

MULTIBANK INDEX LINKED NOTES 2027

The contents of these Terms and Conditions are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matter and prospective investors are recommended to consult their own professional advisors for any advice concerning the acquisition, holding or disposal of any Notes (as defined below).

Before making an investment decision with respect to any Notes, prospective investors should carefully consider their own personal circumstances, all of the information set out in these Terms and Conditions and in particular the “Risk Disclaimer” below.

An investment in the Notes is only suitable for investors who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Notes shall not be distributed to the public and the Issuer does restrict any party to distribute them to or place them to the public constituting a public offering.

RISK DISCLAIMER

The following is a summary of certain risk factors which prospective investors should consider before deciding to purchase the Notes. The following statements are not exhaustive: prospective investors should consult with their own professional advisors. The Notes are highly speculative investments which are suitable only for sophisticated investors who have a full and in-depth understanding of the financial instruments the Collateral Assets are mainly comprised of, and the markets relevant for these financial instruments.

Limited recourse and liability under the Notes

The Notes constitute direct, unsecured and limited recourse debt obligations of the Issuer.

The Notes represent obligations of the Issuer only, and do, in particular, not represent an interest in, or constitute a liability or other obligations of any kind of a Securitisation Vehicle, the Calculation Agent or the Paying Agent (the *Transaction Parties*) or any of their affiliates or any other third party.

The Notes are not, and will not be, insured or guaranteed by any of the Transaction Parties or any of their respective affiliates or any third person or entity and none of the foregoing assumes, or will assume, any liability or obligation to the Noteholders (as defined below) if the Issuer fails to make a payment due under the Notes.

The Issuer is a special purpose vehicle with limited recourse and with no business operations other than the purchase of Collateral Assets, the issue and repayment of the Notes and the connected transactions.

Absence of a trustee

Other than in many publicly listed securitisation transactions in Germany, the Issuer has not appointed a trustee to hold the Collateral Assets as security for the benefit of the Noteholders and to mitigate the risks related to an insolvency of the Issuer, a seizure of the Collateral Assets by other creditors of the Issuer or other compartments of the Company (as defined below), fraudulent behaviour of authorised representatives of the Issuer. To the extent any of the foregoing risks should materialise, the Issuer may be unable to make payments of interest, or repayments, on the Notes.

The Notes are subject to early redemption by the Issuer

If certain requirements are met the Notes can be subject to an early redemption by the Issuer. The early redemption amount that will be available for the Noteholders in case of an early redemption will depend on the ability of the Issuer to dispose of the Collateral Assets until the Early Redemption Date (as defined below). The Issuer may postpone the Early Redemption Date at its reasonable discretion so that the Noteholders cannot be certain to receive the early redemption amount within a fixed time period.

Withholding or deduction under the Notes

If in respect of amounts payable under the Notes any withholding or deduction for or on account of taxes are imposed by law or otherwise neither the Issuer nor any other person is obliged to gross up or otherwise compensate Noteholders for receiving an amount under the Notes reduced by such withholding or deduction. If such obligation to withhold or deduct qualifies as a Tax Event (as defined below) the Issuer may issue a notice to the Noteholders which will trigger an early redemption of the Notes. This will shorten the average lives of the Notes and will reduce the amount of interest on the Notes expected to be received.

Limited liquidity of the Notes

There is currently only a limited secondary market for the Notes and there is no guarantee that a liquid secondary market will be established in the near future. Consequently, the Noteholders must be prepared to hold the Notes until maturity.

Reliance on the creditworthiness and performance of third parties

The Issuer has entered into agreements with a number of third parties that have agreed to perform services in relation to the Notes. The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the services, duties, obligations and undertakings by each of these third parties. The Issuer is relying on the creditworthiness of these third parties. It cannot be ruled out that the creditworthiness of such parties will deteriorate in the future. If any of such third parties fail to perform their obligations under the respective agreements to which they are a party, the ability of the Issuer to meet its obligations under the Notes may be adversely affected.

Reliance on the creditworthiness and performance of MultiBank Exchange Group

The Issuer has entered into agreements with the MultiBank Exchange Group (the **MEX**) to trade any of the Collateral Assets on the trading platform MEX provides. MultiBank Exchange was established in California, USA in 2005 and is regulated by the Financial Conduct Authority (FCA) in the UK and the Financial Services Commission of the BVI. The trading platform MT4 is a forex trading platform using an Electronic Communication Network (ECN) and (in most cases) orders will not be routed to any official exchange. The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the services, duties, obligations and undertakings by MEX. It cannot be ruled out that the creditworthiness of MEX will deteriorate in the future. If MEX fails to perform their obligations under the respective agreements to which they are a party, the ability of the Issuer to meet its obligations under the Notes may be adversely affected.

THE OFFER OR SALE OF THE NOTES IS RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THESE TERMS AND CONDITIONS MAY COME ARE REQUIRED BY THE ISSUER TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY RESTRICTIONS AS TO THE OFFERING OF THE NOTES. THESE CONDITIONS MAY NOT BE USED FOR, OR IN CONNECTION WITH, ANY OFFER TO, OR SOLICITATION BY, ANYONE IN ANY JURISDICTION OR ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR IS UNLAWFUL. THE ISSUER ACCEPTS NO RESPONSIBILITY FOR ANY VIOLATION BY ANY PERSON, WHETHER OR NOT A PROSPECTIVE PURCHASER OF THE NOTES, OF ANY SUCH RESTRICTIONS IN PARTICULAR THE NOTES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) AND MAY ONLY BE OFFERED TO A PERSON WHO IS OUTSIDE THE UNITED STATES AND IS NOT A US PERSON AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

TERMS AND CONDITIONS OF THE MULTIBANK INDEX LINKED NOTES 2027

ISIN XS1633062127

ISSUE PRICE: EUR1,000

The following are the Terms and Conditions of the Notes which are represented by a Global Note (as defined below).

Ardilla Segur S.A., a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 11, Avenue de la Porte Neuve, L-2227 Luxembourg, registered with the Luxembourg trade and companies register under number B 137.746 (the **Company**), being subject, as an unregulated securitisation undertaking, to the Luxembourg Act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**) and acting in respect of its Compartment 29 (the **Issuer**) shall issue up to EUR 50,000,000 MultiBank Index linked Notes 2027 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 14). References to the Issuer may where relevant and if the context so requires, be construed as a reference to the Company.

1. DEFINITIONS

Capitalized terms used in these Conditions shall, unless otherwise defined, have the following meanings:

Agency Agreement means the agency agreement dated 16 June 2017 and made between the Issuer and the Agents.

Agents means the Calculation Agent, the Paying Agent and any other agent that provides services in connection with the Notes and **Agents** means any of them.

Business Day means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Luxembourg and Frankfurt and which is also a TARGET2 Day.

Calculation Agent means Oaklet GmbH, Frankfurt, Germany.

Collateral Assets means a portfolio of assets, rights and contracts (the **Hedging Assets**) allocated to Compartment 29 that, as at the time of their selection be purchased, entered into or invested by the Issuer in order to secure Full Repayment and that the Investment Manager at its sole discretion deems necessary or desirable for the Issuer to hedge the risk of entering into and performing its obligations in a timely manner under the Notes. The Issuer shall use reasonable endeavours to ensure that it will at all relevant times hold such aggregate amount of Collateral Assets, in the determination of the Issuer, necessary to enable it to meet at least all of its payment obligations under the Notes.

Common Depositary means a common depositary for Euroclear Bank S.A./N.V. (the **Euroclear**) and Clearstream-Banking, *société anonyme*, Luxembourg (the **Clearstream**).

Compartment 29 means the 29th Compartment (having the meaning given to such term by article 62 *et seq* of the Securitisation Act 2004) created by the Issuer and to which the Notes, the Collateral Assets and all the agreements entered into in connection therewith, have been, or will be (as the case may be), allocated.

Conditions means the Terms and Conditions of the Notes.

Early Redemption Amount means the sum of (a) Nominal Amount multiplied by (b) (1+ Index Performance) minus (c) any outstanding or unpaid costs incurred by the Issuer.

Early Redemption Date shall have the meaning defined in Condition 5.2(a).

Euro or **EUR** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Final Index Determination Date means the earlier of (i) 18 December 2027 or (ii) the Index Termination Date.

Final Redemption Amount means the sum of (i) Nominal Amount multiplied by (ii) (1 + Index Performance).

Force Majeure Event means an event or circumstance which prevents or otherwise impedes the determinations or the performance of the duties of the Issuer and/or the Calculation Agent in relation to the Notes. These events and circumstances may include, without limitation, a system

failure, fire, building evacuation, natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance.

Full Repayment means that the Issuer has paid (i) the Final Redemption Amount or (ii) the Early Redemption Amount to the Noteholders.

Germany means the Federal Republic of Germany.

Global Note shall have the meaning defined in Condition 2.2.

Hedge Event means any event or condition having a material adverse effect on the ability of the Issuer to enter into, maintain or modify any hedging arrangements in respects of its obligation under the Notes.

Index means the **MultiBank Index** as described in the Index Rules as published on www.oaklet.de.

Index Performance means (a) the sum of (i) the Index Value on the Final Determination Date minus (ii) the Index Value on the Issue Date divided (b) by the Index Value on the Issue Date.

Index Value means the Index Value as calculated and published by the relevant Index Sponsor.

Index Termination Date means the date on which the Index Sponsor terminates the Index.

Investment Manager means von der Heydt & Co. AG.

Issue Date means 16 June 2017.

Luxembourg means the Grand Duchy of Luxembourg.

Maturity Date means 27 December 2027 (or if such day is not a Business Day, the last Business Day before).

Nominal Amount means EUR1,000 per Note.

Noteholders means the holders of one or more Notes and **Noteholder** means any of them.

Paying Agent means BNP Paribas Securities Services, Luxembourg Branch.

Securitisation Act 2004 means the Luxembourg act dated 22 March 2004 on securitisation, as amended.

TARGET2 Day means any day on which the TARGET 2 System is open.

TARGET2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

Tax Event means any amendment to or change in the laws or regulations of Luxembourg or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which the Issuer would be required to pay additional amounts as provided in Condition 9 (*Taxation*).

Tax Jurisdiction means the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political

subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

Valuation Date means any date on which the net asset value of the Collateral Assets held by the Issuer is calculated.

In these terms and conditions, words importing the singular shall include the plural and vice versa.

2. FORM, DENOMINATION, TITLE AND TRANSFER

2.1 Form and denomination

The Notes are in bearer form and may not be exchanged for notes in registered form. The Issuer will issue on the Issue Date 15,000 Notes, each having a denomination of EUR1,000. The Issuer reserves the right to issue further Notes with the same denomination until reaching the maximum issue size of 50,000 Notes.

2.2 Title and Transfer

The Notes will be represented by a global note (the **Global Note**) in bearer form which will be deposited with the Common Depository on or about the Issue Date. The Global Note will not be exchangeable for definitive Notes.

Each person who is for the time being shown in the records (the **Records**) of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such Notes for all purposes.

The Notes are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, as the case may be.

The Global Note does not have Coupons attached. Copies of the form of the Global Note are available free of charge at the specified offices of the Paying Agent.

The aggregate Notes principal amount represented by the relevant Global Note shall be equal to the aggregate nominal amount from time to time entered in the records of Euroclear and Clearstream in respect of such Global Note.

Absent manifest errors, the records of the Euroclear and Clearstream (which means the records that each clearing system holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate Notes principal amount of Notes represented by the relevant Global Note and, for these purposes, a statement issued by Euroclear or Clearstream stating the aggregate nominal amount of the Class of Notes so represented by such Global Note at any time shall be conclusive evidence of the records of the relevant holdings at such time.

On any redemption or payment of principal or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the relevant Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of such Global Note shall be entered pro rata in the records of the clearing systems and, upon any such entry being made, the Aggregate notes principal amount recorded in the records of

the clearing systems and represented by the relevant Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate nominal amount of such principal payment.

3. STATUS

The Notes constitute direct, unsecured, unsubordinated and unconditional limited recourse obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing unsecured, unsubordinated and unconditional indebtedness of the Issuer which has been or will be allocated to Compartment 29 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.

4. NEGATIVE PLEDGE

So long as the Notes remain outstanding, the Issuer may not create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues allocated to Compartment 29 to secure any loan debt, guarantee or other obligation unless the Notes share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest, and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly so provides.

5. REDEMPTION AND PURCHASES

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem on the Maturity Date the Notes by paying the Final Redemption Amount to the Noteholders. In such case, the obligations of the Issuer under the Notes shall be fully discharged and the Noteholders shall have no further claim or recourse against the Issuer.

If the Final Redemption Amount is not available on the Maturity Date, the Issuer undertakes to use all reasonable means to promptly achieve Full Repayment. The Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay for the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 11 (*Events of Default*) below.

5.2 Early Redemption

(a) Redemption at the option of the Issuer

In the event that:

- (i) the Issuer determines at its discretion that the performance of its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; or
- (ii) an Index Termination has occurred; or

- (iii) a Force Majeure Event has occurred; or
- (iv) a Tax Event has occurred; or
- (v) following a change in applicable law or regulation, the costs for the Issuer arising under, or in connection with, the Notes are higher than the costs that the Issuer reasonably expected to incur at the time of the issue of the Notes;

the Issuer may at its option issue a notice (the **Issuer Notice**) to the Noteholders in accordance with Condition 15 (*Notices*) below by which it informs the Noteholders about the early redemption of the Notes (in whole but not in part) on the Business Day following the 30th calendar day after the issue of the Issuer Notice or such other day as the Issuer, at its reasonable discretion, may determine (the **Early Redemption Date**). On the Early Redemption Date, the Issuer shall redeem the Notes by paying the Early Redemption Amount to the Noteholders in accordance with Condition 5.2 above. In such a case, the obligations of the Issuer under these Conditions shall be fully discharged and the Noteholders shall have no further claim or recourse against the Issuer.

(b) Redemption at the option of the Noteholders

Except as provided in Condition 11 (*Events of Default*) the Notes may not be redeemed early at the option of the Noteholders.

5.3 Early mandatory redemption

Upon the opening of proceedings before the Maturity Date, of which the Issuer is aware, in connection with the attachment or seizure of assets of the Issuer allocated to Compartment 29, the Issuer shall promptly redeem all the Notes by paying to the relevant Noteholders an amount equal to the Early Redemption Amount.

5.4 Purchase of Notes

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Such Notes may be held, resold or reissued, or, at the option of the Issuer, cancelled.

5.5 Cancellation

All Notes redeemed by the Issuer will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. PAYMENTS

6.1 Pass-through limited recourse obligations

For the avoidance of doubt, the Issuer shall be obliged to make any payments (including the Final Redemption Amount) to the Noteholders in respect of the Notes if, and only to the extent of, the Issuer having received the corresponding amounts in respect of the Collateral Assets.

The Issuer shall be discharged of its obligation to the extent of the payments so made and no late interest will be due on any late payment in this respect.

For the avoidance of doubt, upon Full Repayment, the Notes are redeemed in full and all claims of the Noteholders shall be satisfied. In such case, the Noteholders may not take any further steps

against the Issuer to recover any further sums in respect thereof and their right to receive any such sums shall be extinguished.

6.2 Payments by the Issuer

Subject to any other provisions in these Conditions, any payments to be made by the Issuer in respect of the Notes will be made in euros to the Paying Agent for on-payment to relevant clearing system.

6.3 Determinations

All calculations made in respect of the Final Redemption Amount or the Early Redemption Amount will be made by the Calculation Agent. Such calculations will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer and the Noteholders. In these Conditions, the determination of Costs "to be incurred" will be made by the Issuer in a reasonable manner. Such determination will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Noteholders. The calculation of Costs will not be subject to any external review.

6.4 Fractions

When making payments to Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

6.5 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations.

6.6 Delay in payment

The Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day or if the Noteholders are late in surrendering the relevant Notes.

6.7 Business days

If the payment date referred to in Conditions 5.1 or 5.2(a) above would fall on a day which is not a Business Day, the payment date shall be postponed to the next day which is a Business Day without that the Noteholders shall be entitled to any interest or other sum in respect of such postponed payment.

7. ACKNOWLEDGEMENT OF RISKS

7.1 By subscribing directly, indirectly or through a third party to the Notes, or otherwise acquiring the Notes, each Noteholder expressly confirms that it has determined whether an investment in the Issuer and the Notes is appropriate in its particular circumstances and has consulted with its legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at its own evaluation of the investment. Attention is drawn, in particular, to Condition 7.2 below. By investing in the Notes, each Noteholder acknowledges that an investment in the Notes is only suitable for investors who:

- (a) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the merits and risks of

- an investment in the Issuer and the Notes in the context of such investors' financial position and circumstances;
- (b) are capable of bearing the economic risk of an investment in the Issuer and the Notes for an indefinite period of time;
 - (c) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
 - (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

7.2 Risk Factors

Each Noteholder confirms that it has been informed by the Issuer that it should conduct such independent investigation and analysis regarding the Issuer, the Notes and any collateral and all other relevant market and economic factors as it deems appropriate to evaluate the merits and risks of an investment in the Notes. The Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes should consider all of the information set forth below as well as the risk factors set forth in the disclaimer on the beginning of these terms and conditions.

- (a) The Notes are not listed on a regulated exchange and therefore there is a risk due to possible liquidity constraints that a secondary market may not develop in respect of the Notes.
- (b) The Issuer is established as a *société de titrisation* within the meaning of the Securitisation Act 2004. The Securitisation Act 2004 and the articles of incorporation (the **Articles**) of the Issuer authorise the board of directors of the Issuer (the **Board**) to create compartments (the **Compartments**, and each a **Compartment**). A Compartment is a separate and distinct part of the Issuer's estate (*patrimoine*). As between all holders of securities (the **Securities**) issued by the Issuer, each Compartment is deemed to comprise assets of a separate entity. The assets of the Compartment are exclusively available to satisfy the rights of holders of Securities issued in relation to that Compartment and the rights of creditors whose claims have arisen at the occasion of the constitution, the operation or the liquidation of that Compartment. Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment shall, unless otherwise determined by the Board or, if applicable, the Articles, be general liabilities of the Issuer and shall not be payable out of the assets of any Compartment. The Board shall ensure, to the extent possible (although there is no guarantee that the Board will be able to achieve this), that creditors of such liabilities waive recourse to the assets of any Compartment.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Issuer. The assets of each Compartment may include the proceeds of the Securities issued thereunder, any swap agreements, option agreements or collateral relating to such Securities, any proceeds from any such swap agreements, option agreements and collateral. The fees, costs and expenses in relation to the Securities issued in respect of a Compartment are allocated to such Compartment in accordance with the relevant terms and conditions and the Articles. The investors under a Compartment will

have recourse only to the assets included in such Compartment and their rights will be restricted to the assets included in such Compartment.

- (c) The Board has created Compartment 29 in respect of which the Notes will be issued. The right of the holders of the Notes to participate in the assets of the Issuer is limited to the assets allocated to Compartment 29 (comprising the Collateral Assets). If the payments received by the Issuer in respect of the Collateral Assets are not sufficient to make all payments due in respect of the Notes, then the obligations of the Issuer in respect of the Notes will be limited to the Collateral Assets, as specified in the Conditions. The Issuer will not be obliged to make any further payment in excess of amounts received upon the realisation of the Collateral Assets. Following application of the proceeds of realisation of the Collateral Assets in accordance with these terms and conditions, the claims of the Noteholders shall be extinguished and the Noteholders may not take any further action to recover such shortfall. In particular, no such party will be able to petition for the winding up, the bankruptcy or liquidation of the Issuer or any similar proceedings. Failure to make any payment in respect of any such shortfall shall in no circumstances constitute an event of default under the relevant Conditions. Any shortfall shall be borne by the Noteholders. The holders of the Notes have no recourse whatsoever to assets allocated to other Compartments (other than Compartment 29) or any other assets of the Company.
- (d) The Noteholders accept not to attach or otherwise seize the assets of the Issuer allocated to Compartment 29 or to other Compartments of the Company or other assets of the Company.
- (e) If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts when they are due and may obtain no further credit), a creditor may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The commencement of such proceedings may involve certain conditions, entitle creditors to terminate contracts with the Issuer and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Issuer's assets (including the Collateral Assets) being realised and applied to pay the fees and costs of the liquidator, debts preferred by law and debts payable in insolvency, before any surplus is distributed to the Noteholders. In the event of proceedings being commenced, the Issuer may not be able to pay the full or any part of the Maturity Redemption Amount or Early Redemption Amount or any other amount payable in respect of the Notes (if any). The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, bankruptcy or liquidation against the Issuer or similar proceedings.
- (f) The holders of the Notes should note that the Issuer will be responsible for determining, in a commercially reasonable manner, the events that would trigger an early redemption pursuant to Condition 5.2 (a).
- (g) The holders of the Notes will have no direct right or recourse in respect to the Collateral Assets.
- (h) Any payments under the Notes will be made subject to any withholding or deduction for, or on account of, any applicable taxation.
- (i) The right of Noteholders to participate in the assets of the Issuer is limited to the Collateral Assets. Therefore, if there is a shortfall under the Collateral Assets, such shortfall will be passed on to, and will be borne by, the Noteholders.

- (j) None of the Agents nor any of the directors, managers or employees of the Agents have any obligation to any Noteholder for payment of any amount due by the Issuer in respect of the Notes. There is no guarantee from any such entity and/or person to the Noteholders that they will recover any amount payable under the Notes.
- (k) Any payments in respect of the Collateral Assets will be made subject to any withholding or deductions for, or on account of, any applicable taxation.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.

8. SECURITISATION ACT 2004

By subscribing to the Notes, or otherwise acquiring the Notes, the Noteholders expressly acknowledge and accept that the Issuer (i) is subject to the Securitisation Act 2004 and (ii) has created Compartment 29 in respect of the Notes to which all assets, rights, claims and agreements relating to the Notes will be allocated. Furthermore, the Noteholders acknowledge and accept that they have only recourse to the assets of Compartment 29 and not to the assets allocated to any other compartments created by the Company or any other assets of the Company. The Noteholders acknowledge and accept that once all the assets allocated to Compartment 29 have been realised, they are not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished. The Noteholders accept not to attach or otherwise seize the assets of the Issuer allocated to Compartment 29 or to other compartments of the Company or other assets of the Company. In particular, no Noteholder shall be entitled to petition or take any other step for the winding-up, the liquidation or the bankruptcy of the Company and the Issuer or any similar insolvency related proceedings.

9. TAXATION

All current or future taxes, charges or other expenses in connection with payments in respect of the Notes shall be borne and paid by the Noteholders. The Issuer, the Paying Agent and the bank administering the Noteholder's securities account are entitled to withhold from payments relating to the Notes any taxes, charges or other expenses to be paid by the Noteholders in accordance with the preceding sentence.

Notwithstanding any other provision in the Conditions, the Issuer or the Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (**FATCA**).

10. PRESCRIPTION AND REPLACEMENT OF NOTES

- 10.1 Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years following the Maturity Date (in the case of the Final Redemption Amount or the Early Redemption Amount).
- 10.2 The replacement of Notes, in the case of loss or theft, is subject to the procedure of the Luxembourg act dated 03 September 1996 on the involuntary dispossession of bearer securities.

11. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (ii) if bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), general settlement or composition with creditors (*concordat préventif de la faillite*), reorganisation or similar Luxembourg or foreign laws proceedings affecting the rights of creditors generally are opened against the Issuer and remain unstayed in effect for a period of 30 consecutive days; or
- (iii) if the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law and has lost its creditworthiness;

then any holder of a Note may, by written notice (the **Event of Default Notice**) to the Issuer at the specified office of the Paying Agent, effective upon the date of receipt thereof by the Paying Agent, declare any Note held by it to be forthwith due and payable within the next 30 days whereupon the same shall become forthwith due and payable at its Redemption Amount within the next 30 days, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION AND SUBSTITUTION

12.1 Meetings of Noteholders

Articles 86 to 97 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the **Companies Act 1915**) are not applicable to the Notes.

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of, among other things, the Notes or the Agency Agreement. An **Extraordinary Resolution** is, according to the Agency Agreement, a resolution that must be passed by a majority of not less than two-thirds.

All other resolutions will be taken in the form of **Ordinary Resolutions** (that is, resolutions that do not constitute Extraordinary Resolutions) which are adopted by a simple majority of the votes cast at a meeting of the Noteholders.

A meeting of the Noteholders may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 (ten) per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 66.6 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented. The quorum at any meeting for passing an Ordinary Resolution

will be one or more persons holding or representing not less than 5 per cent. in principal amount of the Notes for the time being outstanding.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

12.2 Modification

The Issuer may make, without the consent of the Noteholders but with the consent of the Calculation Agent, any modification to the Conditions which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Notes.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by way of a notice in accordance with Condition 15 (*Notices*).

12.3 Substitution

The Issuer may, under no circumstances, be replaced as the principal debtor under the Notes. The Issuer may not transfer all or part of its rights and obligations under the Notes.

13. CALCULATION AGENT

13.1 All calculations and determination made in respect of the net asset value of the Collateral Assets, the Index, the Performance Fee, the Final Redemption Amount and the Early Redemption Amount will be made by the Calculation Agent. Any calculations and determinations made by the Calculation Agent will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer and the Noteholders.

13.2 The Calculation Agent shall maintain and make available for inspection at its principal office (as of the date of this Agreement at Bettinastrasse 61, 60325 Frankfurt am Main, Germany) detailed records (the **Records**) on each valuation day which is relevant to carry out the calculations that need to be made by the Calculation Agent in connection with the Notes.

All information contained in the Records shall, in the absence of manifest error, be final and conclusive as to the matters to which they relate.

14. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes (i) having the same Conditions in all respects as the outstanding Notes so that such further issue shall be consolidated and form a single series with the outstanding Notes and references in these Conditions to Notes shall be construed accordingly or (ii) having such terms and conditions as the Issuer may determine at the time of their issue but not to be consolidated.

15. NOTICES

15.1 Form of notice

A notice:

(a) must be in the English language; and

- (b) may be given by the addressor itself or on behalf of the addressor by a solicitor, director or company secretary of the addressor.

15.2 Publication of notices (other than convening general meetings)

All notices regarding the Notes will be deemed to be validly given if published on the website of the Calculation Agent (www.oaklet.de) or on any other website which the Issuer has announced by publication in accordance with this Condition 15.2 during a period of at least six weeks. Any such notice will be deemed to have been given on the date of its first publication.

- 15.3 Notices to be given by the Noteholders shall be in writing and given by lodging the same, together (in the case of the Notes in definitive form) with the Notes, with the Paying Agent. While the Notes are represented by the Global Note, such notice may be given by the Noteholders to the Paying Agent through Euroclear and/or Clearstream, as the case may be, in such manner as the Paying Agent, Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

16. REPLACEMENT OF AGENTS

The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders. The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of any of the Agents and to appoint additional or other Paying Agents, provided that the Issuer will at all times maintain a calculation agent and a paying agent, the latter having a specified office in Luxembourg. Notice of any such change will promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

All determinations of the Paying Agent and/or calculations of the Calculation Agent made in respect of the Notes shall be made in their sole and absolute discretion and shall be final, conclusive and binding on the Issuer and the Noteholders in the absence of manifest error. In particular, the Agents, in making any determination, adjustment or calculation in relation to the Notes, shall at all times act in good faith and in a commercially reasonable manner. The Noteholders shall (in the absence as aforesaid) not be entitled to proceed against the Agents in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Notes.

17. GOVERNING LAW AND JURISDICTION

17.1 Governing Law

The Notes are governed by, and shall be construed in accordance with, Luxembourg law.

17.2 Jurisdiction

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 (**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. These submissions are made for the benefit of the Issuer only and shall not affect the Issuer's right to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings by the Issuer in one or more jurisdictions preclude the taking of Proceedings by the Issuer in any other jurisdiction (whether concurrently or not).

18. MISCELLANEOUS

- 18.1 By subscribing to the Notes, or otherwise acquiring the Notes, the Noteholders expressly acknowledge and accept that they have no right in regard of the underlying assets of the Collateral.
- 18.2 Furthermore, by subscribing to the Notes, or otherwise acquiring the Notes, each Noteholder expressly acknowledges that he is fully aware of and has understood the investment and credit risks under the Notes such as exposed but not limited to the considerations expressed in the Risk Disclaimer on the beginning of these terms and conditions and Conditions 7 and 8 above.