

ALLGEMEINE GESELLSCHAFT FÜR VERBRIEFUNGEN S.A.,

acting in respect of its Compartment 42

Stratos II Immobilienanleihe

CONDITIONS OF THE NOTES

Up to EUR 100,000,000.00

Bearer Notes

linked to the STRATOS Immobilienanleihenfonds II

ISIN: XS1739950910

WKN: A2HMME

IMPORTANT NOTICES:

The regulatory and taxation environment relating to the NOTES and the REFERENCE FUND or the FUND SERVICE PROVIDERS may be subject to change which may adversely affect the REDEMPTION AMOUNT due to the NOTEHOLDERS and may result in the ISSUER redeeming the NOTES early or making adjustments in relation to one or more components or values of the REFERENCE ASSETS and/or the amounts payable under these TERMS AND CONDITIONS and/or any other value and/or amount.

The Noteholders must be aware that:

(i) neither the HYPOTHETICAL INVESTOR nor any other person (especially not the ISSUER) is expected to exercise or exercise any rights (including voting rights) in the FUND SHARES held under the FUND HOLDING in favour of the HYPOTHETICAL INVESTOR or any other person (other than the right to receive from the REFERENCE FUND distributions or other payments in connection with a cancellation of the FUND SHARES or a dissolution or merger of the REFERENCE FUND);

(ii) that, in the absence of adequate liquidity of the FUND SHARES (in the form of a redemption right vis-à-vis the REFERENCE FUND), the amount of payments owed by the ISSUER pursuant to the following TERMS AND CONDITIONS will primarily depend on the extent to which the ADMINISTRATIVE AGENT may solicit bids from market participants identified as POTENTIAL PURCHASERS of FUND SHARES, may be considered in the secondary market, and that they may therefore lose all of their capital; and

(iii) distributions from the REFERENCE FUND are not guaranteed by any party and depend on various factors the ISSUER has no control of (ie. the REFERENCE FUND's economic performance, reinvestment of capital and distribution decisions at the REFERENCE FUND level).

Acquisition of Notes is only suitable for persons who have carefully considered the FUND DOCUMENTATION and the present TERMS AND CONDITIONS and the risks associated with the investment policy of the REFERENCE FUND (including the risks arising from the structure of the

REFERENCE FUND and its investments and the risks from its tax and regulatory classification) and can judge on the basis of their knowledge and experience and can bear any losses – even the total loss of their investment.

1 NOTES; AMOUNTS TO BE PAID; GENERAL DEFINITIONS

1.1 The ALLGEMEINE GESELLSCHAFT FÜR VERBRIEFUNGEN S.A. (the "**COMPANY**"), a public limited company (*société anonyme*), having its registered office at 7, Grand-Rue L-6630 Wasserbillig, registered the Luxembourg Trade and Companies' Register under the number B110746, being subject to the Luxembourg Securitisation Law of 22 March 2004, in its the current version (the "**LAW OF 2004**"), acting in respect of its Compartment 42 (or the "**ISSUER**"), issues in the amount of the TOTAL NOMINAL AMOUNT, up to 100,000 notes (the "**NOTES**") in the FIXED CURRENCY with a nominal value of EUR 1,000 each (in words: one thousand euro), [subject to any partial redemption in accordance with clause 16.4 of these TERMS AND CONDITIONS](#) (the "**NOMINAL AMOUNT**").

1.2 The holder of the Notes (the "**NOTEHOLDERS**") shall have the right to demand payment of the REDEMPTION AMOUNT pursuant to clause 6 of these Terms and Conditions or the EARLY REDEMPTION AMOUNT pursuant to Number 16 under these Conditions (the "**TERMS AND CONDITIONS**"). Whether and to what extent the Issuer has to make payments in accordance with these TERMS AND CONDITIONS depends significantly on the performance of the REFERENCE ASSETS. A physical delivery of REFERENCE ASSETS (including and in particular of the FUND SHARES) is excluded.

1.3 Unless the context expresses otherwise, terms in capital letters in the context of these TERMS AND CONDITIONS have the following meanings:

"**BANKING BUSINESS DAY**" means every day (except Saturday and Sunday) on which credit institutions in Luxembourg and Frankfurt am Main are open for general business and on which the TARGET2 system (the "**Trans-European Automated Realtime Gross Settlement Express Transfer Payment System 2**") settles payments.

"**OUTSTANDING NOMINAL AMOUNT**" means the entire NOMINAL AMOUNT of, from time to time, the NOTES actually issued and outstanding.

"**ISSUE DATE**" means the 15th of December 2017.

"**INVESTMENT LIQUIDITY RESERVE**" means the difference, calculated on the ISSUE DATE and thereafter at the relevant VALUATION DATE, from (i) the total subscription amount of the HYPOTHETICAL INVESTOR; and (ii) the amount of subscription promises that the HYPOTHETICAL INVESTOR currently accepts due to it already being used for the acquisition of FUND HOLDINGS and the related capital calls of the REFERENCE FUND.

"**VALUATION DATE**" means the last BANKING BUSINESS DAY of the respective PERIOD, the FINAL VALUATION DATE and the EARLY VALUATION DATE.

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

"**MATURITY DATE**" means the 30th of June 2030.

"**FIXED CURRENCY**" means the Euro.

"**TOTAL NOMINAL AMOUNT**" means an amount of up to € 100,000,000.00 (in words: one hundred million euros).

~~"**INITIATOR**" means HFS Helvetic Financial Services AG.~~

"**COST LIQUIDITY RESERVE**" means any on the ISSUE DATE and at the end of each PERIOD based on the expected payment obligations of the ISSUER during the subsequent PERIOD, in particular for (i) the TRANSACTION COSTS and (ii) costs incurred by the ISSUER's service providers (if not already under (i) recognised) liquidity reserve formed at the discretion of the ISSUER. The payment obligations contained in the INVESTMENT LIQUIDITY RESERVE are not considered as payment obligations in this sense.

"**LIQUIDITY RESERVE**" means the sum of the COST LIQUIDITY RESERVE and the INVESTMENT LIQUIDITY RESERVE. At the end of the last PERIOD no LIQUIDITY RESERVE is formed.

"**PERIOD**" means the period as determined by the ~~INITIATOR and notified to the ISSUER on the 10th BANKING BUSINESS DAY prior to the expiration of the PERIOD,~~ ISSUER and as notified by the ISSUER to the NOTEHOLDERS prior to the 5th BANKING BUSINESS DAY prior to the expiry of the relevant PERIOD in accordance with clause 14 of these TERMS AND CONDITIONS (together with the INTEREST AMOUNT and the INTEREST PAYMENT DATE, if applicable). A calendar year may contain a maximum of two complete PERIODS.

"**TRANSACTION COSTS**" means, with respect to each PERIOD, (i) the ADMINISTRATIVE FEE, and (ii) all costs, fees and expenses of the ISSUER, directly or indirectly, in relation to the Issuer's Compartment 42, including all costs, fees and expenses relating to (A) the acquisition and sale of the COMPARTMENT ASSETS, as well as the issue and management of the NOTES (collectively, the "**TRANSACTIONS**"), (B) the engagement of third parties as service providers in connection with the TRANSACTIONS and the administration of the Compartment 42 of the ISSUER, (C) the establishment and liquidation of the Compartment 42 of the ISSUER, (D) the preparation of tax returns, (E) of the portion of the general expenses of the Company allocated to the Compartment 42, and (F) all direct or indirect liabilities of the Issuer to the Compartment 42 of the ISSUER to pay taxes, in each case so far as (1) the ADMINISTRATIVE FEES and (2) these costs, fees and expenses are not borne directly by the PAYING AGENCY and/or the ADMINISTRATIVE AND CALCULATION AGENT.

"**ADMINISTRATIVE FEE**" means up to 0.45% p.a. in relation to the OUTSTANDING NOMINAL AMOUNT including any applicable VAT, which is payable semi-annually in arrears to the ADMINISTRATIVE AND CALCULATION AGENT.

"**PAYING AGENT**" is Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxemburg.

2 STATUS

The Notes constitute direct, unsecured and limited recourse pass through obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse, pass through indebtedness of the Issuer, which has been or will be allocated to the Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

3 FORM; TRANSFER and TITLE

3.1 The NOTES are evidenced by one or more bearer note(s) without interest coupons and deposited with the CLEARING SYSTEM. Unless required by law, no effective notes will be issued. The NOTEHOLDERS are entitled to a particular principal amount in the GLOBAL NOTE. The right of the NOTEHOLDERS to the delivery of effective NOTES is excluded. The NOTES will be transferable in accordance with the applicable law and, where applicable, the rules and procedures of the CLEARING SYSTEM.

3.2 The NOTES are transferable in units of one NOTE or an integer multiple thereof only.

4 THE REFERENCE ASSETS

4.1 The "**REFERENCE ASSETS**" is a property held by the HYPOTHETICAL INVESTOR that is made up of:

- (a) the CASH COMPONENT (see clause 4.2 of these TERMS AND CONDITIONS), which may also have a negative balance; and
- (b) the FUND SHARES (see clause 4.3 of these TERMS AND CONDITIONS).

On the ISSUE DATE, the REFERENCE ASSETS consists exclusively of the CASH COMPONENT. After the ISSUE DATE, the CASH COMPONENT following a payment receipt or payment at the HYPOTHETICAL INVESTOR (i) will be reduced by any payments made by the HYPOTHETICAL INVESTOR to the REFERENCE FUND in relation to the FUND HOLDING, and (ii) will be increased by all payments received by the HYPOTHETICAL INVESTOR in relation to the FUND HOLDING from the REFERENCE FUND.

4.2 The "**CASH-COMPONENT**" means the OUTSTANDING NOMINAL AMOUNT on the ISSUE DATE less the LIQUIDITY RESERVE, if any, formed on the ISSUE DATE and thereafter at the end of each PERIOD:

- (a) the sum of (i) the level of the CASH-COMPONENT at the end of the immediately preceding PERIOD; (ii) all payments that the HYPOTHETICAL INVESTOR would have received from the REFERENCE FUND in respect of the FUND HOLDINGS held by it during that PERIOD; (iii) the INTEREST INCOME through the investment of the CASH-COMPONENT during the relevant PERIOD; and (iv) all payments received by the HYPOTHETICAL INVESTOR from a third party during the respective PERIOD; less
- (b) (i) the TRANSACTION COSTS for the relevant PERIOD; (ii) the notional interest charges for a hypothetical borrowing for that PERIOD (for a negative value of the CASH-COMPONENT); (iii) the amount that the HYPOTHETICAL INVESTOR on the basis of the subscription commitments made by him and the capital calls made by the REFERENCE FUND during the respective PERIOD; and (iv) the difference of the LIQUIDITY RESERVE of the prevailing PERIOD and the LIQUIDITY RESERVE as of the end of the preceding PERIOD.

Whereby (1) such distributions by the REFERENCE FUND to the HYPOTHETICAL INVESTOR, which are in kind, will be valued in the sole discretion of the CALCULATION AGENT and (2) if the HYPOTHETICAL INVESTOR has the choice, to either pay those distributions in the form of cash or in kind, it is assumed that the HYPOTHETICAL INVESTOR has opted for a cash benefit. If the payments or distributions of the REFERENCE FUND or the amount thereof are contingent upon a decision of the HYPOTHETICAL INVESTOR, it is at the sole discretion of the ISSUER to determine the AMOUNTS to be paid under the NOTES, which decision the HYPOTHETICAL INVESTOR in respect of the payments or distributions of the REFERENCE FUND or the AMOUNT would have been taken.

The CASH-COMPONENT represents the accounting value of a short-term, non-interest-bearing hypothetical deposit at the ACCOUNT BANK. The ISSUER is entitled at its own and sole discretion to designate another credit institution in the Grand Duchy of Luxembourg or the Federal Republic of Germany as the ACCOUNT BANK at any time, instead of the ACCOUNT BANK as selected on the ISSUE DATE.

4.3 "**FUND HOLDING**" means a participation in the form of FUND SHARES of the HYPOTHETICAL INVESTOR in the REFERENCE FUND as a result of a HYPOTHETICAL INVESTOR subscription on or around the ISSUE DATE for the OUTSTANDING NOMINAL AMOUNT on the ISSUE DATE. The FUND HOLDING is a purely fictional and passive investment, in particular neither the HYPOTHETICAL INVESTOR nor any other person (including, without limitation, the ISSUER) exercise or exercise any

rights (including voting rights) in any of the FUND SHARES in favour of the HYPOTHETICAL INVESTOR or any other person (other than the right, to receive from the REFERENCE FUND distributions or other payments in connection with a cancellation of FUND SHARES or a dissolution or merger of the REFERENCE FUND).

4.4 The following terms in capital letters have the following meanings:

"ISSUE PRICE" means the price at which an issue of FUND SHARES is made to the HYPOTHETICAL INVESTOR in respect of a FUND SHARE and the FUND HOLDINGS. In determining the ISSUE PRICE, the CALCULATION AGENT may also take into account all fees, expenses, taxes and duties and other factors that would arise in respect of the issue of a FUND SHARE to the HYPOTHETICAL INVESTOR on or about the ISSUE DATE.

„ACCOUNT BANK“ means Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxemburg.

"FUND ADVISOR" means a person appointed to the REFERENCE FUND (for example, at the level of the INVESTMENT COMPANY) as the Investment-Manager or as an Investment Advisor.

"FUND REPORTING DATE" means, with respect to a FUND SHARE and a FUND VALUATION DATE, the date on which the NOTIFIED FUND VALUE of that FUND SHARE, as determined for this FUND VALUATION DATE in accordance with the FUND DOCUMENTATION, is notified or published.

"FUND SHARE" means a share in the REFERENCE FUND.

"FUND SERVICE PROVIDER" means a person who is instructed to provide services directly or indirectly to the REFERENCE FUND, whether or not referred to in the FUND DOCUMENTATION, including, but not limited to, the INVESTMENT COMPANY, the Custodian, the FUND ADVISOR and other operators, management companies, custodians, depositaries, sub-custodians, prime brokers, administrators, central custodians, trustees, registrars, transfer agents and domiciliation agents.

"FUND DOCUMENTATION" means, in respect of the FUND HOLDING, the constituent and authoritative documents (ie. the Investor Agreement, the General Terms, the Special Terms, Subscription Agreement) of the REFERENCE FUND which state the terms of such FUND HOLDING or which otherwise govern the FUND HOLDING.

"HYPOTHETICAL INVESTOR" means a public limited company under the laws of the Grand Duchy of Luxembourg (*société anonyme*), domiciled in the Grand Duchy of Luxembourg, which holds a FUND HOLDING in the name and for the account of a Compartment under the LAW OF 2004 (as amended).

"INVESTMENT COMPANY" means the HANSAINVEST Hanseatic Investment GmbH, Hamburg, or an investment company following it to manage the REFERENCE FUND.

"NOTIFIED FUND VALUE" means, in respect of a FUND SHARE or the level of a FUND HOLDING and a FUND REPORTING DATE, the value of such FUND SHARE or the amount of such FUND HOLDING on the relevant FUND VALUATION DATE or, if the REFERENCE FUND merely communicates its total Net Asset Value, the share of the total net asset value of the REFERENCE FUND in each case, as indicated on the relevant FUND REPORTING DAY, by the FUND SERVICE PROVIDER, who will generally disclose this value to its investors or to a publication service on behalf of the REFERENCE FUND.

"REFERENCE FUND" means the "STRATOS Immobilienanleihefonds II", a specialised investment fund within the meaning of §91 of the German Investment Act (InvG), an open, specialised AIF (formerly: HI Spezialfonds 2) whose custodian bank is Donner & Reuschel AG domiciled in Hamburg.

"REDEMPTION PRICE" means the price published by the REFERENCE FUND or a FUND SERVICE PROVIDER in relation to a FUND SHARE and the amount of the FUND HOLDING at which a redemption of the HYPOTHETICAL INVESTOR occurs. The CALCULATION AGENT may in its reasonable discretion (without being obligated to do so) alternatively to the REDEMPTION PRICE take into account of a suitable buyer in favour of the HYPOTHETICAL INVESTOR (the determination of the suitability of the buyer is also determined at the reasonable discretion of the CALCULATION AGENT) for the FUND HOLDING in the REFERENCE FUND or a certain number of FUND SHARES. If the CALCULATION AGENT considers that the price published by the REFERENCE FUND or a FUND SERVICE PROVIDER within the meaning of the preceding sentence can not be obtained on redemption of FUND HOLDINGS of the HYPOTHETICAL INVESTOR, the purchase price must be paid. When determining the REDEMPTION PRICE, the CALCULATION AGENT may also take into account any fees, charges, taxes and duties and other factors which would arise on the FINAL VALUATION DATE for the redemption of FUND SHARES at the level of the HYPOTHETICAL INVESTOR.

"INTEREST INCOME" means the accounting value of a short-term and interest-bearing deposit of the CASH-COMPONENT at the ACCOUNT BANK, whereby the Issuer is entitled at its discretion, instead of ACCOUNT BANK, to name another credit institution in the Grand Duchy of Luxembourg or the Federal Republic of Germany for the hypothetical investment of the CASH-COMPONENT. INTEREST INCOME might be negative, if negative interest rates apply.

5 INTEREST

~~Subject to the consent of the INITIATOR, the~~ The ISSUER will pay on the NOTES, each pro rata on their NOMINAL AMOUNT, on the relevant INTEREST PAYMENT DATE the INTEREST AMOUNT. **"INTEREST PAYMENT DATE"** is the fifth BANK BUSINESS DATE after the end of a PERIOD.

The **"INTEREST AMOUNT"** results from the higher of (i) the CASH-COMPONENT less a liquidity reserve of EUR 50,000.00 and (ii) EUR 0.00.

6 MATURITY, REDEMPTION

6.1 The term of the NOTES ends, if it is not subject to an extraordinary termination by the NOTES of the NOTEHOLDERS or the ISSUER, on the MATURITY DATE.

6.2 Unless previously redeemed in full or in part, the Issuer, if not subject to the occurrence of a MARKET DISRUPTION, must pay the REDEMPTION AMOUNT to each NOTEHOLDER on the MATURITY DATE in accordance with these TERMS AND CONDITIONS. The CALCULATION AGENT will calculate the REDEMPTION AMOUNT per NOTE (the **"REDEMPTION AMOUNT"**) on the FINAL VALUATION DATE or immediately thereafter, according to the following formula in the FIXED CURRENCY:

$$\mathbf{RZB = Max (RP / NN; EUR 0.00)}$$

where:

"RZB" is the REDEMPTION AMOUNT;

"NN" is the number of Notes outstanding on the FINAL VALUATION DATE;

"RP" is the Realisation Proceeds received on realisation of the REFERENCE ASSETS on the FINAL VALUATION DATE; and

"FINAL VALUATION DATE" is the 20th BANKING BUSINESS DAY prior to the MATURITY DATE. Upon the occurrence of a MARKET DISRUPTION pursuant to clause 7 of these TERMS AND CONDITIONS,

the FINAL VALUATION DATE and the MATURITY DATE will be deferred accordingly, without the Issuer being required to pay any interest or other amounts to the NOTEHOLDERS.

6.3 If the DIFFERENCE AMOUNT on the FINAL VALUATION DATE is greater than zero, the REDEMPTION AMOUNT will be reduced by the PARTIAL REDEMPTION AMOUNT with effect of the MATURITY DATE and any NOTE shall be deemed to be partly redeemed by the ISSUER.

"PARTIAL REDEMPTION AMOUNT" shall be (i) the AGGREGATED INTEREST or, if lower, the DIFFERENCE AMOUNT divided by (ii) the number of NOTES outstanding on the FINAL VALUATION DATE.

"DIFFERENCE AMOUNT" means the difference between (i) the NOMINAL AMOUNT multiplied by the number of NOTES outstanding on the FINAL VALUATION DATE and (ii) the CASH-COMPONENT available on the FINAL VALUATION DATE.

"AGGREGATED INTEREST " means the sum of all INTEREST AMOUNTS payed by the ISSUER to the NOTEHOLDERS on the NOMINAL AMOUNT multiplied by the number of NOTES outstanding on the FINAL VALUATION DATE during the term of the NOTES.

A reduction of the REDEMPTION AMOUNT payable in accordance with these provisions shall be notified by the ISSUER to the NOTEHOLDERS by the second BANKING BUSINESS DAY after the FINAL VALUATION DATE (the latest) with written proof of the amount of the CASH-COMPONENT and accompanied by a corresponding report from an independent and accredited auditor within the meaning of § 319 HGB.

6.4 The CALCULATION AGENT will arrange for the REDEMPTION AMOUNT and (if any) the PARTIAL REDEMPTION AMOUNT being notified to the NOTEHOLDERS and the ISSUER by notice in accordance with clause 14 of these TERMS AND CONDITIONS. All Certificates, Notices, Opinions, Determinations, Calculations, Quotas and Decisions made, made or obtained by the CALCULATION AGENT for the purposes of this clause 6 are (unless there is an obvious error) for the ISSUER, the PAYING AGENT and the NOTEHOLDER(S) binding.

7 MARKET DISRUPTION EVENT

7.1 If the CALCULATION AGENT determines that there is a MARKET DISRUPTION on a VALUATION DATE, the VALUATION DATE, subject to clause 7.3, shall be the next DESIGNATED REFERENCE ASSETS VALUATION DATE for which the CALCULATION AGENT determines that there's no MARKET DISRUPTION anymore. In this context:

"CASH COMPONENT VALUATION DATE" means, in relation to the CASH COMPONENT, a BANKING BUSINESS DAY on which the HYPOTHETICAL INVESTOR can value and transfer cash or a cash equivalent.

"FUND VALUATION DATE" means in respect of the FUND HOLDING a day (i) to which the REFERENCE FUND or a FUND SERVICE PROVIDER in accordance with the FUND DOCUMENTATION determines the value of a FUND SHARE or, if the REFERENCE FUND discloses only its total net asset value, such day the REFERENCE FUND discloses its total net asset value and (ii) the redemption of the FUND HOLDING based on this value takes place (without any redemption restriction, deferment, suspension or other provisions taking effect that would allow the REFERENCE FUND to postpone or refuse to redemption of FUND SHARES).

"MARKET DISRUPTION" means in respect of the FINAL VALUATION DATE or EARLY VALUATION DATE the occurrence of a REFERENCE ASSETS VALUATION DISRUPTION.

"REFERENCE ASSETS VALUATION DISRUPTION" means the fact that a REFERENCE ASSETS VALUATION DATE is not a DESIGNATED REFERENCE ASSET VALUATION DATE with respect to the CASH-COMPONENT and/or the REFERENCE FUND, or that REFERENCE ASSET VALUATION DATE is being postponed continuously.

"REFERENCE ASSETS VALUATION DATE" is any day that is (i) a CASH-COMPONENT VALUATION DATE and (ii) a FUND VALUATION DATE.

"DESIGNATED REFERENCE ASSET VALUATION DATE" is (i) a day in respect of the CASH-COMPONENT, and (ii) a day in respect of the FUND HOLDING, (A) to the value of the REFERENCE FUND or FUND SERVICE PROVIDER in accordance with the FUND DOCUMENTATION, or, if the REFERENCE FUND discloses only its total net asset value, the date on which the REFERENCE FUND should announce its total net asset value and (B) redeem the FUND HOLDING based on this value (without any limitation on redemption, deferment, suspension or other provisions that would allow the REFERENCE FUND to postpone or refuse to return FUND SHARES).

7.2 The CALCULATION AGENT will endeavour to promptly notify the NOTEHOLDERS in accordance with clause 14 of these TERMS AND CONDITIONS that a MARKET DISRUPTION has occurred. However, there is no obligation to notify.

7.3 If the FINAL VALUATION DATE or the EARLY VALUATION DATE has been postponed for more than 365 days due to the provisions of this clause and the CALCULATION AGENT on the immediately following BANKING BUSINESS DAY determines a MARKET DISRUPTION will continue to apply (regardless of the existence of the MARKET DISRUPTION) as the relevant VALUATION DATE and the CALCULATION AGENT will set the REDEMPTION PRICE at its reasonable discretion, taking into account up to three previously obtained purchase prices of POTENTIAL PURCHASERS of the FUND HOLDING. Calculating the REDEMPTION PRICE, the CALCULATION AGENT will set the highest of the bids which relates to the entire FUND HOLDING. If only bids for less than the entire FUND HOLDING exist, the CALCULATION AGENT will, at its discretion, give pro rata consideration to these bids. In determining the REDEMPTION PRICE, the CALCULATION AGENT may also take into account any fees, costs, taxes and charges that would be incurred in respect of the redemption of the FUND HOLDING by the HYPOTHETICAL INVESTOR. If no purchase offers are made by POTENTIAL PURCHASERS or if a sale and/or transfer of the FUND SHARE to a POTENTIAL PURCHASER is prohibited or excluded, the REDEMPTION PRICE will be zero. In this context, **"POTENTIAL PURCHASER"** means any market participant that, in the reasonable discretion of the CALCULATION AGENT, qualifies as a FUND HOLDING acquirer in the secondary market, as in accordance with the FUND DOCUMENTATION, it may be admitted to the REFERENCE FUND and acquirer of the FUND HOLDINGS, and there are no reasons, due to which the INVESTMENT COMPANY or a FUND SERVICE PROVIDER could refuse to approve the transfer of the FUND HOLDINGS.

7.4 Upon the occurrence of a MARKET DISRUPTION, the maturity of the payments to be made by the ISSUER under the NOTES shall be postponed until the CALCULATION AGENT has made the necessary determinations in accordance with the foregoing provisions. Interest or other payments are not due to this deferral.

8 ADJUSTMENTS

8.1 If, in the opinion of the CALCULATION AGENT, during the lifetime of the NOTES, there has been at any time a POTENTIAL ADJUSTMENT EVENT in relation to the FUND HOLDING, the FUND SHARES or the REFERENCE FUND, which, in the reasonable discretion of the CALCULATION AGENT, would have a material effect on the value of the FUND HOLDING (ie. dilution, increase in value) or the

calculation of the REDEMPTION AMOUNT, the EARLY REDEMPTION AMOUNT or any other amount payable under the NOTES, the CALCULATION AGENT shall, without prejudice to the provisions of clause 16.2 (l) of these TERMS AND CONDITIONS, be entitled but not obliged to:

- (a) make one or more corresponding adjustments to the calculation of the REDEMPTION AMOUNT, the EARLY REDEMPTION AMOUNT or any other amount payable under the NOTES, or any other conditions that govern such calculations and/or account for the dilutive or appreciable effect considered appropriate to account for the POTENTIAL ADJUSTMENT EVENT; and
- (b) fix the date(s) of the relevant adjustment(s).

In the event of a necessary adjustment, the CALCULATION AGENT will take reasonable efforts to ensure that the economic situation of the NOTEHOLDERS remains as constant as possible. In case of an adjustment, the CALCULATION AGENT takes into account the period until maturity of the NOTES and the last available net asset value for the REFERENCE FUND.

8.2 "**POTENTIAL ADJUSTMENT EVENT**" means, in relation to the FUND SHARE, the FUND HOLDINGS and/or the REFERENCE FUND the occurrence of one of the following events:

- (a) a subdivision, amalgamation or class change of the FUND SHARES, the FUND HOLDING or a free distribution or allotment of the FUND SHARES in respect of the REFERENCE FUND to existing holders by means of a bonus, capitalisation or similar measures;
- (b) a distribution, issue or dividend to holders of FUND SHARES in the form of: (i) an additional amount of such FUND SHARES; or (ii) other equity securities or securities corresponding to the distribution of a dividend and/or pro-rata distribution of the liquidation proceeds in respect of the REFERENCE FUND; or (iii) in the form of equity securities or other securities of another issuer acquired by the REFERENCE FUND (directly or indirectly) as a result of a demerger or similar transaction or which, as a result, may be traded on its behalf; or (iv) any other securities, options or other rights or assets distributed for any consideration in cash or in kind that is below the prevailing market price, as determined by the CALCULATION AGENT;
- (c) an insolvency event, meaning in relation to the REFERENCE FUND:
 - (i) it is dissolved or a resolution is taken on its dissolution, liquidation or legal winding-up (other than as a result of a merger);
 - (ii) it makes a general distribution of assets in favour of its creditors;
 - (iii) (A) on its own or the initiative of a supervisory or similar regulatory body having primary insolvency or regulatory powers over it under the law of its establishment or organisation or the law of its principal or residence, a procedure for the opening of insolvency or bankruptcy proceedings or similar measures under a bankruptcy or bankruptcy law or any other similar right that undermines creditor rights, or that an application for winding-up or liquidation is made by such supervisor or similar authority, or (B) a person not mentioned under (A) under any bankruptcy or bankruptcy law or any other similar right that affects creditor rights, initiates insolvency or bankruptcy proceedings, or makes an application for liquidation or liquidation (1) initiating insolvency or bankruptcy proceedings or initiating or issuing a grant or order in respect of winding-up or liquidation or (2) not dismissing it within 15 days of the adoption or service; suspended or rejected;

(iv) it requests or is placed under its own responsibility or in respect of all or substantially all of its assets, the appointment of a liquidator, conservator, administrator, trustee, supervisor or any other person of similar function; and/or

(v) a collateral beneficiary owns, executes or obtains in the legal proceedings all or any of a substantial portion of its assets, or seizes, executes, seizes or solicits any or all of its assets in any manner whatsoever; and that the legal proceeding is not rejected, cancelled, suspended or dismissed within 15 days;

(d) all FUND SHARES or all or substantially all of the assets of the REFERENCE FUND shall be nationalised or expropriated or otherwise transferred to any government agency, public authority or other government agency or entity thereof;

(e) a repurchase of FUND SHARES by the REFERENCE FUND, whether or not the purchase price is paid in cash, securities or otherwise, except for the redemption of FUND SHARES initiated by an investor in such FUND SHARES in accordance with the FUND DOCUMENTATION;

(f) an INVESTMENT ADVISOR exchange, ie. with regard to the REFERENCE FUND:

(i) the termination, dismissal or replacement of its INVESTMENT ADVISOR; or

(ii) the termination, dismissal, replacement or death of a key person of this INVESTMENT ADVISOR.

(g) a fund amendment, ie. with respect to the REFERENCE FUND, an amendment or modification to the FUND DOCUMENTATION that in the reasonable discretion of the CALCULATION AGENT is expected to adversely affect the value of the FUND SHARES or the rights of the HYPOTHETICAL INVESTOR as compared to those on the ISSUE DATE.

(h) a Hedging Disruption, ie. it is impossible or impracticable for the ISSUER or any third party with whom the ISSUER enters into a hedging agreement with respect to its obligations under the NOTES, even under commercially reasonable efforts, to:

(i) enter into any transaction and/or asset that it considers necessary to hedge, perform, acquire, renew, exchange, maintain, dissolve or dispose of the price risk relating to the FUND HOLDING; and

(ii) realize, obtain or transfer the consideration of any such transaction or asset, including any where the impossibility or impracticability is due to (A) any limitation or increase in the costs or fees charged by the REFERENCE FUND or any other FUND SERVICE PROVIDERS are required to redeem, in full or in part, the FUND SHARES or the existing or new ability of investors to invest initially or additionally in the REFERENCE FUND, or (B) a full or partial compulsory confiscation of FUND SHARES by the REFERENCE FUND (in any event with the exception of those restrictions already existing on the ISSUE DATE);

(i) an increase in the cost of hedging, which means that the ISSUER or a third party with whom the ISSUER enters into a hedge with respect to its obligations under the NOTES will incur a significantly higher amount of taxes and duties, costs or expenses (other than brokerage fees) compared to the prevailing conditions on the ISSUE DATE in order to: (i) secure or acquire any transaction and/or asset it deems necessary to hedge, obtain or acquire the price risk relating to the REFERENCE FUND or the FUND SHARES; or (ii) realise,

obtain or transfer the consideration of such transaction and/or asset, whereby a substantially higher amount resulting only from a deterioration in the creditworthiness of a counterparty of such hedge does not constitute such increase in hedge cost;

(j) another extraordinary fund event, ie.:

(i) a change in the currency of the REFERENCE FUND;

(ii) the introduction of amended upfront or exit charges by the REFERENCE FUND or a FUND SERVICE PROVIDER;

(iii) a prohibition or restriction on the sale and/or transfer of the FUND SHARES to a POTENTIAL PURCHASER, for any reason whatsoever;

(iv) a change in the legal form of the REFERENCE FUND; or

(v) distributions that, in the opinion of the CALCULATION AGENT, conflict with the usual distribution policy of the REFERENCE FUND;

(k) the loss of the right of the INVESTMENT COMPANY to manage the REFERENCE FUND, for whatever reason; or

(l) any other event which has a dilutive or appreciable effect on the theoretical value of the FUND SHARES or the FUND HOLDING.

9 CALCULATIONS; PAYMENTS

The amounts payable on the NOTES shall be calculated by the CALCULATION AGENT and published in accordance with clause 14 of these TERMS AND CONDITIONS. The calculations are final (unless there is an obvious error) and binding on the NOTEHOLDERS.

9.2 All payments made by the ISSUER are in all respects subject to the laws, regulations and procedures applicable at the place of payment. The ISSUER assumes no liability in the event that these laws, regulations and procedures make it unable to make the payments owed under the NOTES.

9.3 The ISSUER will arrange for the transfer of the amounts payable under these TERMS AND CONDITIONS to the CLEARING SYSTEM via the PAYING AGENT for further credit to the accounts of the NOTEHOLDERS of the CLEARING SYSTEM. The ISSUER will be released from its obligation to pay under these TERMS AND CONDITIONS by transferring the amounts to the CLEARING SYSTEM.

9.4 All taxes, fees or other charges incurred in connection with the payment of funds shall be borne by and payable by the NOTEHOLDERS. The ISSUER or the PAYING AGENCY shall be entitled to withhold any amounts of any taxes, fees or charges payable by the NOTEHOLDERS in accordance with the preceding laws.

9.5 Subject to applicable tax and other laws and regulations, payments due shall be made in respect of the NOTES in the FIXED CURRENCY.

9.6 If the FINAL REDEMPTION DATE or the EARLY REDEMPTION DATE falls on a non-BANKING BUSINESS DAY, then the NOTEHOLDERS will not be entitled to any payment prior to the immediately following BANKING BUSINESS DATE. The NOTEHOLDERS are not entitled to demand interest or other payments as a result of such deferral.

9.7 For clarification: There is no interest under the NOTES to be paid on amounts due between the MATURITY DATE or the EARLY REDEMPTION DATE and the actual receipt of the relevant payment.

10 NON-PETITION

10.1 The NOTEHOLDERS undertake not to request any liquidation of the ISSUER or the COMPANY or any insolvency proceedings concerning the property of the ISSUER or the COMPANY and any initiation of a similar procedure for the liquidation of the ISSUER or the COMPANY or its assets of a third party, except for the assertion of claims in the event of a winding-up procedure requested by another person, and steps to obtain a statement or judgment regarding the obligations of the ISSUER in relation thereto.

10.2 If, in breach of clause 10.1 of these TERMS AND CONDITIONS, a NOTEHOLDER initiates the liquidation of the ISSUER or the COMPANY, the initiation of insolvency proceedings over the assets of the ISSUER or the COMPANY or the commencement of any similar proceeding for the settlement of the ISSUER or the COMPANY or its assets; or if he accepts such a request from a third party, he thereby loses all rights within the meaning of clause 1.2 of the present TERMS AND CONDITIONS.

11 COMPARTMENT

11.1 The ISSUER will use the net proceeds of the NOTES to replicate the investment and risk profile of the REFERENCE ASSETS (eg either by (i) directly holding the FUND HOLDINGS of the REFERENCE FUND or (ii) on a "synthetic" replication of the REFERENCE FUND (eg in the form of a Total Return Swap)) (the "**COMPARTMENT ASSETS**"). There is no obligation on the part of the issuer to invest the issue proceeds directly in the REFERENCE FUND.

11.2 The COMPANY undertakes not to otherwise undertake any obligations in relation to Compartment 42, and in particular with respect to the COMPARTMENT ASSETS included in this Compartment 42, and to engage in activities other than those arising out of or in connection with the direct or indirect representation of Investment and risk profile of the REFERENCE ASSETS.

11.3 The COMPANY undertakes to limit non-Compartment 42 obligations to other Compartments or to the Company's capital compartment and to include restriction clauses in all future Compartment 42 agreements, which are in substance subject to the provisions of clause 10 and clause 12 of these TERMS AND CONDITIONS.

12 LIMITED RECOURSE

12.1 All claims which the NOTEHOLDERS may assert against the ISSUER are limited to the proceeds from the realisation of the COMPARTMENT ASSETS. The NOTEHOLDERS will be paid pro rata at the NOMINAL AMOUNT of the NOTES held by the respective NOTEHOLDER relative to the OUTSTANDING NOMINAL AMOUNT. Beyond the distribution of the proceeds from the realisation of the COMPARTMENT ASSETS, the ISSUER is not obliged to make any further payments. There is no entitlement of the NOTEHOLDERS to any title on or delivery of the COMPARTMENT ASSETS. If the COMPARTMENT ASSETS are not sufficient for the final satisfaction of the claims of the NOTEHOLDERS, the ISSUER is not obligated to pay any deficit resulting therefrom and the NOTEHOLDERS may not assert further claims against the ISSUER. The COMPARTMENT ASSETS and the proceeds from their realisation are deemed "finally inadequate" if no further COMPARTMENT ASSETS are available at this time and no further proceeds can be realised to settle outstanding claims of the NOTEHOLDERS. The claim for full redemption does not apply in this case. The NOTEHOLDERS do not have recourse to the assets of any other compartments or assets of the COMPANY.

12.2 Payment obligations of the ISSUER resulting from or in connection with these TERMS AND CONDITIONS are always subject to the condition that the ISSUER has actually received a

corresponding payment from the realisation of the COMPARTMENT ASSETS in good time prior to the due date of the respective claim for payment. So far as the ISSUER has not received such a payment in full (whether due to a deduction of tax or for any other reason), a claim for payment by the NOTEHOLDERS shall only be in the amount of the proportionate portion of all realisation proceeds paid by the ISSUER. Furthermore, in this case, the NOTEHOLDERS are not entitled to any claims, in particular with regard to any assets of other compartments or assets of the COMPANY.

12.3 The NOTEHOLDER has no direct right against the ISSUER and/or the COMPARTMENT ASSETS.

13 PAYING AGENCY, ADMINISTRATIVE AND CALCULATION AGENT

13.1 Hauck & Aufhäuser Privatbankiers AG, with its Luxembourg Niederlassung (1c, rue Gabriel Lippmann L – 5365 Munsbach, R.C.S., Luxembourg: B175937) assumes the function of the PAYING AGENT. The ISSUER shall be entitled at any time to replace the PAYING AGENT with another credit institution or financial services institution of equivalent credit standing having its principal place of business or branch in an OECD Member State (an "INSTITUTE"), to appoint one or more additional PAYING AGENTS and to revoke any such appointment. Replacement, order and revocation shall be announced without delay in accordance with clause 14. The PAYING AGENCY is entitled at any time to resign from its duties as the PAYING AGENT. The resignation becomes effective only with the appointment of another INSTITUTE to the PAYING AGENT by the ISSUER. Resignation and appointment will be announced without delay in accordance with clause 14.

13.2 The Oaklet S.A. (7, Grand-Rue L – 6630 Wasserbillig, RCS, Luxembourg: B159262) assumes the function of "ADMINISTRATIVE AGENT" and Oaklet GmbH (Bettinastrasse 61, D-60325 Frankfurt am Main, HRB 77985) assumes the function of "CALCULATION AGENT" (collectively, the "ADMINISTRATIVE AND CALCULATION AGENT"). The ISSUER is entitled at any time to replace the ADMINISTRATIVE AND CALCULATION AGENT (either or both) with an INSTITUTE and to revoke its appointment. Replacement, order and revocation shall be announced without delay in accordance with clause 14. The ADMINISTRATIVE AND CALCULATION AGENT (either or both) is entitled to resign from its duties as ADMINISTRATIVE AND CALCULATION AGENT. The resignation becomes effective only with the appointment of another INSTITUTE to the ADMINISTRATIVE AND CALCULATION AGENT by the ISSUER. Resignation and appointment will be announced without delay in accordance with clause 14.

13.3 The PAYING AGENT and the ADMINISTRATIVE AND CALCULATION AGENT act exclusively as servants of the ISSUER and have no obligations to the NOTEHOLDERS. The PAYING AGENT and the ADMINISTRATIVE AND CALCULATION AGENT are exempted from the restrictions of the prohibition on self contracting.

13.4 Neither the ISSUER nor the PAYING AGENT is required to verify the eligibility of the NOTEHOLDERS.

14 NOTICES

The Issuer will, if permitted, provide notice in accordance with the requirements of applicable law in Luxembourg by notifying the CLEARING SYSTEM for transmission to the NOTEHOLDERS or directly to the NOTEHOLDERS. Notifications of the CLEARING SYSTEM shall be deemed to have been made on the third day following the notification to the CLEARING SYSTEM; direct notifications with their receipt.

15 INCREASE; REPURCHASE

15.1 The ISSUER is entitled at any time to issue further NOTES having the same Conditions in all respects so that the further notes shall be consolidated and form a single series. The term "NOTES" in the case of such an increase also includes such additional NOTES issued.

15.2 The ISSUER is entitled, but not obligated, at any time to repurchase NOTES via the stock exchange or through OTC transactions at fair value. The ISSUER is not obliged to inform the NOTEHOLDERS about such repurchase. The repurchased NOTES can be cancelled, held, resold or otherwise used by the ISSUER.

16 TERMINATION OF NOTES / PARTIAL REDEMPTION

16.1 Neither the ISSUER nor the NOTEHOLDERS are entitled to cancel the NOTES regularly.

16.2 The ISSUER shall have the right, but not the obligation, to extraordinarily terminate the NOTES by notice in accordance with clause 14 of these TERMS AND CONDITIONS on the EARLY TERMINATION DATE to be determined by the Issuer and forthwith published in accordance with clause 14 of these TERMS AND CONDITIONS, in accordance with the provisions of the EARLY REDEMPTION AMOUNT, if the Issuer determines, in its reasonable discretion, that:

- (a) an application for insolvency proceedings or a procedure similar to the one applicable to the ISSUER over the assets of the ISSUER has been requested;
- (b) in respect of any FUND SHARES, despite their maturity, payments are not made, or may not be made in full, to the respective provisions underlying the HYPOTHETICAL INVESTOR pursuant to the FUND SHARES;
- (c) a compulsory redemption of all or part of the FUND SHARES is ordered;
- (d) a net asset event, ie. with regard to the REFERENCE FUND, that:
 - (i) the declared value of a FUND SHARE has fallen during an observation period of one year by an amount equal to or greater than 30% (fluctuation limit); or
 - (ii) against any legal restriction on the leverage that applies to or relating to him or her, against any judicial or other governmental decision or injunction that applies to his or her assets, its FUND DOCUMENTATION, or a contractual restriction that concerns his or her assets, is violated;
- (e) a policy violation, ie. with respect to the REFERENCE FUND, a breach or breach of any strategy or investment policy set out in the FUND DOCUMENTATION which, in the reasonable opinion of the CALCULATION AGENT, may adversely affect the value of the FUND SHARES or the rights of the HYPOTHETICAL INVESTOR;
- (f) a supervisory measure, ie. with regard to the REFERENCE FUND:
 - (i) the cancellation, suspension or revocation of the registration or admission of the REFERENCE FUND or the FUND SHARES by a governmental authority or a supervisory authority with appropriate jurisdiction;
 - (ii) a change in the legal, tax, accounting or regulatory treatment of the REFERENCE FUND or its INVESTMENT ADVISOR or INVESTMENT COMPANY which, in the reasonable opinion of the CALCULATION AGENT, is likely to have a detrimental effect on the value of the FUND SHARES or the HYPOTHETICAL INVESTOR; or

(iii) the REFERENCE FUND or a FUND SERVICE PROVIDER is subject to investigation or litigation in respect of a possible violation of applicable law in actions relating to or arising from the affairs of the REFERENCE FUND by a governmental authority or a supervisory authority;

(g) an information interruption, ie. with regard to the REFERENCE FUND:

(i) the occurrence of an event which, in the reasonable opinion of the CALCULATION AGENT, makes the determination of the value of FUND SHARES impracticable or impracticable for the CALCULATION E AGENT and continues for at least 180 days; or

(ii) the failure of the REFERENCE FUND to provide (A) information to the ISSUER, the ADMINISTRATIVE AGENT or the HYPOTHETICAL INVESTOR, or (B) information which until then has been provided in accordance with the normal practice of the REFERENCE FUND or the FUND SERVICE PROVIDERS have been supplied to the aforementioned persons and, in the opinion of the ADMINISTRATIVE AGENT, are required to enable them, the ISSUER or the HYPOTHETICAL INVESTOR to monitor compliance with the investment guidelines, asset allocation principles and other similar policies of the REFERENCE FUND, or arrange for their delivery;

(h) a legal change, ie. that on or after the ISSUE DATE:

(i) due to the adoption or amendment of any applicable law or regulation (in particular, a tax act); or

(ii) due to the promulgation or amendment of the interpretation of any applicable law or regulation by a competent court, tribunal or supervisory authority (in particular, measures taken by the tax authorities),

the ADMINISTRATIVE AGENT reasonably believes that the acquisition, holding or disposal of the FUND SHARES has become inadmissible or that it is significantly more expensive to meet the ISSUERS obligations under the NOTES (in particular, due to an increase, tax obligations, a reduction in tax benefits or any other adverse effect on their tax position);

(i) the ISSUER has a good reason to believe that the performance of its obligations under the NOTES or the transactions it has undertaken to replicate the investment and risk profile of the REFERENCE ASSETS in accordance with applicable current or future laws, rules, judgments, orders or directives, State, administrative or legislative authority or force or a court, or a change in the interpretation thereof, is or will be prohibited in whole or in part, unlawful or otherwise;

(j) a change is made to the FUND DOCUMENTATION which is expected to have a material adverse effect on the value of the HYPOTHETICAL INVESTOR's holding in the REFERENCE FUND or the rights of the Shareholders of the REFERENCE FUND; or

(k) in the opinion of the ADMINISTRATIVE AGENT, an adjustment pursuant to clause 8 is not possible or economically appropriate; and this Event, at the reasonable discretion of the ADMINISTRATIVE AGENT, has an economically detrimental effect on the NOTES.

16.3 The NOTEHOLDERS have the right to terminate the NOTES at any time for good cause by registered letter to the ISSUER. The declaration of termination according to the above sentence shall be accompanied by an appropriate proof of ownership of the respective NOTEHOLDER in respect of the NOTES, such as a current deposit statement. The termination becomes effective on receipt of

the notice of termination by the ISSUER. The redemption of the NOTES will be made in such case on the EARLY REDEMPTION DATE in an amount equal to the EARLY REDEMPTION AMOUNT. Important reasons for an extraordinary termination by the NOTEHOLDERS are, in particular:

- (a) the liquidation of the ISSUER or the COMPANY, or the commencement of insolvency or similar proceedings against the ISSUER or the COMPANY, including the rejection or termination of such proceedings due to insufficient assets; and
- (b) in the event of material misconduct or fraud on the part of a Director of the ISSUER, if such misconduct or fraud (i) has been determined by a final court decision or (ii) has been acknowledged by such Director to be such misconduct because the ISSUER appoints the relevant member of the Board immediately.

The right of termination of a NOTEHOLDER in accordance with this clause 16.3 shall expire if the important reason before exercise of the right of termination has been remedied.

~~16.4~~

16.4 The ISSUER shall have the right, but not the obligation to make payments to the NOTEHOLDERS after the receipt by the ISSUER of a COMPARTMENT ASSET PRINCIPAL DISTRIBUTION. After the payment of any NET COMPARTMENT ASSET PRINCIPAL DISTRIBUTION, the ISSUER will subsequently reduce the NOMINAL AMOUNT of the NOTES accordingly.

In case that a NET COMPARTMENT ASSET PRINCIPAL DISTRIBUTION would have as effect to reduce the NOMINAL AMOUNT of the NOTES to zero, the NOMINAL AMOUNT of the NOTES shall not be reduced to zero but only to EUR 1.00 (one euro) as long as there is no full redemption. All further payments to be made by the ISSUER to the NOTEHOLDERS will constitute INTEREST AMOUNTS that shall be distributed in accordance with clause 5 of these TERMS AND CONDITIONS. Upon the occurrence of a full redemption, the NOMINAL AMOUNT of the NOTES is reduced to zero.

The ISSUER shall forthwith disclose the reduced NOMINAL AMOUNT resulting from any NET COMPARTMENT ASSET PRINCIPAL DISTRIBUTION by a notice in accordance with clause 14 of these TERMS AND CONDITIONS.

16.5 In connection with a termination or a partial redemption of the NOTES pursuant to this clause 16, the following terms in capital letters have the following meanings:

"COMPARTMENT ASSET PRINCIPAL DISTRIBUTION" means redemptions or other payments received by the ISSUER in connection with the COMPARTMENT ASSETS before the MATURITY DATE which reduce the nominal amount or principal value of the COMPARTMENT ASSETS.

"**EARLY VALUATION DATE**" means the next REFERENCE ASSET VALUATION DAY following the effective termination of the NOTES by the ISSUER or the NOTEHOLDER.

"**EARLY REDEMPTION AMOUNT**" shall be an amount per NOTE in the FIXED CURRENCY, reasonably determined by the CALCULATING AGENT in accordance with clause 6.2 and, where applicable, taking into account the provisions on MARKET DISRUPTION (clause 7) on the EARLY VALUATION DATE.

"**EARLY REDEMPTION DATE**" is a BANKING BUSINESS DATE within the period of four BANKING BUSINESS DAYS after the EARLY VALUATION DATE.

"NET COMPARTMENT ASSET PRINCIPAL DISTRIBUTION" is equal to the relevant COMPARTMENT ASSET PRINCIPAL DISTRIBUTION minus (i) the TRANSACTION COSTS outstanding on the date on

which the COMPARTMENT ASSET PRINCIPAL DISTRIBUTION is made and which have been incurred or will be incurred by the ISSUER in the PERIOD in which the COMPARTMENT ASSET PRINCIPAL DISTRIBUTION is made and (ii) all TRANSACTION COSTS that have been incurred by the ISSUER in previous PERIODS but which remain unpaid.

17 LISTING

Within 12 months (calculated from the ISSUE DATE), a listing will be arranged at a reputable and recognised stock exchange. The ISSUER will take the necessary measures and initiate them promptly.

18 DISCLAIMER

The ISSUER, the ADMINISTRATIVE AND CALCULATION AGENT and the PAYING AGENT are in no way liable to the NOTEHOLDERS or any third parties due to:

- (a) a negative performance of the REFERENCE ASSETS, the execution of payments by the REFERENCE FUND or other assets the payments are linked to under these TERMS AND CONDITIONS in connection with the REFERENCE FUND; or
- (b) decisions, acts or omissions of the REFERENCE FUND or persons acting as their managing directors or supervisory bodies, in particular not for the making or omission of payments or the calculations, communications and determinations made by the REFERENCE FUND.

19 MISCELLANEOUS

19.1 Form and content of the NOTES, as well as all rights and obligations arising from them under these TERMS AND CONDITIONS are in all respects governed by the law of the Grand Duchy of Luxembourg, excluding if in conflict of laws of private international law.

19.2 The resolutions of the NOTEHOLDERS generally require a simple majority of the participating voting rights, whereby a majority of at least 75% of the votes cast is required for resolutions which change the material content of these TERMS AND CONDITIONS. The resolutions of the NOTEHOLDERS will be effected by means of vote without meeting. The NOTEHOLDER's reconciliation must be initiated by the ISSUER or by the joint representative of the NOTEHOLDERS. A NOTEHOLDERS' meeting shall be convened if the NOTEHOLDERS whose NOTES together reach 5% of the outstanding NOTES require this in writing and give reasons for their particular interest. The NOTEHOLDERS' meeting has a quorum if the NOTEHOLDERS represent at least 50% of the outstanding NOTES. If a new meeting must be convened because of a quorum, it must always be quorate or at least 25% of the outstanding NOTES must be represented in order to pass resolutions by a qualified majority.

19.3 The place of performance is the Grand Duchy of Luxembourg.

19.4 The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the NOTES, and accordingly, any legal action or proceedings arising out of or in connection with the NOTES (the "**PROCEEDINGS**") may be brought in such courts. Each of the ISSUER and the NOTEHOLDERS irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to PROCEEDINGS in such courts on the ground of venue or on the ground that the PROCEEDINGS have been brought in an inconvenient forum.

19.5 The ISSUER is entitled to amend or supplement without the consent of NOTEHOLDERS these TERMS AND CONDITIONS, due to

- (a) obvious typographical or arithmetic errors or similar apparent errors; as
- (b) conflicting or incomplete provisions to amend or supplement the NOTES,

whereby in the cases mentioned under (b), only those amendments or additions are admissible that are reasonable for the NOTEHOLDER, taking into account the interests of the ISSUER, ie. which do not materially worsen the financial position of the NOTEHOLDERS. Amendments or additions to these TERMS AND CONDITIONS will be announced without undue delay by the ISSUER in accordance with clause 14.

19.6 The provisions of Articles 470-2 to 470-20 of the Luxembourg law of 15 August 1915 on commercial companies as amended are not applicable to the NOTES.

19.7 Claims relating to the redemption of the nominal amount lapse after ten years. Claims regarding interest payments expire after five years.

19.8 Should any provision of these TERMS AND CONDITIONS be without the release of the ISSUER, payment of interest or other amounts to the debtor would be or become wholly or partially ineffective, the remaining provisions remain in effect. The ineffective provision shall be replaced by an effective provision that takes into account, as far as legally possible, the economic purposes of the invalid provision.

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