<b>Description<sup>[1]</sup></b>	<b>Basket Component Currency</b>	<b>Price Source</b>	<b>Specified Financial Centres</b>
<i>[Insert name]</i>	<i>[Insert description of the Basket Component and indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert currency]</i>	<i>[Insert name]</i> [N/A.]	<i>[Specify]</i> [N/A]

*[Continue table as appropriate.]*

*[If Basket Components are Futures, insert the following table, if not, delete the following paragraphs:]*

<b>Future (Basket Component)</b>	<b>Description<sup>[1]</sup></b>	<b>ISIN</b>	<b>Basket Component Currency</b>	<b>Future Base Value Provisions</b>	<b>Exchange</b>	<b>Roll-Over</b>	<b>Effective Date</b>
<i>[Insert name]</i>	<i>[Insert indication where information about the past and the further performance of the Basket Component and its volatility can be obtained.]</i>	<i>[Insert ISIN]</i>	<i>[Insert currency]</i>	<i>[Applicable]</i> [N/A] <i>[Insert description/name and reference place]</i>	<i>[Insert name]</i>	<i>[insert same information as in FT line 20 “Roll-Over”]</i>	<i>[insert same information as in FT line 20 “Effective Date”]</i>

*[Continue table as appropriate.]*

<sup>[1]</sup> The source of information on the Basket Component, its past and further performance and its volatility.]]

**Issue Specific Summary**

*[Insert issue specific summary]*

THE ABOVE FINAL TERMS  
AND ISSUE SPECIFIC  
SUMMARY HAVE BEEN  
AUTHORISED BY:



[●] translation of the Issue Specific Summary

**IMPORTANT NOTICE:** PLEASE NOTE THAT THE [●] TRANSLATION OF THE ISSUE SPECIFIC SUMMARY IS PROVIDED FOR INFORMATION PURPOSES ONLY AND THAT ONLY THE ENGLISH LANGUAGE ORIGINAL OF THE FINAL TERMS AND THE ISSUE SPECIFIC SUMMARY ARE BINDING.

*[Insert translation] ]*

**[Annex 3 to the Final Terms**

*[Insert summary of information on the Credit Reference Entity Founder]*

## UNDERLYING SPECIFIC DISCLAIMER

The Issuer may be required by the entity responsible for the Underlying (e.g. the Index Sponsor or the Fund Management Company) to publish a disclaimer specific to such Underlying. Therefore, the Final Terms of the Securities may indicate in line 20 and 21 which of the following disclaimers applies. For the avoidance of doubt: within the text of any disclaimer, the terms “Securities”, “Underlying”, “Index” and “Fund Shares” – if used – bear the meaning as in this Base Prospectus.

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  - The merchantability and the fitness for a particular purpose or use of the Index and its data;
  - The performance of the Securities generally.
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### **WSE indices**

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## **RESPONSIBILITY STATEMENT OF RAIFFEISEN CENTROBANK AG**

Raiffeisen Centrobank AG, with its registered office at Tegetthoffstraße 1, A-1010 Vienna, Austria, is solely responsible for the information given in this Base Prospectus.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

Pursuant to Section 8 paragraph 1 Capital Market Act

**Raiffeisen Centrobank Aktiengesellschaft**



## GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in the Base Prospectus. Readers of the Base Prospectus should always have regard to the full description of a term contained in the Base Prospectus.

“APM”	means a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
“Austrian Companies Register”	means <i>Firmenbuch</i> .
“Austrian Corporate Income Tax Act”	means the Austrian <i>Körperschaftsteuergesetz 1988</i> , Federal Law Gazette No 1988/401, as amended.
“Austrian Financial Markets Authority”	means the <i>Finanzmarktaufsichtsbehörde</i> , Otto-Wagner-Platz, 1090 Vienna, Austria, being the integrated regulator for the Austrian financial market and organised as a corporate body under public law.
“Austrian IGA”	means the IGA with Austria.
“Austrian Income Tax Act”	means the Austrian <i>Einkommensteuergesetz 1988</i> , Federal Law Gazette No 1988/400, as amended.
“Austrian Law Stock Corporation”	means a stock corporation ( <i>Aktiengesellschaft</i> ) according to the Stock Corporation Act.
“Austrian Private Foundations Act”	means the Austrian <i>Privatstiftungsgesetz</i> , Federal Law Gazette No 1993/694, as amended.
“AT 1”	means own funds pursuant to Article 51 CRR ( <i>Additional Tier 1</i> )
“Austrian Banking Act”	means Austrian Banking Act (Bankwesengesetz 1993) Federal Law Gazette No 1993/532, as amended (BWG).
“bail-in tool”	means a tool providing for a potential loss absorption of liabilities.
“Barrier Winner Certificates”	means Barrier Winner Certificates (eusipa 1130) issued under this Base Prospectus.
“Barrier Winner Guarantee Certificates”	means Barrier Winner Guarantee Certificates (eusipa 1130) issued under this Base Prospectus.
“Base Prospectus”	means this Base Prospectus, which has been approved by the FMA.
“BaSAG”	means Austrian Recovery and Resolution Act ( <i>Sanierungs- und Abwicklungsgesetz – BaSAG</i> ).
“Basel III”	means (final) international regulatory framework for credit institutions published in June 2011 and January 2013 by the BCBS.
“BCBS”	means Basel Committee on Banking Supervision.

<b>“bn”</b>	means billion.
<b>“Bonus Certificates”</b>	means Bonus Certificates (eusipa 1320) issued under this Base Prospectus.
<b>“Bonus Safe Certificates”</b>	means Bonus Safe Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Bonus Safe Guarantee Certificates”</b>	means Bonus Safe Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“BGN”</b>	means Bulgarian Lev.
<b>“BRRD”</b>	means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council ( <i>Bank Recovery and Resolution Directive - BRRD</i> ).
<b>“BWG”</b>	means the Austrian Banking Act ( <i>Bankwesengesetz</i> ).
<b>“Call Warrants”</b>	means Call Warrants (eusipa 2100) issued under this Base Prospectus.
<b>“Capital Market Act”</b>	means the Austrian <i>Kapitalmarktgesetz</i> , Federal Law Gazette No 1991/625, as amended.
<b>“Capped Bonus Certificates”</b>	means Capped Bonus Certificates (eusipa 1250) issued under this Base Prospectus.
<b>“Capped Call Warrants”</b>	means Capped Call Warrants (eusipa 2110) issued under this Base Prospectus.
<b>“Capped Put Warrants”</b>	means Capped Put Warrants (eusipa 2110) issued under this Base Prospectus.
<b>“Capped Reverse Bonus Certificates”</b>	means Capped Reverse Bonus Certificates (eusipa 1299) issued under this Base Prospectus.
<b>“Capped Twin-Win Certificates”</b>	means Capped Twin-Win Certificates (eusipa 1299) issued under this Base Prospectus.
<b>“Capped Twin-Win Safe Guarantee Certificates”</b>	means Capped Twin-Win Safe Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Capped Twin-Win Safe Certificates”</b>	means Capped Twin-Win Safe Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Capped Winner Certificates”</b>	means Capped Winner Certificates (eusipa 1120) issued under this Base Prospectus.
<b>“Capped Winner Guarantee Certificates”</b>	means Capped Winner Guarantee Certificates (eusipa 1120) issued under this Base Prospectus.

<b>“Cash flow statements 2015 &amp; 2016”</b>	means RCB's cash flow statements for the financial years ended 31 December 2015 and 31 December 2016 which is incorporated into this Base Prospectus by reference.
<b>“CE”</b>	means Central Europe, i.e. Poland, Hungary, Czech Republic, Slovak Republic, Slovenia.
<b>“CEE”</b>	means Central Eastern Europe.
<b>“CET 1”</b>	means own funds pursuant to Article 26 CRR ( <i>Common Equity Tier 1</i> ).
<b>“CHF”</b>	means Swiss Franks.
<b>“CIS”</b>	means the European Commonwealth of Independent States, i.e. Russia, Ukraine, Belarus.
<b>“Code”</b>	means the United States Internal Revenue Code 1986.
<b>“Conditions”</b>	means the conditions applicable to a certain series of Securities consisting of the Terms and Conditions and the relevant Final Terms.
<b>“Competent Authority”</b>	means the competent authority pursuant to Article 4 (1) (40) of the CRR which is responsible to supervise the Issuer and/or RBI Regulatory Group.
<b>“CRD IV”</b>	means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ( <i>Capital Requirements Directive IV – CRD IV</i> ).
<b>“CRR”</b>	means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ( <i>Capital Requirements Regulation - CRR</i> ).
<b>“CSD.Austria”</b>	means OeKB CSD GmbH, the central securities depository of Oesterreichische Kontrollbank Aktiengesellschaft.
<b>“CZK”</b>	means Czech Koruna.
<b>“DGS”</b>	means Deposit Guarantee Schemes which were introduced in the EU in 1994.
<b>“DGSD”</b>	Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast).
<b>“Disbursing Agent”</b>	means, if Securities are held in custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank, such institution.
<b>“Discount Certificates”</b>	means Discount Certificates (eusipa 1200) issued under this Base Prospectus.

<b>“EBA”</b>	means the European Banking Authority.
<b>“ECB”</b>	means the European Central Bank.
<b>“EEA”</b>	means the European Economic Area.
<b>“Elements”</b>	means the elements, the Summary is made of.
<b>“ESRB”</b>	means European Systemic Risk Board.
<b>“EU”</b>	means the European Union.
<b>“EU-Commission”</b>	means the European Commission.
<b>“EU Savings Directive”</b>	Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, as amended.
<b>“EUR”, “Euro” and “€”</b>	means Euro.
<b>“EURIBOR”</b>	means the Euro Inter-bank Offered Rate.
<b>“Euro-zone”</b>	means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.
<b>“EUWAX”</b>	means the European Warrants Exchange, a market segment of the Stuttgart Stock Exchange.
<b>“Express Certificates”</b>	means Express Certificates (eusipa 1260) issued under this Base Prospectus.
<b>“Express Safe Certificates”</b>	means Express Safe Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Express Safe Guarantee Certificates”</b>	means Express Safe Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Factor Certificates”</b>	means Factor Certificates (eusipa 2300) issued under this Base Prospectus.
<b>“FATCA”</b>	means Sections 1471 through 1474 of the United States Internal Revenue Code 1986 (the “Code”), its accompanying U.S. Treasury Regulations §§ 1.1471 through 1.1474, any agreement entered into by a Foreign Financial Institution with the United States Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-U.S. laws implementing such an intergovernmental agreement).
<b>“FATCA Agreement”</b>	means a voluntary agreement entered into with a taxing authority as described in Section 1471(b) of the United States Internal Revenue Code.
<b>“FFI”</b>	means any non-U.S. financial institution (a FFI) as defined by FATCA.

<b>“FFI-Agreement”</b>	any agreement entered into by a FFI with the IRS pursuant to sections 1471 through 1474 of the Code
<b>“Final Terms”</b>	means the Final Terms of a series of Securities containing the nominal amount of the Securities (if any), the product currency, the amounts payable upon redemption of the Securities and interest, if any, the issue price and maturity of the Securities, their Underlying and all other terms and conditions not contained in the Base Prospectus.
<b>“Financial Intermediaries”</b>	means all credit institutions and investment firms pursuant to the Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Securities.
<b>“FMA”</b>	means Austrian Financial Markets Authority ( <i>Finanzmarktaufsichtsbehörde - FMA</i> ).
<b>“Frankfurt Stock Exchange (Scoach)”</b>	means Scoach Europa AG, Neue Börsenstr. 1, 60487 Frankfurt am Main, Deutschland.
<b>“FSB”</b>	means the Financial Stability Board.
<b>“FTT”</b>	means the financial transaction tax, the introduction of which has been proposed by the European Commission in September 2011.
<b>“GDP”</b>	means the gross domestic product.
<b>“Global Note”</b>	means the permanent modifiable global note in bearer form without coupons which shall be signed by authorised signatories of the Issuer or carry an electronic copy of such signatures by which each series of Securities (i.e. Securities carrying the same ISIN) will be represented on issue and which will be kept in custody by or on behalf of OeKB CSD GmbH in its function as a central securities depository until all obligations of the Issuer under the Securities have been satisfied.
<b>“Guarantee Certificates”</b>	means Guarantee Certificates (eusipa 1140) issued under this Base Prospectus.
<b>“G-SIBs”</b>	means the global systemically important banks.
<b>“HUF”</b>	means Hungarian Forint.
<b>“HRK”</b>	means Croatian Kuna.
<b>“ICMA”</b>	means the International Capital Markets Association.
<b>“IGA”</b>	means an intergovernmental agreement.
<b>“IMF”</b>	means the International Monetary Fund.
<b>“Index Certificates”</b>	means Index Certificates (eusipa 1300) issued under this Base Prospectus.
<b>“Initial Host Member States”</b>	means Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia.

<b>“Inversion Certificates”</b>	means Inversion Certificates (eusipa 1299) issued under this Base Prospectus.
<b>“IRS”</b>	means the United States Internal Revenue Service.
<b>“Issuer”</b>	means Raiffeisen Centrobank AG.
<b>“Issuer’s Website”</b>	means the website of the Issuer available under <a href="http://www.rcb.at">www.rcb.at</a> .
<b>“IT”</b>	means information technology.
<b>“KMG”</b>	means the Austrian Capital Market Act ( <i>Kapitalmarktgesetz - KMG</i> ), as amended.
<b>“KP-V”</b>	means the Austrian Capital Buffers Regulation ( <i>Kapitalpuffer-Verordnung</i> ).
<b>“LIBOR”</b>	means the London Inter-bank Offered Rate.
<b>“Markets”</b>	means the Official Market of the Vienna Stock Exchange, the Regulated Unofficial Market of the Stuttgart Stock Exchange (EUWAX) and the Frankfurt Stock Exchange (SCOACH) and the regulated markets of the stock exchanges in Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia.
<b>“MiFID”</b>	means the Directive 2004/39/EC on markets in financial instruments, as amended.
<b>“MiFID II”</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU on markets in financial instruments as amended (Markets in Financial Instruments Directive II) as amended.
<b>“MiFIR”</b>	means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ( <i>Markets in Financial Instruments Regulation</i> ), as amended.
<b>“mn”</b>	means million.
<b>“MREL”</b>	means minimum requirements for own funds and eligible liabilities.
<b>“Non-Exempt Offer”</b>	means an offer of Securities for which the relevant Final Terms specify that an offer of those Securities may be made other than pursuant to Article 3.2 of the Prospectus Directive in a Relevant Member State.
<b>“offer of Securities to the public”</b>	means in relation to any Securities in any Relevant Member State the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

<b>“Offer Period”</b>	means the period in which the Securities of a Series may be publicly offered to investors as determined in the relevant Final Terms.
<b>“Outdated Base Prospectus”</b>	means the 2013 Base Prospectus, the 2014 Base Prospectus, the 2015 Base Prospectus, the 2016 Base Prospectus and the 2017 Base Prospectus.
<b>“Outperformance Certificates”</b>	means Outperformance Certificates (eusipa 1310) issued under this Base Prospectus.
<b>“O-SII buffer”</b>	means capital buffer for systemically important institutions.
<b>“Participating FFI”</b>	means an FFI that becomes a Participating FFI by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors.
<b>“Participating Member States”</b>	means the Member States participation in the enhanced cooperation in the area of financial transaction tax pursuant to the proposal for a "Council Directive implementing enhanced cooperation in the area of financial transaction tax", dated 14 February 2013.
<b>“Participation Certificates”</b>	means Participation Certificates (eusipa 1300) issued under this Base Prospectus.
<b>“PLN”</b>	means Polish Zloty.
<b>“Polish Corporate Income Tax Law”</b>	means the Polish the Act on Corporate Income Tax of 15 February 1992 (consolidated text in Journal of Laws of 2011, no. 74, item 397), as amended.
<b>“Polish Corporate Taxpayers”</b>	means taxpayers subject to corporate income tax in the Republic of Poland.
<b>“Polish Personal Income Tax Law”</b>	means the Polish Act on Personal Income Tax of 26 July 1991 (consolidated text in Journal of Laws of 2012 item 361), as amended.
<b>“Programme”</b>	means the structured securities programme of Raiffeisen Centrobank which has been established on 10 June 2013 and has been updated by the base prospectuses dated 12 May 2014, 12 May 2015 and 12 May 2016, 12 May 2017 and this Base Prospectus.
<b>“Prospectus”</b>	means the Final Terms and the issue-specific summary of each particular series of Securities issued together with the Base Prospectus.
<b>“Prospectus Directive”</b>	means Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC as amended.
<b>“Prospectus Regulation”</b>	means Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.
<b>“Protected Certificates”</b>	means Protected Certificates (eusipa 1140) issued under this Base Prospectus.

<b>“Protected Reverse Convertibles”</b>	means Protected Reverse Convertibles (eusipa 1230) issued under this Base Prospectus.
<b>“Put Warrants”</b>	means Put Warrants (eusipa 2100) issued under this Base Prospectus.
<b>“Q1”, “Q2”, “Q3”, “Q4”</b>	means the first, second, third and fourth quarter of a year, respectively.
<b>“Quanto”</b>	means that any affected necessary currency conversion will be performed based on a fixed foreign exchange rate, which usually amounts to one, i.e. one unit of one affected currency will be converted into one unit of another affected currency.
<b>“Range Winner Certificates”</b>	means Range Winner Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Range Winner Guarantee Certificates”</b>	means Range Winner Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Raiffeisen Centrobank”</b>	means Raiffeisen Centrobank AG.
<b>“RBI Credit Institution Group”</b>	credit institution group ( <i>Kreditinstitutsgruppe</i> ) pursuant to § 30 BWG, in which RBI is the superordinated credit institution.
<b>“RBI Group”</b>	means RBI and its fully consolidated subsidiaries taken as a whole.
<b>“RBI Regulatory Group”</b>	means, from time to time, any banking group: (i) to which RBI belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR apply.
<b>“RBI”</b>	means Raiffeisen Bank International AG.
<b>“RCB”</b>	means Raiffeisen Centrobank.
<b>“Recalcitrant Holder”</b>	means any investor that – unless otherwise exempted – does not provide certain tax certifications or ownership information, or, if applicable, a waiver of any laws prohibiting disclosure of such information to a taxing authority.
<b>“Reference Asset”</b>	means in case of Securities redeemed by physical delivery of a certain quantity of reference assets such reference assets.
<b>“Relevant Implementation Date”</b>	means the date on which the Prospectus Directive is implemented in a Relevant Member State.
<b>“Relevant Member State”</b>	means each Member State of the European Economic Area which has implemented the Prospectus Directive.
<b>“Reverse Convertibles”</b>	means Reverse Convertibles (eusipa 1220) issued under this Base Prospectus.
<b>“Reverse Express Safe Certificates”</b>	means Reverse Express Safe Certificates (eusipa 1199) issued under this Base Prospectus.



<b>“Reverse Express Safe Guarantee Certificates”</b>	means Reverse Express Safe Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Reverse Inversion Certificates”</b>	means Reverse Inversion Certificates (eusipa 1299) issued under this Base Prospectus.
<b>“RWA”</b>	means risk weighted assets.
<b>“RZB”</b>	means Raiffeisen Zentralbank Österreich Aktiengesellschaft.
<b>“Securities”</b>	means Securities issued under this Base Prospectus.
<b>“Securities Act”</b>	means the United States Securities Act of 1933, as amended.
<b>“Securityholder”</b>	means each holder of Securities.
<b>“SEE”</b>	means South Eastern Europe.
<b>“Series”</b>	means a series of Securities.
<b>“Share Issuer”</b>	means a stock corporation that issued shares.
<b>“Slovak ITA”</b>	means the Slovak Income Tax Act (No. 595/2003 Coll.).
<b>“SREP”</b>	means the Supervisory Review and Evaluation Processes.
<b>“SRF”</b>	means the Single Resolution Fund.
<b>“SRM”</b>	means Single Resolution Mechanism.
<b>“SSM”</b>	means Single Supervisory Mechanism.
<b>“Stay-Above Certificates”</b>	means Stay-Above Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Stay-Above Guarantee Certificates”</b>	means Stay-Above Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Step-Down Certificates”</b>	means Step-Down Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Step-Down Guarantee Certificates”</b>	means Step-Down Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Step-Up Certificates”</b>	means Step-Up Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Step-Up Guarantee Certificates”</b>	means Step-Up Guarantee Certificates (eusipa 1199) issued under this Base Prospectus.
<b>“Stock Corporation Act”</b>	means the Austrian <i>Bundesgesetz über Aktiengesellschaften</i> , as amended.
<b>“Summary”</b>	means the issue specific Summary a sample of which is included in this Base Prospectus.

<b>“Tap issues”</b>	means <i>Daueremissionen</i> within the meaning of the Capital Market Act.
<b>“Tier 2”</b>	means own funds pursuant to Article 62 CRR ( <i>Tier 2</i> )
<b>“Terms and Conditions”</b>	the Terms and Conditions of the Securities as set forth in this Base Prospectus.
<b>“TLAC”</b>	means Total Loss-Absorbing Capacity.
<b>“Turbo Long Certificates”</b>	means Turbo Long Certificates (eusipa 2210) issued under this Base Prospectus.
<b>“Turbo Short Certificates”</b>	means Turbo Short Certificates (eusipa 2210) issued under this Base Prospectus.
<b>“Twin-Win Certificates”</b>	means Twin-Win Certificates (eusipa 1340) issued under this Base Prospectus.
<b>“Underlying”</b>	means the underlying or underlyings (if any) of a Security issued under this Base Prospectus, including indices, equity, fund shares, commodities, fx rates, interest rates, futures and baskets thereof (including best- and worst-of baskets, cappuccino baskets, value-weighted baskets, minimum-deviation and maximum-deviation baskets and supervised baskets).
<b>“United States”</b>	means the United States of America.
<b>“US dollars”, “USD” and “US\$”</b>	means the currency of the United States of America.
<b>“VaR”</b>	means value-at-risk.
<b>“Vienna Commercial Court”</b>	means <i>Handelsgericht Wien</i> .
<b>“Vienna Stock Exchange”</b>	means the <i>Wiener Börse</i> which is operated by the Wiener Börse Aktiengesellschaft.
<b>“Winner Certificates”</b>	means Winner Certificates (eusipa 1100) issued under this Base Prospectus.
<b>“Winner Guarantee Certificates”</b>	means Winner Guarantee Certificates (eusipa 1100) issued under this Base Prospectus.
<b>“2013 Base Prospectus”</b>	means the approved base prospectus relating to the Programme dated 10 June 2013.
<b>“2014 Base Prospectus”</b>	means the approved base prospectus relating to the Programme dated 12 May 2014.
<b>“2015 Base Prospectus”</b>	means the approved base prospectus relating to the Programme dated 12 May 2015.
<b>“2016 Base Prospectus”</b>	means the approved base prospectus relating to the Programme dated 12 May 2016.

**“2017 Base Prospectus”**

means the approved base prospectus relating to the Programme dated 12 May 2017.

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*To Raiffeisen Centrobank as to Austrian law*

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<b>Signaturwert</b>	ipcxDNWViSbNzX2IfqWu5BGOpjaJ8qhsHyXerbn81toa+7Mz0VjuYv6l/Uhj+crSantku36iyBtfh3zzYgce pF6ftPCuLTnfPMMAzseanKOZqawxKl2rRmbiMpXIkdZ04jqkVjorynHpvU8pjXbzUbl1FjJPMGG13UonDdWD Tzd8w9eBTxIj3gmsIX9Uo80w2eCH/MfbE00QnlR4X4vyrRMsPnbyQPsKLGgqdi/9ogmBgrEqy2kXfw6r72BF JRK4VpoK4d1fE7oi6yKzRpS4uSBynlSuGw8mUNlnow9E6D20jRAekcdTE/kK4IJtn4PdJ3z+7X5rJn7qv3LF GA4IPw==	
	<b>Unterzeichner</b>	Österreichische Finanzmarktaufsichtsbehörde
	<b>Datum/Zeit-UTC</b>	2018-05-11T07:18:37Z
	<b>Aussteller-Zertifikat</b>	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	<b>Serien-Nr.</b>	1691591
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<b>Prüfinformation</b>	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
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