

DEUTSCHE BANK AG LONDON 

**EUR73,000,000 Series A-1 Credit Linked Topaz Notes due 2015**  
**USD38,500,000 Series A-2 Credit Linked Topaz Notes due 2015**  
**EUR5,000,000 Series B-1 Credit Linked Topaz Notes due 2012**  
**USD10,000,000 Series B-2 Credit Linked Topaz Notes due 2012**  
**EUR29,000,000 Series D-1 Credit Linked Topaz Notes due 2015**  
**JPY1,000,000,000 Series J-3 Credit Linked Topaz Notes due 2020**  
**EUR12,000,000 Series P-1 Credit Linked Topaz Notes due 2015**  
**EUR2,000,000 Series E-1 Credit Linked Topaz Notes due 2012**  
**USD9,800,000 Series E-2 Credit Linked Topaz Notes due 2012**

Issue Price of each Series: 100 per cent.

Deutsche Bank Aktiengesellschaft (**Deutsche Bank AG**) acting through its London Branch (**Deutsche Bank AG London** or the **Issuer**) will issue EUR73,000,000 Series A-1 Credit Linked Topaz Notes due 2015 (the **Series A-1 Notes**), USD38,500,000 Series A-2 Credit Linked Topaz Notes due 2015 (the **Series A-2 Notes**), EUR5,000,000 Series B-1 Credit Linked Topaz Notes due 2012 (the **Series B-1 Notes**), USD10,000,000 Series B-2 Credit Linked Topaz Notes due 2012 (the **Series B-2 Notes**), EUR29,000,000 Series D-1 Credit Linked Topaz Notes due 2015 (the **Series D-1 Notes**), JPY1,000,000,000 Series J-3 Credit Linked Topaz Notes due 2020 (the **Series J-3 Notes**), EUR12,000,000 Series P-1 Credit Linked Topaz Notes due 2015 (the **Series P-1 Notes**), EUR2,000,000 Series E-1 Credit Linked Topaz Notes due 2012 (the **Series E-1 Notes**) and USD9,800,000 Series E-2 Credit Linked Topaz Notes due 2012 (the **Series E-2 Notes** and together with the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes, the Series D-1 Notes, the Series J-3 Notes, the Series P-1 Notes, and the Series E-1 Notes, the **Notes**). Each of the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes, the Series D-1 Notes, the Series J-3 Notes, the Series P-1 Notes, the Series E-1 Notes and the Series E-2 Notes is a separate series and referred to herein as a **Series**. Each Series is separate and independent from the other Series. The amount of Coupon Amount and principal payable in respect of each Series are calculated independently of and are not affected by the amount of Coupon Amount and principal payable in respect of any other Series.

Each Series is an issue of credit-linked notes in respect of which the Coupon Amount payable and, in relation to the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption, are linked to a separate hypothetical credit default swap relating to a Portfolio of Reference Entities (each a **Default Swap**) between Deutsche Bank, acting through its New York Branch (**Deutsche Bank AG New York Branch**) and a hypothetical swap counterparty. Consequently the Coupon Amount payable in respect of each Series and, in relation to the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption are each linked to the performance of each Reference Entity in the relevant Portfolio. The Portfolios of Reference Entities in respect of all the Default Swaps other than the Default Swaps in respect of the Series D-1 Notes, the Series P-1 Notes, the Series E-1 Notes and the Series E-2 Notes will be managed by Société Générale Asset Management Alternative Investments (the **Investment Manager**) pursuant to an Investment Management Agreement (the **First Investment Management Agreement**) dated 20th May, 2005, the Portfolio of Reference Entities in respect of the Default Swap in respect of the Series D-1 Notes will be managed by the Investment Manager pursuant to an Investment Management Agreement (the **Second Investment Management Agreement**) dated 20th May, 2005, the Portfolio of Reference Entities in respect of the Default Swap in respect of the Series P-1 Notes will be managed by the Investment Manager pursuant to an Investment Management Agreement (the **Third Investment Management Agreement**) dated 20th May, 2005 and the Portfolios of Reference Entities in respect of the Default Swaps in respect of the Series E-1 Notes and the Series E-2 Notes will be managed by the Investment Manager pursuant to an Investment Management Agreement (the **Fourth Investment Management Agreement** and together with the First Investment Management Agreement, the Second Investment Management Agreement and the Third Investment Management Agreement, the **Investment Management Agreements** and each an **Investment Management Agreement**) dated 20th May, 2005, in each case between Deutsche Bank AG New York Branch, Deutsche Bank AG London in its capacity as Issuer and as Calculation Agent and the Investment Manager. The Investment Manager has the right to propose Substitutions (as defined in the relevant Investment Management Agreement) of Reference Entities in a Portfolio in accordance with the terms of the relevant Investment Management Agreement and the obligation to perform certain functions in relation to the determination of the Intermediary Relevant Rate in respect of each Coupon Amount Accrual Period in respect of the relevant Series.

Unless redeemed earlier and subject as provided below, each Note of a Series other than the Series E-1 Notes and the Series E-2 Notes will be redeemed at par on (i) in respect of the Series A-1 Notes, the Series A-2 Notes, the Series D-1 Notes and the Series P-1 Notes, the Coupon Amount Accrual Date falling in or nearest to May, 2015, (ii) in respect of the Series B-1 Notes and the Series B-2 Notes, the Coupon Amount Accrual Date falling in or nearest to May, 2012 and (iii) in respect of the Series J-3 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2020.

Unless redeemed earlier and subject as provided below, each Series E-1 Note and Series E-2 Note will be redeemed on the Coupon Amount Accrual Date falling in or nearest to May, 2012 at its *pro rata* share of the Outstanding Principal Amount in respect of such Series on such day. The Outstanding Principal Amount of the Series E-1 Notes and the Series E-2 Notes on any day is equal to the Outstanding Tranche Notional Amount in respect of the relevant Series as at such day.

If, in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes the Termination Date of the relevant Default Swap would occur after the Scheduled Termination Date of such Default Swap, the Maturity Date of the relevant Series shall, subject as provided below in respect of the Series E-1 Notes or the Series E-2 Notes, be postponed to the day falling five Business Days following the relevant Termination Date. In addition, if in respect of the Series E-1 Notes or the Series E-2 Notes, as the case may be, (i) (a) as at the Scheduled Maturity Date in respect of such Series, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in relation to one or more Series E Reference Entities in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and any such Grace Periods is/are continuing as at the Scheduled Maturity Date) and/or (b) as at the Scheduled Maturity Date in respect of such Series or, if the provisions of (ii)(b) below apply, the Extended Maturity Date in respect of such Series, the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or the Extended Maturity Date, as the case may be, in respect of one or more Series E Reference Entities and the Repudiation/Moratorium Evaluation Date in respect of any such Potential Repudiation/Moratorium will in the sole determination of the Calculation Agent fall after the Scheduled Maturity Date or the Extended Maturity Date, as the case may be, the Issuer will give notice to the relevant Noteholders and the Maturity Date in respect of such Series will be postponed to the Deferred Maturity Date; or (ii) on (a)(A) the Scheduled Maturity Date in respect of such Series or (B) if the Maturity Date has been postponed pursuant to (i) above, the Deferred Maturity Date in respect of such Series, the Conditions to Settlement have not been satisfied in respect of one or more Series E Reference Entities but in the opinion of the Calculation Agent a Credit Event has or may have occurred in respect of such Series E Reference Entities or (b) on the Scheduled Maturity Date in respect of such Series, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred, the Issuer may, upon giving notice to the relevant Noteholders postpone the Maturity Date in respect of such Series to the relevant Extended Maturity Date or the relevant Deferred Maturity Date, as the case may be.

If the Maturity Date of the Series E-1 Notes or the Series E-2 Notes is postponed as set out above, each Series E-1 Note or Series E-2 Note, as the case may be, will be redeemed on the Postponed Maturity Date, the Deferred Maturity Date or the Extended Maturity Date, as the case may be, in respect of such Series at its *pro rata* share of the relevant Outstanding Principal Amount as of such date.

Each Note pays the Coupon Amount on each Coupon Amount Payment Date. The Coupon Amount in respect of each Note other than the Series P-1 Notes will comprise an amount calculated by the Calculation Agent equal to such Note's *pro rata* share of the sum of (i) the Specified Coupon Amount, (ii) if the relevant Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period, the sum of each Deferred Coupon Amount in respect of such Coupon Amount Accrual Period, (iii) if the relevant Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period, interest accrued on any Deferred Coupon Amounts during the relevant Average Overnight Period at the Average Overnight Rate, (iv) the Aggregate Trading Reserve Amount Interest (if any) and (v) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any), in each case in respect of the relevant Series. The Coupon Amount in respect of each Series P-1 Note, will comprise an amount calculated by the Calculation Agent equal to such Note's *pro rata* share of the sum of (i) the Specified Coupon Amount, (ii) the Aggregate Trading Reserve Amount Interest (if any) and (iii) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any), in each case, in respect of such Series.

The Specified Coupon Amount in respect of a Coupon Amount Accrual Period will comprise an amount calculated by the Calculation Agent equal to the product of (i) the Relevant Outstanding Tranche Notional

Amount, (ii) the Coupon Rate and (iii) the Coupon Amount Fraction in each case in respect of the relevant Series.

If, in respect of each Series of Notes other than the Series P-1 Notes, as at a Credit Loss Determination Date there are one or more Defaulted Reference Entities for which no Loss Determination Amount has been determined pursuant to the relevant Default Swap, the Relevant Outstanding Tranche Notional Amount, by reference to which the relevant Specified Coupon Amount is calculated, will be determined on the basis that the Final Price in respect of all such Defaulted Reference Entities was such as to achieve the greatest possible reduction in the Outstanding Tranche Notional Amount. Once the final Loss Determination Amount has been determined in respect of all such Defaulted Reference Entities, the Deferred Coupon Amount relating thereto will be payable.

The Deferred Coupon Amount will comprise an amount calculated by the Calculation Agent equal to the excess (if any) of (a) the Specified Coupon Amount that would have comprised the Coupon Amount in relation to the Relevant Affected Coupon Amount Accrual Period if the Loss Determination Amount relating to each Reference Entity that was an Undetermined Reference Entity as at the Credit Loss Determination Date in respect of the Relevant Affected Coupon Amount Accrual Period had been determined on the relevant Event Determination Date over (b) the Specified Coupon Amount that actually comprised the Coupon Amount in respect of the Relevant Affected Coupon Amount Accrual Period, in each case in respect of the relevant Series, subject as provided herein.

In respect of each Series, the Aggregate Trading Reserve Amount Interest in respect of a Coupon Amount Accrual Period will comprise an amount calculated by the Calculation Agent equal to the sum of the Trading Reserve Amount Interest in respect of such Series in respect of each day during such Coupon Amount Accrual Period. The Trading Reserve Amount Interest in respect of a Series and a day is an amount calculated by the Calculation Agent equal to the product of (a) the Trading Reserve Amount on such day or, if greater, zero and (b) the Overnight Rate in respect of such day.

In respect of each Series, the Additional Coupon Amount will comprise an amount (if any) equal to the Positive Trading Reserve Amount in respect of the relevant Series and will be paid on the Coupon Amount Payment Date in respect of the Termination Coupon Amount Accrual Period.

The Coupon Rate will, except as otherwise provided herein, comprise a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to the sum of the Interest Rate and the product of the Participation Percentage and the Credit Spread. Each Coupon Amount Payment Date will be the day falling two Business Days after the relevant Coupon Amount Accrual End Date other than in respect of the Final Coupon Amount Accrual Period or the Postponed Coupon Amount Accrual Period when it will be the Final Coupon Amount Accrual End Date or the Maturity Date, respectively.

**Investors should note that the Notes differ from ordinary debt securities in that the amount of Coupon Amount payable by the Issuer and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption, are each dependent on whether (a) the Conditions to Settlement in respect of one or more of the Reference Entities have been satisfied and (b) the amount of any Subordination Reserve Amount (as defined in the relevant Default Swap) that can be applied to offset the credit loss associated with the satisfaction of such Conditions to Settlement. In the event that the Conditions to Settlement are satisfied in respect of one or more Reference Entities and the Subordination Reserve Amount is insufficient to offset credit losses associated with the relevant Credit Event to zero, the Outstanding Tranche Notional Amount by reference to which (i) the Outstanding Principal Amount and consequently the amount payable on redemption of the Series E-1 Notes and the Series E-2 Notes are determined and (ii) the Relevant Outstanding Tranche Notional Amount and consequently the Coupon Amounts in respect of each Series are determined will be reduced. As a result the Coupon Amounts payable in respect of the Notes and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption will be reduced and may in certain circumstances be zero.**

**To the extent that the Coupon Amounts are less or, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption is less than the amount which the Noteholders may have expected to receive if the Conditions to Settlement had not been satisfied in respect of one or more Reference Entities (the difference being referred to herein as a *shortfall*), such shortfall will be borne by such Noteholders in accordance with the Terms and Conditions of the Notes.**

Terms used above and not otherwise defined shall have the meanings given them in "*Terms and Conditions of the Notes*".

**Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. The amount of Coupon Amount payable in respect of each Coupon Amount Accrual Period and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption, is dependent on whether the Conditions to Settlement have been satisfied in respect of one or more Reference Entities and potential investors should be prepared to receive a limited or no Coupon Amount in respect of any Coupon Amount Accrual Period and, in respect of the Series E-1 Notes and the Series E-2 Notes only, should be prepared for the amount of principal payable on redemption to be limited or for no amounts of principal to be payable. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, Deutsche Bank AG London (in its capacity as manager, the *Manager*), Deutsche Bank AG New York Branch or the Investment Manager in that regard. See "*Risk Factors relating to Notes*" on pages 9 to 18.**

**Investors should note that no specific rating for the Notes has been applied for or sought.**

Application has been made to list the Notes on the Luxembourg Stock Exchange and to admit the Notes to trading and official quotation on the Official Segment of the Stock Market of Euronext Amsterdam N.V. (**Euronext Amsterdam**).

This Offering Circular constitutes a prospectus for the purposes of the listing and issuing rules (*Fondsenreglement*) of Euronext Amsterdam and the Luxembourg Stock Exchange.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Investors in France may only participate in the issue of the Notes for their own account in accordance with the conditions set out in *décret* No. 98-880 dated 1st October, 1998. Notes may only be issued, directly or indirectly, to the public in France in accordance with articles L.411-1 and L.411-2 of the French Code *monétaire et financier*. Persons into whose possession offering material comes must inform themselves about and observe any such restrictions. This Offering Circular does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such an offer or a solicitation by anyone not authorised so to act.

Each Series will initially be represented by a Temporary Global Note, without coupons, which will be deposited with a common depository on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) on or about 20th May, 2005 (the **Issue Date**). Each Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without coupons, on or after a date which is expected to be 29th June, 2005, upon certification as to non-U.S. beneficial ownership. Each Permanent Global Note will be exchangeable for definitive Notes in bearer form only in the limited circumstances set out in this Offering Circular.

**Deutsche Bank**

**The date of this Offering Circular is 20th May, 2005.**

Subject as set out below, the Issuer accepts responsibility for the information contained in this Offering Circular and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained herein in relation to the Investment Manager is provided by the Investment Manager. The information contained herein in respect of the Initial Portfolios consists of extracts from or summaries of information contained in publicly available sources. The Issuer accepts responsibility for accurately reproducing such extracts or summaries. The Issuer accepts no further or other responsibility in respect of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular. This Offering Circular may only be used for the purposes for which it is published.

None of the Manager, Deutsche Bank AG New York Branch or the Investment Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager, Deutsche Bank AG New York Branch or the Investment Manager as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the issue of the Notes. None of the Manager, Deutsche Bank AG New York Branch or the Investment Manager accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the issue of the Notes.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager.

The issue of the Notes has been completely subscribed by the Manager. The Manager may sell at such times and at such prices as it may determine. There is no obligation upon the Manager to sell all of the Notes. The Notes may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer (see "*Purchase and Sale*").

**IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG LONDON (THE STABILISING MANAGER) OR ANY PERSON ACTING FOR THE STABILISING MANAGER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER OR ANY PERSON ACTING FOR IT TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME (BUT WILL IN ANY EVENT BE DISCONTINUED 30 DAYS AFTER THE ISSUE DATE OF THE NOTES). SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES INCLUDING ARTICLE 32 OF THE FURTHER REGULATIONS ON MARKET CONDUCT SUPERVISION ON THE SECURITIES TRADE (NADERE REGELING GEDRAGSTOEZICHT EFFECTENVERKEER 2002) AS AMENDED.**

Neither this Offering Circular nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager that any recipient of this Offering Circular or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and should conduct its own examination of the relevant Portfolio and the criteria pursuant to which such Portfolio is maintained. Neither this Offering Circular nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager to any person to subscribe for or to purchase the Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. None of the Manager, Deutsche Bank AG New York Branch or the Investment Manager expressly undertakes to review the financial condition or affairs of the Issuer or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular and the relevant Portfolio when deciding whether or not to purchase the Notes.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager represents that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Germany, France, the Netherlands, Austria, Denmark, Finland, Greece, Israel, Japan, Norway, Spain, Sweden and Switzerland (see "*Purchase and Sale*" on pages 171 to 174).

In making an investment decision, investors must rely on their own examination of the Issuer, the Investment Manager, the relevant Portfolio and the terms of the Notes, including the merits and risks involved. The Notes have not been approved or disapproved by the United States

**Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.**

**None of the Manager, the Investment Manager, Deutsche Bank AG New York Branch or the Issuer makes any representations to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.**

**All references in this document to "*U.S. dollars*", "*U.S.\$*", "*USD*" and "*\$*" refer to United States dollars, all references in this document to "*euro*", "*EUR*" and "*€*" 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 and all references in this document to "*JPY*" refer to Japanese Yen.**

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### DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated annual financial statements of the Issuer for the year ended 31st December, 2004 and 2003 and the Articles of Association of Deutsche Bank AG shall be deemed to be incorporated in, and to form part of, this Offering Circular.

The Issuer will, upon request, provide without charge, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available for inspection and obtainable, free of charge from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. (the **Luxembourg Listing Agent**) and from the office of the Paying Agent in the Netherlands, Deutsche Bank AG Amsterdam (the **Amsterdam Listing Agent**).



## RISK FACTORS RELATING TO NOTES

*The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Offering Circular including the risk factors set out below.*

Terms not otherwise defined in this section shall have the meaning given to them in "*Terms and Conditions of the Notes*".

### **The Notes are Credit-Linked Notes**

Each Series is an issue of credit-linked notes in relation to which the Coupon Amount payable and, in relation to the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption, are linked to a separate hypothetical credit default swap relating to a Portfolio of Reference Entities (the **Default Swap**) between Deutsche Bank AG New York Branch and a hypothetical swap counterparty. Consequently the Coupon Amount in relation to the Notes and, in relation to the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption, are each linked to the credit performance of each Reference Entity in the relevant Portfolio. Investors should note that the Notes differ from ordinary debt securities in that the amount of Coupon Amount payable by the Issuer and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount payable on redemption, are each dependent on whether (a) the Conditions to Settlement in respect of one or more of the Reference Entities in the relevant Portfolio have been satisfied and (b) the amount of any Subordination Reserve Amount (as defined in the relevant Default Swap) that can be applied to offset the credit loss associated with the satisfaction of such Conditions to Settlement. In the event that the Conditions to Settlement have been satisfied in respect of one or more Reference Entities in the relevant Portfolio and the Subordination Reserve Amount is insufficient to offset credit losses associated with the relevant Credit Event to zero, the Outstanding Tranche Notional Amount by reference to which (i) the Outstanding Principal Amount in respect of, and consequently the amount payable on redemption of, the Series E-1 Notes and the Series E-2 Notes is determined and (ii) the Relevant Outstanding Tranche Notional Amount and consequently the Coupon Amounts in respect of each Series are determined will be reduced and may in certain circumstances be zero.

Investors in the Series D-1 Notes only should note that in respect of the Series D-1 Notes, any reduction of the Outstanding Tranche Notional Amount following the satisfaction of the Conditions to Settlement in respect of one or more Reference Entities in the relevant Portfolio will also include a reduction in respect of the costs (if any) or increase in respect of the gain (if any) to Deutsche Bank AG New York Branch of partially unwinding its hedging arrangements in respect of the CMS Rate.

To the extent that the Coupon Amounts are less or, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption is less than the amount which the Noteholders may have expected to receive if the Conditions to Settlement had not been satisfied in respect of one or more Reference Entities (the difference being referred to herein as a **shortfall**), such shortfall will be borne by such Noteholders in accordance with the Terms and Conditions of the Notes.

Investment in the Notes is only intended for investors who:

- (1) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;

- (2) 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);
- (3) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
- (4) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities, including *inter alia* treasuries and finance companies of large enterprises which are active on a regular and professional basis in the financial markets for their own account or, in the case of investors in the Netherlands only, are individuals who have extensive experience in the financial markets and the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes.

Further, each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. Neither the Issuer, the Manager, Deutsche Bank AG New York Branch, the Investment Manager nor any other person has or will make any representation or statement as to the suitability of the Notes for investors. Investors should obtain all required independent professional advice before purchasing the Notes.

#### **Reduction of the Relevant Outstanding Tranche Notional Amount in respect of the Series P-1 Notes**

If the Conditions to Settlement have been satisfied in respect of a Reference Entity comprising the Portfolio to which the Series P-1 Notes relate, the Outstanding Tranche Notional Amount by reference to which the Relevant Outstanding Tranche Notional Amount and the Coupon Amounts, in each case, in respect of such Series are determined will be reduced by a pre-determined amount, being 70 per cent. of the relevant Reference Entity Notional Amount.

#### **The Portfolios**

The Initial Portfolio in respect of each of the Default Swaps is set out on pages 152 to 159.

#### **Substitution of Reference Entities**

Subject as provided in the relevant Investment Management Agreement, the Investment Manager has the right to propose substitutions of one or more Reference Entities in the relevant Portfolio in accordance with the terms of the relevant Investment Management Agreement. No liability whatsoever shall attach to any of the Issuer, Deutsche Bank AG New York Branch, the Manager, the Calculation Agent, the Investment Manager or any of their respective Affiliates as a result of a Substitution of a Reference Entity in accordance with the provisions of the relevant Investment Management Agreement or as a result of any failure by the Investment Manager to make a Substitution Request in accordance with the terms of the relevant Investment Management Agreement. In undertaking this role, the Investment Manager has agreed, pursuant to the terms of each Investment Management Agreement, to perform its obligations in respect of the relevant Portfolio with reasonable care and, subject to the terms of the relevant Investment Management

Agreement, in a manner consistent with practices and procedures followed by prudent institutional investment managers of international standing and in accordance with its customary standards, policies and procedures. Because the composition of each Portfolio may vary over time, the performance of each Portfolio and the occurrence of Credit Events will be dependent upon, amongst other things, the selections of the Investment Manager of such Reference Entities and the substitutions of Reference Entities which it proposes pursuant to the relevant Investment Management Agreement.

### **Trading Gains and Trading Losses arising from substitutions of Reference Entities in the Portfolio**

The Substitution (as defined in the relevant Investment Management Agreement) of any Reference Entity comprised in a Portfolio may result in a trading gain (if the Substitution Percentage (as defined in the relevant Investment Management Agreement) in respect of such Substitution is positive) or a trading loss (if the Substitution Percentage in respect of such Substitution is negative), each calculated in accordance with the terms of the relevant Investment Management Agreement and in each case representing the global cost or global gain to Deutsche Bank AG New York Branch in respect of all the Default Swaps (the **Relevant Default Swaps**), in respect of the relevant Investment Management Agreement, of adjusting its hedges as a result of such Substitution. The Substitution Percentage representing such trading gain or trading loss together, in certain circumstances, with the costs (if any) to Deutsche Bank AG New York Branch of adjusting the hedges of all Reference Entities other than the Reference Entities to which such Substitution related as a result of such Substitution is expressed as a percentage of the Initial Portfolio Notional Amounts of all of the Relevant Default Swaps. As a result of this, investors in a Series should note that they are exposed to a proportion of the aggregate of any trading gains or losses in relation to all the Relevant Default Swaps taken as a whole, (such proportion based on the ratio of the Initial Tranche Notional Amount of a Relevant Default Swap to the aggregate of the Initial Tranche Notional Amounts of all the Relevant Default Swaps determined using exchange rates applicable on the date such trading gain or loss is determined).

Deutsche Bank AG New York Branch will maintain two notional reserve accounts in respect of each Default Swap, a notional trading reserve account to which the relevant Substitution Percentages (if any) will be credited or debited, as applicable (the **Trading Reserve Account**) and a notional subordination reserve account to which the relevant Subordination Adjustment Amounts (as defined in relevant Default Swap) are credited or debited (the **Subordination Reserve Account**).

In accordance with the relevant Default Swap, if there is a positive Substitution Percentage on any day, Deutsche Bank AG New York Branch will credit such Substitution Percentage to the relevant Trading Reserve Account and if there is a negative Substitution Percentage on any day, Deutsche Bank AG New York Branch will debit the absolute value of such Substitution Percentage from the relevant Trading Reserve Account. The balance of the relevant Trading Reserve Account (whether positive or negative) is referred to as the Trading Reserve Amount and this affects, amongst other things, the amount of Additional Coupon Amount (if any) payable in respect of the relevant Series which is determined by reference to the balance of the relevant Trading Reserve Account on the Business Day before (a) the Termination Date of the relevant Default Swap or (b) if the Notes of a Series are redeemed prior to the Maturity Date, the Redemption Date and the Aggregate Trading Reserve Amount Interest in respect of each Coupon Amount Accrual Period which is equal to the sum for each day during such Coupon Amount Accrual Period of the product of (a) the Trading Reserve Amount on such day (or, if greater zero) and (b) the Overnight Rate in respect of such day.

In accordance with the relevant Default Swap, if on any day the balance of the relevant Trading Reserve Account is positive and any Loss Determination Amounts have been calculated under the relevant Default Swap, Deutsche Bank AG New York Branch will debit the relevant Trading Reserve Account and credit the relevant Subordination Reserve Account, in each case with an amount that reflects the change in value of the relevant Default Swap taking into account the application of such positive balance. If on any day the balance of the relevant Trading Reserve Account is negative,

Deutsche Bank AG New York Branch will credit the relevant Trading Reserve Account and debit the relevant Subordination Reserve Account, in each case with an amount that reflects the change in value of the relevant Default Swap taking into account the application of such negative balance.

The balance of the relevant Subordination Reserve Account (together with the aggregate of the Loss Determination Amounts) affects the Outstanding Tranche Notional Amount of the relevant Default Swap and, thereby, the amount on which the Specified Coupon Amount in respect of the relevant Series is calculated and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption. The Outstanding Tranche Notional Amount of a relevant Default Swap may never exceed the Initial Tranche Notional Amount of such Default Swap and may never be less than zero. Any amounts which if deducted from the relevant Trading Reserve Account and then applied to credit the relevant Subordination Reserve Account, would result in this limit being breached, will remain in the relevant Trading Reserve Account and thereby affect the Additional Coupon Amount (if any) payable in respect of the relevant Series and may also affect future payments of Specified Coupon Amounts and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption.

Investors should note that the amount of Coupon Amount payable in respect of each Series and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption of the Notes is dependent on, among other things, any proposals by the Investment Manager to effect a Substitution of any Reference Entity comprised in the relevant Portfolio under the relevant Investment Management Agreement and the cumulative trading gains and trading losses arising from any resulting substitution.

If Noteholders representing at least  $66\frac{2}{3}$  per cent. of the Notes of a Series then outstanding consent to or direct the removal of the Investment Manager, then pursuant to the relevant Investment Management Agreement, the Portfolio for the relevant Series will become static and the appointment of the Investment Manager in respect of the Portfolio and the calculation of the Intermediary Relevant Rate for the relevant Series will be terminated in respect of such Portfolio (as further described in the Investment Management Agreement). If the Investment Manager resigns or is removed "with cause" by the Swap Counterparty under an Investment Management Agreement, the Portfolio for each Series to which such Investment Management Agreement relates will become static and the appointment of the Investment Manager in respect of the Portfolio and the calculation of the Intermediary Relevant Rate for each Series to which such Investment Management Agreement relates will be terminated (as further described in the relevant Investment Management Agreement).

Under each Investment Management Agreement, the Investment Manager has agreed to prepare a report on a monthly basis (the **Portfolio Composition Report**), which contains, amongst other things, the following information, in each case as of the last Business Day (as defined in the Investment Management Agreement) of each calendar month (each a **Portfolio Composition Report Day**):

- (i) Reference Entities comprising the relevant Portfolios;
- (ii) the indicative mid market spreads for each such Reference Entity for a Designated Maturity (as defined in the relevant Investment Management Agreement) of five years;
- (iii) all Replaced Reference Entities and Replacement Reference Entities (each as defined in the relevant Investment Management Agreement) since the date of the previous Portfolio Composition Report;
- (iv) the long term debt rating from Moody's Investor Services Limited or any successor to the rating business thereof (**Moody's**) and Standard & Poor's Rating Services, a division of The

McGraw-Hill Companies, Inc. or any successor to the rating business thereof (**S&P**) for each Reference Entity comprising the relevant Portfolios; and

- (v) the country of origin of each Reference Entity comprising the relevant Portfolios.

For so long as any Series is outstanding, copies of the most recent Portfolio Composition Report in respect of the relevant Portfolio may be obtained during normal business hours at the specified office of the Principal Paying Agent, at the office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A. and at the office of the Paying Agent in the Netherlands, Deutsche Bank AG Amsterdam. In addition, and for as long as any Series is listed on the Luxembourg Stock Exchange and Euronext Amsterdam, a copy of each Portfolio Composition Report will be sent to the Luxembourg Stock Exchange and Euronext Amsterdam by or on behalf of the Investment Manager as soon as reasonably practicable after the date of its preparation.

### **Reference Entity Information**

Other than in respect of the Portfolio Composition Reports referred to above, the Noteholders will not have the right to obtain from the Issuer, the Investment Manager or from Deutsche Bank AG New York Branch any information in relation to the Reference Entities or any information regarding any Obligation of any Reference Entity. For so long as any Series is outstanding, copies of the most recent Portfolio Composition Report in respect of the relevant Portfolio may be obtained during normal business hours at the specified office of the Principal Paying Agent, at the office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A., and at the office of the Paying Agent in the Netherlands, Deutsche Bank AG Amsterdam. The Investment Manager will not have any obligation to keep the Issuer or the Noteholders informed as to matters arising in relation to any Reference Entity, including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event. Certain of the Reference Entities and/or Obligations in respect of the Reference Entities contained in the Portfolios, may be rated below investment grade (or of equivalent credit quality).

### **Exposure to Reference Entities and Reference Obligations**

A Note does not represent a claim against any Reference Entity and, in the event of any loss, a Noteholder will not have recourse under a Note to any Reference Entity. However, investors in the Notes will be exposed to the credit risk of the Reference Entities and the Reference Obligations. None of the Issuer, the Manager, the Investment Manager, the Calculation Agent, Deutsche Bank AG New York Branch or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of any Reference Entity or the Reference Obligations. Each of such persons may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entities or the Reference Obligations. None of such persons is under any obligation to make such information available to Noteholders.

### **Credit Ratings**

Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition may be better or worse than a rating indicates. Obligations of Reference Entities which are not investment grade will be more dependent on the credit analysis than would be the case with those which are investment grade.

### **Coupon Amount Reduction and Deferred Coupon Amount**

If, in respect of each Series other than the Series P-1 Notes, as at a Credit Loss Determination Date there are one or more Defaulted Reference Entities for which no Loss Determination Amount has been determined pursuant to the relevant Default Swap, the Relevant Outstanding Tranche Notional Amount by reference to which the relevant Specified Coupon Amount for such Coupon Amount Accrual Period is calculated will be determined on the basis that the Final Price in respect of all such Defaulted Reference Entities was such as to achieve the greatest possible reduction in the Outstanding Tranche Notional Amount.

Once the final Loss Determination Amount in respect of all Defaulted Reference Entities which were Undetermined Reference Entities as at the Credit Loss Determination Date in respect of such Affected Coupon Amount Accrual Period has been determined, an additional amount of Coupon Amount (the **Deferred Coupon Amount**) equal to the excess (if any) of (a) the Specified Coupon Amount that would have comprised the Coupon Amount in respect of such Series and Affected Coupon Amount Accrual Period if the Loss Determination Amount relating to each Reference Entity that was an Undetermined Reference Entity as at the Credit Loss Determination Date in respect of such Affected Coupon Amount Accrual Period had been determined on the relevant Event Determination Date over (b) the Specified Coupon Amount that actually comprised the Coupon Amount in respect of the Relevant Affected Coupon Amount Accrual Period will be payable together with interest accrued on such Deferred Coupon Amount at the relevant Average Overnight Rate.

### **Postponement of Maturity Date in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes**

If, in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes, the Termination Date of the relevant Default Swap would occur after the relevant Scheduled Termination Date, the Maturity Date of the relevant Series shall, subject as provided below in respect of the Series E-1 Notes and the Series E-2 Notes, be postponed to the day falling five Business Days following the relevant Termination Date.

In addition, if, in respect of the Series E-1 Notes or the Series E-2 Notes, as the case may be, (i) (a) as at the Scheduled Maturity Date in respect of such Series, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in relation to one or more Series E Reference Entities in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and any such Grace Periods is/are continuing as at the Scheduled Maturity Date); and/or (b) as at the Scheduled Maturity Date in respect of such Series or, if the provisions of (ii)(b) below apply, the Extended Maturity Date in respect of such Series, the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the relevant Scheduled Maturity Date or the relevant Extended Maturity Date, as the case may be, in respect of one or more Series E Reference Entities and the Repudiation/Moratorium Evaluation Date in respect of any such Potential Repudiation/Moratorium will in the sole determination of the Calculation Agent fall after the relevant Scheduled Maturity Date or the relevant Extended Maturity Date, as the case may be, the Issuer will give notice to the relevant Noteholders and the Maturity Date in respect of such Series will be postponed to the relevant Deferred Maturity Date; or (ii) on (a) (A) the Scheduled Maturity Date in respect of such Series or (ii) if the Maturity Date in respect of such Series has been postponed pursuant to (i) above, the Deferred Maturity Date in respect of such Series, the Conditions to Settlement have not been satisfied in respect of one or more Series E Reference Entities but in the opinion of the Calculation Agent a Credit Event has or may have occurred in respect of such Series E Reference Entities or (b) on the Scheduled Maturity Date in respect of such Series, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred, the Issuer may, upon giving notice to the relevant Noteholders, postpone the Maturity Date in respect of such Series to the relevant Extended Maturity Date or the relevant Deferred Maturity Date.

If the Maturity Date of the Series E-1 Notes or the Series E-2 Notes is postponed as set out above, each Series E-1 Note or Series E-2 Note, as applicable, will be redeemed on the Postponed Maturity Date, the Deferred Maturity Date or the Extended Maturity Date, as the case may be, in respect of such Series, at its *pro rata* share of the relevant Outstanding Principal Amount as of such date.

### **Early Redemption of the Series E-1 Notes or the Series E-2 Notes**

Investors in the Series E-1 Notes or the Series E-2 Notes should note that the Series E-1 Notes or the Series E-2 Notes, as the case may be, will be redeemed if on any day the Calculation Agent determines that the relevant Outstanding Principal Amount is or has been reduced to zero on or prior to such day. In such event, no amounts in respect of principal will be payable by the Issuer to the Noteholders under the Notes and the Notes will be redeemed on the Business Day following the day on which the Calculation Agent determines that the relevant Outstanding Principal Amount is or has been reduced to zero upon payment of the final Coupon Amount.

### **Specified Denomination in respect of the Series P-1 Notes**

The Series P-1 Notes are issued in the denomination of EUR10,000. However for so long as the Series P-1 Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Series P-1 Notes shall be tradable in minimum nominal amounts of EUR10,000 and integral multiples of EUR1,000 in excess thereof. However if definitive Notes are required to be issued they will only be printed and issued in denominations of EUR10,000. Accordingly, if definitive Notes are issued, a holder of Series P-1 Notes holding Notes having an aggregate nominal amount which is not an integral multiple of EUR10,000, will receive definitive Notes with an aggregate nominal amount rounded down to the nearest integral multiple of EUR10,000. In addition, at any meeting of holders of the Series P-1 Notes, for so long as the Series P-1 Notes are represented by a Global Note, a holder's entitlement to vote will be determined on the basis of the aggregate nominal amount of its holding rounded down to the nearest integral multiple of EUR10,000.

### **Default Swap**

Investors in the Notes of each Series shall be deemed to have fully understood the provisions of the relevant Default Swap and, in particular, the fact that amounts due in respect of Coupon Amount on the Notes and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption will be affected by the amounts that would be payable by the seller under such Default Swap.

***Purchasers of Notes should conduct such independent investigation and analysis regarding the Reference Entities, the Reference Obligations and the obligors in respect thereof, as they deem appropriate to evaluate the merits and risks of an investment in the Notes.***

### **Prepayment Considerations**

Although the Notes are scheduled to be redeemed on the Maturity Date, the Notes may be redeemed sooner pursuant to an early redemption for taxation reasons or for illegality or following an event of default. In such circumstances the Notes will be redeemed at the Early Redemption Amount together with the final Coupon Amount. The Early Redemption Amount in respect of each Series of Notes other than the Series E-1 Notes or the Series E-2 Notes will be par less any applicable Unwind Costs. The Early Redemption Amount of the Series E-1 Notes or the Series E-2 Notes will be each such Notes' *pro rata* share of the Outstanding Principal Amount as of the day that is five Business Days immediately preceding the due date for redemption less any applicable Unwind Costs, in each case in respect of the relevant Series.

If the date of any such redemption prior to the Maturity Date falls on any day during the relevant Coupon Amount Accrual Period other than on the relevant Coupon Amount Accrual End Date, the Coupon Amount in respect of such period shall be the Additional Coupon Amount (if any) in respect of the relevant Series only.

### **No Secondary Market**

Currently no secondary market exists for the Notes. As of the Issue Date, the Manager intends to make a market in each Series although it is not under any obligation to do so. There can be no assurance that at any particular time the Manager will make a market in any Series. In the event that a secondary market in the Notes does develop, there can be no assurance that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Although application has been made to list the Notes on the Luxembourg Stock Exchange and for the Notes to be admitted to trading and official quotation on Euronext Amsterdam, the fact that the Notes are listed and/or admitted to trading and official quotation does not necessarily lead to greater liquidity. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Investors must be prepared to hold the Notes until maturity.

### **Transfer Restrictions**

In addition, the Notes are subject to significant transfer restrictions as described under "*Purchase and Sale*" below which further limit the liquidity of the Notes.

### **Business Relationships**

Each of the Issuer, the Manager, the Calculation Agent, Deutsche Bank AG New York Branch, the Investment Manager or any of their respective Affiliates may have existing or future business relationships with each other or any Reference Entity (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Noteholder. Furthermore, the Issuer, the Manager, the Calculation Agent, Deutsche Bank AG New York Branch, the Investment Manager or any of their respective Affiliates may buy, sell or hold positions in obligations of, or credit protection in relation to any Reference Entity or may act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in any such entity.

### **Conflicts of Interest**

#### *General*

The Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager may be in possession of information in relation to a Reference Entity or a Reference Obligation that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager to disclose to Noteholders any such information.

#### *Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager*

The Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager and/or any of their respective Affiliates may invest and/or deal, for their own respective accounts or for accounts for which they have investment discretion, in securities or in obligations of Reference Entities or in credit derivatives (whether as protection buyer or seller) or other instruments enabling credit and/or other risks in respect of the Reference Entities to be traded. Such investments, credit



derivatives and/or instruments may have the same or different terms from any of the credit derivatives referred to in the terms of the Notes. The Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager and/or any of their respective Affiliates may act as, may be lenders to, and may have other ongoing relationships with the issuers or obligors of obligations of any Reference Entities. The Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager may at certain times be simultaneously seeking to purchase or sell investments and/or protection under credit derivatives or other instruments enabling credit and/or other risks to be traded for any entity for which it serves as manager in the future.

Various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Manager, Deutsche Bank AG New York Branch, the Investment Manager and/or any of their respective Affiliates. The Issuer, the Manager, Deutsche Bank AG New York Branch, the Investment Manager, their respective Affiliates and the directors, officers, employees and agents of the Issuer, the Manager, Deutsche Bank AG New York Branch, the Investment Manager and their respective Affiliates may, among other things: (a) serve as directors (whether as supervisory or managing), partners, officers, employees, agents, nominees or signatories for any Reference Entity; (b) receive fees for services of any nature rendered to any Reference Entity or any Affiliate thereof; (c) be a secured or unsecured creditor of, or hold an equity interest in any Reference Entity; (d) invest for its own account in any Reference Entity; (e) serve as a member of any "creditors' committee" with respect to any Reference Entity which has defaulted; (f) act as the adviser, manager or investment adviser to any other person, entity or fund; and (g) maintain other relationships with any Reference Entity of any of its Affiliates.

Potential conflicts of interest may exist between Deutsche Bank AG New York Branch and the Noteholders of a Series in relation to determinations, calculations or exercise of discretions pursuant to the relevant Default Swap by Deutsche Bank AG New York Branch that may influence the amounts of Coupon Amount payable on the Notes and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption.

#### *Calculation Agent*

As the Issuer acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the terms of the Notes that may influence the amount payable in respect of Coupon Amount on the Notes.

The Calculation Agent and/or any of its Affiliates may have existing or future business relationships with any of the Reference Entities (including but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for the Noteholders.

#### **Limited Information with respect to Reference Entities**

This Offering Circular does not provide any information on the creditworthiness or the likelihood of the occurrence of a Credit Event with respect to any Reference Entity. As the occurrence of a Credit Event and the subsequent satisfaction of the Conditions to Settlement will result in the amount of any Coupon Amount being less than the expected amount of such Coupon Amount and, in respect of the Series E-1 Notes and the Series E-2 Notes only, the amount of principal payable on redemption of the Notes being less than the expected amount, in each case were such Credit Event and the subsequent satisfaction of the Conditions to Settlement not to have occurred, each prospective investor is advised to make its own assessment of the likelihood of the occurrence of a Credit Event in respect of any Reference Entities.

## **Representations**

By investing in the Notes each investor is deemed to represent that:

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (c) **Status of Parties.** None of the Issuer, the Manager, Deutsche Bank AG New York Branch or the Investment Manager is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.

***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.***

## SUMMARY OF TERMS

*The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular and related documents referred to herein.*

### **The Issuer**

Deutsche Bank AG London

### **The Investment Manager**

On 20th May, 2005 Société Générale Asset Management Alternative Investments (the **Investment Manager**) entered into an agreement in respect of the Default Swaps in respect of the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes and the Series J-3 Notes, (the **First Investment Management Agreement**), an agreement in respect of the Default Swap in respect of the Series D-1 Notes (the **Second Investment Management Agreement**), an agreement in respect of the Default Swap in respect of the Series P-1 Notes (the **Third Investment Management Agreement**) and an agreement in respect of the Series E-1 Notes and the Series E-2 Notes (the **Fourth Investment Management Agreement**), in each case with the Issuer, the Calculation Agent and Deutsche Bank AG New York Branch. Pursuant to each of the First Investment Management Agreement, the Second Investment Management Agreement, the Third Investment Management Agreement and the Fourth Investment Management Agreement, the Investment Manager agrees to perform certain functions in respect of the Portfolio or Portfolios, as applicable, to which such Investment Management Agreement relates, including, without limitation, proposing Substitutions in respect of Reference Entities in the relevant Portfolio or Portfolios, as applicable, in accordance with the applicable provisions of the relevant Investment Management Agreement, and in connection with the calculation of the relevant Intermediary Relevant Rate in respect of each Coupon Amount Accrual Period and Series. For a summary of provisions of each Investment Management Agreement see "***The Investment Management Agreements***" and for further information concerning Société Générale Asset Management Alternative Investments see "***The Investment Manager***".

### **The Notes**

The Issuer will issue the following aggregate amounts of each Series of Notes:

EUR73,000,000 in aggregate principal amount

of Series A-1 Notes;

USD38,500,000 in aggregate principal amount of Series A-2 Notes;

EUR5,000,000 in aggregate principal amount of Series B-1 Notes;

USD10,000,000 in aggregate principal amount of Series B-2 Notes;

EUR29,000,000 in aggregate principal amount of Series D-1 Notes;

JPY1,000,000,000 in aggregate principal amount of Series J-3 Notes;

EUR12,000,000 in aggregate principal amount of Series P-1 Notes;

EUR2,000,000 in aggregate principal amount of Series E-1 Notes; and

USD9,800,000 in aggregate principal amount of Series E-2 Notes.

#### **Use of Proceeds**

The net proceeds of the issue of the Notes, amounting to:

EUR73,000,000 in respect of the Series A-1 Notes;

USD38,500,000 in respect of the Series A-2 Notes;

EUR5,000,000 in respect of the Series B-1 Notes;

USD10,000,000 in respect of the Series B-2 Notes;

EUR29,000,000 in respect of the Series D-1 Notes;

JPY1,000,000,000 in respect of the Series J-3 Notes;

EUR12,000,000 in respect of the Series P-1 Notes;

EUR2,000,000 in respect of the Series E-1 Notes;  
and

USD9,800,000 in respect of the Series E-2 Notes,

will in each case be applied by the Issuer in the ordinary course of its banking business.

**Status of the Notes**

The Notes of each Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

**Coupon Amount Payment Dates**

Each Coupon Amount Payment Date will be the day falling two Business Days after the relevant Coupon Amount Accrual End Date other than in respect of the Final Coupon Amount Accrual Period or the Postponed Coupon Amount Accrual Period when it will be the Final Coupon Amount Accrual End Date or the Maturity Date, respectively.

**Coupon Amount Payments**

Each Note pays the Coupon Amount on each Coupon Amount Payment Date.

Subject as provided below, the Coupon Amount in respect of each Note of a Series other than the Series P-1 Notes will comprise an amount calculated by the Calculation Agent equal to such Note's *pro rata* share of the sum of (i) the Specified Coupon Amount, (ii) if such Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period, the sum of each Deferred Coupon Amount in respect of such Coupon Amount Accrual Period, (iii) if such Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period, interest accrued on any Deferred Coupon Amounts in respect of such Coupon Amount Accrual Period, in each case in the relevant Average Overnight Period at the Average Overnight Rate, (iv) the Aggregate Trading Reserve Amount Interest (if any) and (v) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any), in each case in respect of such Series.

Subject as provided below, the Coupon Amount in respect of each Series P-1 Note will comprise an amount calculated by the Calculation Agent

equal to such Note's *pro rata* share of the sum of (i) the Specified Coupon Amount, (ii) the Aggregate Trading Reserve Amount Interest (if any) and (iii) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any), in each case in respect of the relevant Series.

If the Notes are redeemed prior to their maturity date and the Redemption Date falls on any day during the relevant Coupon Amount Accrual Period other than on the relevant Coupon Amount Accrual End Date, the Coupon Amount in respect of such period shall be the Additional Coupon Amount (if any) in respect of the relevant Series only.

The Specified Coupon Amount in respect of a Series will comprise an amount calculated by the Calculation Agent equal to the product of (i) the Relevant Outstanding Tranche Notional Amount, (ii) the Coupon Rate and (iii) the Coupon Amount Fraction, in each case, in respect of the relevant Coupon Amount Accrual Period and such Series.

In respect of each Series other than the Series P-1 Notes, if as at a Credit Loss Determination Date in respect of a Coupon Amount Accrual Period (the **Affected Coupon Amount Accrual Period**) there are one or more Defaulted Reference Entities for which no Loss Determination Amount has been determined pursuant to the relevant Default Swap, the Relevant Outstanding Tranche Notional Amount by reference to which the relevant Specified Coupon Amount for such Affected Coupon Amount Accrual Period is calculated will be determined on the basis that the Final Price in respect of all such Defaulted Reference Entities was such as to achieve the greatest possible reduction in the Outstanding Tranche Notional Amount.

In respect of each Series other than the Series P-1 Notes, once the final Loss Determination Amount in respect of all Defaulted Reference Entities which were Undetermined Reference Entities as at the Credit Loss Determination Date in respect of such Affected Coupon Amount Accrual Period has been determined, an additional amount of Coupon Amount (the **Deferred Coupon Amount**) equal to the excess (if any) of (a) the Specified Coupon Amount that would have comprised the Coupon Amount in respect of such

Series and Affected Coupon Amount Accrual Period if the Loss Determination Amount relating to each Reference Entity that was an Undetermined Reference Entity as at the Credit Loss Determination Date in respect of such Affected Coupon Amount Accrual Period had been determined on the relevant Event Determination Date over (b) the Specified Coupon Amount that actually comprised the Coupon Amount in respect of the Relevant Affected Coupon Amount Accrual Period will be payable together with interest accrued on such Deferred Coupon Amount at the relevant Average Overnight Rate.

In respect of each Series, the Aggregate Trading Reserve Amount Interest in relation to a Coupon Amount Accrual Period will comprise an amount (if any) calculated by the Calculation Agent equal to the sum of the relevant Trading Reserve Amount Interest in respect of each day during such Coupon Amount Accrual Period. The Trading Reserve Amount Interest in respect of a day and a Series is an amount calculated by the Calculation Agent equal to the product of (a) the Trading Reserve Amount on such day or, if greater, zero and (b) the Overnight Rate in respect of such day.

In respect of each Series, the Additional Coupon Amount will comprise an amount (if any) equal to the relevant Positive Trading Reserve Amount.

The Coupon Rate in respect of a Coupon Amount Accrual Period (other than, in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes, the Postponed Coupon Amount Accrual Period) will be equal to the sum of the Interest Rate and the product of the Participation Percentage and the Credit Spread.

The Coupon Rate in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes in relation to the Postponed Coupon Amount Accrual Period shall be the Average Overnight Rate.

## **Principal Payments**

Unless previously redeemed or purchased and cancelled and subject as provided below:

each Note (other than the Series E-1 Notes and the Series E-2 Notes) will be redeemed at par on

the relevant Maturity Date; and

each Series E-1 Note and Series E-2 Note will be redeemed at its *pro rata* share of the relevant Outstanding Principal Amount as of the relevant Maturity Date on the relevant Maturity Date.

## **Maturity Date**

Unless redeemed earlier and subject as provided in "***Postponement of Maturity Date***" below, each Note will be redeemed on:

in respect of the Series A-1 Notes, the Series A-2 Notes, the Series D-1 Notes and the Series P-1 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2015;

in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2012; and

in respect of the Series J-3 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2020.

*The Coupon Amount Accrual Date falling in or nearest to May 2015 will be 20th May, 2015, the Coupon Amount Accrual Date falling in or nearest to May 2012 will be 20th May, 2012 and the Coupon Amount Accrual Date falling in or nearest to May 2020 will be 20th May, 2020 provided that, in each case, if such day is not a Business Day then such Coupon Amount Accrual Date shall be postponed to the next day that is a Business Day.*

## **Postponement of Maturity Date**

If, in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes, the Termination Date of the relevant Default Swap would occur after the relevant Scheduled Termination Date, the Maturity Date of the relevant Series shall, subject as provided below in respect of the Series E-1 Notes and Series E-2 Notes, be postponed to the day that is five Business Days following the relevant Termination Date.

In addition, if, in respect of the Series E-1 Notes or the Series E-2 Notes:

- (i) (a) as at the Scheduled Maturity Date in respect of such Series, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in relation



to one or more Series E Reference Entities in respect of which a Grace Period is applicable on or prior to such Scheduled Maturity Date (and any such Grace Periods is/are continuing as at the Scheduled Maturity Date); and/or (b) as at the Scheduled Maturity Date in respect of such Series or, if the provisions of (ii)(b) below apply, the Extended Maturity Date in respect of such Series, the Redemption/Moratorium Extension Condition has been satisfied on or prior to such Scheduled Maturity Date or such Extended Maturity Date, as the case may be, in respect of one or more Series E Reference Entities and the Repudiation/Moratorium Evaluation Date in respect of any such Potential Repudiation/Moratorium will in the sole determination of the Calculation Agent fall after such Scheduled Maturity Date or such Extended Maturity Date, as the case may be, the Issuer will give notice to the relevant Noteholders and the Maturity Date in respect of such Series shall be postponed to the Deferred Maturity Date; or

- (ii) on (a) (A) the Scheduled Maturity Date in respect of such Series or (B) if the Maturity Date in respect of such Series has been postponed pursuant to (i) above, the Deferred Maturity Date in respect of such Series, the Conditions to Settlement have not been satisfied in respect of one or more Series E Reference Entities but in the opinion of the Calculation Agent a Credit Event has or may have occurred in respect of such Series E Reference Entities or (b) on the Scheduled Maturity Date in respect of such Series, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred, the Issuer may, upon giving notice to the relevant Noteholders postpone the Maturity Date in respect of such Series to the Extended Maturity Date in respect of such Series.

If the Maturity Date of the Series E-1 Notes or the Series E-2 Notes is postponed in accordance with the above provisions, each Series E-1 Note

or Series E-2 Note, as the case may be, will be redeemed on the Postponed Maturity Date, the Deferred Maturity Date or the Extended Maturity Date, as the case may be, in respect of such Series at its *pro rata* share of the relevant Outstanding Principal Amount as of such date.

**Issuer Call in respect of the Series P-1 Notes**

The Issuer may having given not less than 5 nor more than 60 days' notice to the holders of the Series P-1 Notes redeem all of the Series P-1 Notes then outstanding on any Coupon Amount Payment Date falling after the Coupon Amount Accrual End Date scheduled to fall in or nearest to May 2007 at par together with Coupon Amount (if any) accrued to (but excluding) the Coupon Amount Accrual End Date immediately preceding such Coupon Amount Payment Date.

**Events of Default**

The Events of Default under the Terms and Conditions of the Notes are:

- (i) *Non-payment*: the Issuer fails to pay principal or Coupon Amount in respect of the relevant Series within 30 days of the relevant due date; or
- (ii) *Breach of other obligations*: the Issuer fails to perform any other obligation arising under the relevant Series and such failure continues for more than 60 days after the Issuer has received notice thereof from Noteholders of at least one-tenth in principal amount of the relevant Series demanding redemption; or
- (iii) *Suspension of payments*: the Issuer suspends its payments generally; or
- (iv) *Bankruptcy etc*: a court in the jurisdiction of incorporation of the Issuer institutes bankruptcy or composition proceedings to avert bankruptcy or similar proceedings against the assets of the Issuer, or the Issuer applies for the institution of such proceedings concerning its assets.

**Denominations of the Notes**

The Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes and the Series E-1 Notes shall be issued in denominations of EUR 100,000.

The Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes shall be issued in denominations of USD 100,000.

The Series J-3 Notes shall be issued in denominations of JPY1,000,000.

The Series P-1 Notes are issued in denominations of EUR10,000. However for so long as the Series P-1 Notes are represented by a Global Note and Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) so permit the Series P-1 Notes shall be tradable in minimum nominal amounts of EUR10,000 and integral multiples of EUR1,000 in excess thereof. However if definitive Notes are issued they will only be printed and issued in denominations of EUR10,000. Accordingly, if definitive Notes are issued, a holder of Series P-1 Notes holding Notes having an aggregate nominal amount which is not an integral multiple of EUR10,000 will receive definitive Notes with an aggregate nominal amount rounded down to the nearest integral multiple of EUR10,000. In addition, at any meeting of holders of Series P-1 Notes, for so long as the Series P-1 Notes are represented by a Global Note, a holder's entitlement to vote will be determined on the basis of the aggregate nominal amount of its holding rounded down to the nearest integral multiple of EUR10,000.

**Form of the Global Notes**

Each Series will initially be represented by a Temporary Global Note, without coupons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Each Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without coupons, on or after a date which is expected to be 29th June, 2005, upon certification as to non-U.S. beneficial ownership. Each Permanent Global Note will be exchangeable for definitive Notes in bearer form only in the limited circumstances set out in this Offering Circular.

**Governing Law**

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

**Listing**

Application has been made to list the Notes on the Luxembourg Stock Exchange and on Euronext Amsterdam.

**Ratings**

No specific rating for the Notes has been applied for or sought.

## TERMS AND CONDITIONS

*The following is the text of the terms and conditions of the Notes which, subject to modification, will be endorsed upon each Note in definitive form:*

The EUR73,000,000 Series A-1 Credit Linked Topaz Notes due 2015 (the **Series A-1 Notes**), the USD38,500,000 Series A-2 Credit Linked Topaz Notes due 2015 (the **Series A-2 Notes**), the EUR5,000,000 Series B-1 Credit Linked Topaz Notes due 2012 (the **Series B-1 Notes**), the USD10,000,000 Series B-2 Credit Linked Topaz Notes due 2012 (the **Series B-2 Notes**), the EUR29,000,000 Series D-1 Credit Linked Topaz Notes due 2015 (the **Series D-1 Notes**), the JPY1,000,000,000 Series J-3 Credit Linked Topaz Notes due 2020 (the **Series J-3 Notes**), the EUR12,000,000 Series P-1 Credit Linked Topaz Notes due 2015 (the **Series P-1 Notes**), the EUR2,000,000 Series E-1 Credit Linked Topaz Notes due 2012 (the **Series E-1 Notes**) and the USD9,800,000 Series E-2 Credit Linked Topaz Notes due 2012 (the **Series E-2 Notes** and together with the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes, the Series D-1 Notes, the Series J-3 Notes, the Series P-1 Notes and the Series E-1 Notes, the **Notes**, which expression shall in these Terms and Conditions (the **Conditions** which term shall include the Schedule to the Terms and Conditions referred to below) in respect of each Series (as defined below), unless the context otherwise requires, include any further notes issued pursuant to Condition 16 and forming a single series with the relevant Series) of Deutsche Bank Aktiengesellschaft, acting through its London Branch, Deutsche Bank AG London (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 20th May, 2005 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Deutsche Bank AG London in its capacity as fiscal agent and principal paying agent (the **Principal Paying Agent**, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and in its capacity as calculation agent (the **Calculation Agent**, which expression includes any successor calculation agent appointed from time to time in connection with the Notes) and the other initial paying agents named in the Agency Agreement (together with the Principal Paying Agent, the **Paying Agents**, which expression includes any successor paying agent appointed from time to time in connection with the Notes). The Paying Agents and the Calculation Agent are in these Conditions together referred to as the **Agents** and each an **Agent**. Each of the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes, the Series D-1 Notes, the Series J-3 Notes, the Series P-1 Notes, the Series E-1 Notes and the Series E-2 Notes is a separate series and is referred to herein as a **Series**.

Each Series is linked to a separate hypothetical credit default swap relating to a Portfolio (as defined in the relevant Default Swap (as defined below)) of Reference Entities. Deutsche Bank AG New York Branch is deemed on the Effective Date (as defined in the relevant Default Swap (as defined below)) to enter into each credit default swap with a market counterparty of the highest creditworthiness (the **Swap Counterparty**) on the applicable terms set out in the Form of Hypothetical Credit Default Swap Confirmation applicable to such Series set out in the Schedule to the Conditions (in respect of each Series the **Default Swap** and references to the "relevant Default Swap" shall be to the Default Swap in respect of the relevant Series) and for the purposes of the Notes each Default Swap shall be construed as if it had been entered into on its terms.

Deutsche Bank AG New York Branch, the Calculation Agent and the Issuer have entered into an agreement in respect of the Default Swaps in respect of the Series A-1 Notes, the Series A-2 Notes, the Series B-1 Notes, the Series B-2 Notes and the Series J-3 Notes dated 20th May, 2005 (the **First Investment Management Agreement**), an agreement in respect of the Default Swap in respect of the Series D-1 Notes dated 20th May, 2005 (the **Second Investment Management Agreement**), an agreement in respect of the Default Swap in respect of the Series P-1 Notes dated 20th May, 2005 (the **Third Investment Management Agreement**) and an agreement in respect of the Default Swaps in respect of the Series E-1 Notes and the Series E-2 Notes dated 20th May, 2005 (the **Fourth Investment Management Agreement** and together with the First Investment Management

Agreement, the Second Investment Management Agreement and the Third Investment Management Agreement, the **Investment Management Agreements** and each an **Investment Management Agreement**), in each case with Société Générale Asset Management Alternative Investments as Investment Manager (the **Investment Manager**) and pursuant to which the Investment Manager has the right to propose Substitutions (as defined in the Investment Management Agreement) of Reference Entities in the relevant Portfolio in accordance with the terms of the relevant Investment Management Agreement and to perform certain functions in relation to the calculation of the Intermediary Relevant Rate in respect of each Coupon Amount Accrual Period.

The statements in the Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement and the relevant Investment Management Agreement. Copies of the Agency Agreement and the relevant Investment Management Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the coupons for payments of the Coupon Amounts (as defined in Condition 3 (Coupon Amount) below) and, in respect of the Series J-3 Notes only, the talons (**Talons**) for such further coupons, appertaining to the Notes (the **Couponholders** and the **Coupons** (which expression shall in these Conditions, unless the context otherwise requires, include in respect of the Series J-3 Notes only, the holders of the Talons and the Talons) respectively) at the specified office of each of the Paying Agents.

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the relevant Investment Management Agreement applicable to them.

In the Conditions:

## **Definitions**

**Additional Coupon Amount**, in respect of a Series, has the meaning given to it in Condition 3.4.

**Affected Coupon Amount Accrual Period** means a Coupon Amount Accrual Period in respect of which there are one or more Undetermined Reference Entities at the relevant Credit Loss Determination Date.

**Affiliate** means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity.

**Aggregate Loss Determination Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Aggregate Trading Reserve Amount Interest** means, in respect of a Coupon Amount Accrual Period and a Series, an amount calculated by the Calculation Agent equal to the sum of the Trading Reserve Amount Interests in respect of such Series on each day during such Coupon Amount Accrual Period.

**Average Bid Quotation** means, in respect of a Credit Spread Reset Date and subject as provided in Condition 3.3, a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to the weighted average of the Reference Entity Bid Quotations for all the Relevant Reference Entities.

**Average Overnight Rate** means, in respect of a Series and a period, a rate expressed as a percentage per annum calculated by the Calculation Agent in its sole and absolute discretion equal to the arithmetic average of the Overnight Rates in respect of such Series for each day during such period.

**Bid Quotation Business Day** means, in respect of a Series and a Reference Entity, a day (i) which is a London Business Day, (ii) which is a Paris Business Day and (iii) on which the relevant local markets in respect of such Reference Entity are open.

**Business Day** means:

- (i) in respect of the Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes, the Series E-1 Notes and the Series P-1 Notes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Paris and a TARGET Settlement Day;
- (ii) in respect of the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Paris and New York City; and
- (iii) in respect of Series J-3 Notes a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Paris and Tokyo.

**Cash Settlement Date**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**CMS Rate** means, in respect of a Coupon Amount Accrual Period, the annual swap rate for euro swap transactions with a maturity of ten years, expressed as a percentage, which appears on the Reuters Screen ISDAFIX 2 Page under the heading "EURIBOR BASIS – FRF" and above the caption "11:00 AM FRANKFURT" (or such other page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purposes of displaying rates or prices comparable to such rate) as of 11:00 a.m., Frankfurt time, on the relevant Determination Date or if such rate does not appear on Reuters Screen ISDAFIX 2 (or such other page as aforesaid), a percentage determined on the basis of the mid-market annual swap rate quotations provided by five leading swap dealers in the interbank market (the **CMS Reference Banks**) at approximately 11:00 a.m., Frankfurt time, on the relevant Determination Date, all as determined by the Calculation Agent. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 (as defined in the 2000 ISDA Definitions) day count basis, of a fixed-for-floating euro interest rate swap transaction with a ten-year maturity commencing on the first day of the relevant Coupon Amount Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 (as defined in the 2000 ISDA Definitions) day count basis, is equivalent to the rate for deposits in euro for a period of six months which appears on Telerate Page 248 (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purposes of displaying rates or prices comparable to Telerate Page 248) as of 11:00 a.m., Brussels time, on the relevant Determination Date. The Calculation Agent will request the principal office of each of the CMS Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the CMS Rate for the relevant Coupon Amount Accrual Period will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). In the event that the Calculation Agent is unable to obtain three or more such quotations, the Calculation

Agent will determine the CMS Rate for the relevant Coupon Amount Accrual Period in its sole and absolute discretion from such source(s) as it may select

**Conditions to Settlement**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Coupon Amount** means:

- (a) in respect of each Note of a Series (other than the Series P-1 Notes) and a Coupon Amount Accrual Period, an amount determined by the Calculation Agent to be such Note's *pro rata* share of the sum of:
  - (i) the Specified Coupon Amount in respect of such Coupon Amount Accrual Period;
  - (ii) if such Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period in respect of one or more Affected Coupon Amount Accrual Periods, the sum of the Deferred Coupon Amounts in respect of each such Determination Coupon Amount Accrual Period;
  - (iii) if such Coupon Amount Accrual Period is a Determination Coupon Amount Accrual Period, interest accrued on any Deferred Coupon Amounts in respect of such Coupon Amount Accrual Period, in each case in the period (the **Average Overnight Period**) from (and including) the Coupon Amount Payment Date in respect of the relevant Relevant Affected Coupon Amount Accrual Period to (but excluding) the Coupon Amount Payment Date in respect of the relevant Coupon Amount Accrual Period at the Average Overnight Rate;
  - (iv) the Aggregate Trading Reserve Amount Interest in respect of such Coupon Amount Accrual Period; and
  - (v) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any); and
- (b) in respect of each Series P-1 Note and a Coupon Amount Accrual Period, an amount determined by the Calculation Agent to be such Note's *pro rata* share of the sum of:
  - (i) the Specified Coupon Amount in respect of such Coupon Amount Accrual Period;
  - (ii) the Aggregate Trading Reserve Amount Interest in respect of such Coupon Amount Accrual Period; and
  - (iii) in respect of the Termination Coupon Amount Accrual Period only, the Additional Coupon Amount (if any),

in each case in respect of the relevant Series,

Provided That if the Notes of the relevant Series are redeemed prior to the Maturity Date and the Redemption Date falls on any day during the relevant Coupon Amount Accrual Period other than on the relevant Coupon Amount Accrual End Date, the Coupon Amount in respect of such period shall be Additional Coupon Amount (if any) only.

**Coupon Amount Accrual Date** means 20th May and 20th November in each year from and including 20th November, 2005 to and including:

- (i) in respect of the Series A-1 Notes, the Series A-2 Notes, the Series D-1 Notes and the Series P-1 Notes, 20th May, 2015;
- (ii) in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes, 20th May, 2012; and
- (iii) in respect of the Series J-3 Notes, 20th May, 2020,

(each the **Final Coupon Amount Accrual Date** in respect of the relevant Series) provided that, in each case, if any such day is not a Business Day, then such day shall be postponed to the next day which is a Business Day and in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes and in the event that the Maturity Date is postponed to the Postponed Maturity Date or, in the case of the Series E-1 Notes and the Series E-2 Notes only, the Deferred Maturity Date or the Extended Maturity Date, as the case may be, in respect of such Series E-1 Notes or Series E-2 Notes, as the case may be, the latest of such Postponed Maturity Date, Deferred Maturity Date or Extended Maturity Date, as the case may be (such day the **Postponed Coupon Amount Accrual Date**).

**Coupon Amount Accrual Period** means the period from (and including) the Issue Date (the **Coupon Amount Commencement Date**) to (but excluding) the first Coupon Amount Accrual Date and each succeeding period from (and including) a Coupon Amount Accrual Date to (but excluding) the next occurring Coupon Amount Accrual Date (each such latter date, the **Coupon Amount Accrual End Date** in respect of the relevant Coupon Amount Accrual Period).

**Coupon Amount Fraction** means, in respect of a Coupon Amount Accrual Period or a Deferred Coupon Period and

- (i) each Series other than the Series D-1 Notes and the Series P-1 Notes, the actual number of days in such period divided by 360; and
- (ii) in respect of the Series D-1 Notes and the Series P-1 Notes, the number of days in such period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of such period is the 31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

**Coupon Amount Payment Date** means (i) in respect of each Coupon Amount Accrual Period other than the Coupon Amount Accrual Period (the **Final Coupon Amount Accrual Period**) ending on (but excluding) the Final Coupon Amount Accrual Date, the day falling two Business Days after the relevant Coupon Amount Accrual End Date, (ii) in respect of the Final Coupon Amount Accrual Period, the Final Coupon Amount Accrual Date and (iii) in respect of the Postponed Coupon Amount Accrual Period, the Maturity Date.

**Coupon Rate** means:

- (i) in respect of a Series and a Coupon Amount Accrual Period other than in respect of the Series B-1 Notes, Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes, the Coupon Amount Accrual Period (the **Postponed Coupon Amount Accrual Period**) ending on (but excluding) the Postponed Coupon Amount Accrual Date, a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to the sum of:
  - (a) the Interest Rate; and



- (b) the product of (i) the Participation Percentage and (ii) the Credit Spread, in each case in respect of such Series and such Coupon Amount Accrual Period; and
- (ii) in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes and the Postponed Coupon Amount Accrual Period, the Average Overnight Rate.

**Credit Event**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Credit Event Notice**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Credit Loss Determination Date** means, in respect of a Coupon Amount Accrual Period, the last day of such Coupon Amount Accrual Period or, if earlier the Termination Date.

**Credit Spread** means:

- (a) in respect of a Coupon Amount Accrual Period other than the first Coupon Amount Accrual Period, a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to:
  - (i) in respect of the Series A-1 Notes, the Series A-2 Notes, the Series D-1 Notes, the Series J-3 Notes and the Series P-1 Notes:
    - (x) in respect of each Coupon Amount Accrual Period up to and including the Coupon Amount Accrual Period (the **Non-Fixed Coupon Amount Accrual Period**) ending on (but excluding) the Coupon Amount Accrual Date falling in or nearest to May 2012, the Intermediary Relevant Rate in respect of such Coupon Amount Accrual Period; and
    - (y) in respect of each Coupon Amount Accrual Period falling after the Non-Fixed Coupon Amount Accrual Period, the Intermediary Relevant Rate in respect of the Non-Fixed Coupon Amount Accrual Period; and
  - (ii) in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes, the Intermediary Relevant Rate in respect of such Coupon Amount Accrual Period; and
- (b) in respect of the first Coupon Amount Accrual Period and a Series, 0.6725 per cent.

**Credit Spread Reset Date** means, in respect of a Coupon Amount Accrual Period, the day falling three London/Paris Business Days immediately preceding the first day of such Coupon Amount Accrual Period or, if such day is not a Bid Quotation Business Day in respect of all Relevant Reference Entities, the immediately following day that is a London/Paris Business Day and a Bid Quotation Business Day in respect of all Relevant Reference Entities.

**Defaulted Reference Entity**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Deferred Coupon Amount** means, in respect of a Series and a Determination Coupon Amount Accrual Period, an amount calculated by the Calculation Agent equal to the excess (if any) of:

- (a) the Specified Coupon Amount that would have comprised the Coupon Amount in respect of such Series in relation to the Relevant Affected Coupon Amount Accrual Period if the Loss

Determination Amount relating to each Reference Entity that was an Undetermined Reference Entity as at the Credit Loss Determination Date in respect of the Relevant Affected Coupon Amount Accrual Period had been determined on the relevant Event Determination Date (based on the actual Final Price relating thereto); over

- (b) the Specified Coupon Amount that actually comprised the Coupon Amount in respect of the Relevant Affected Coupon Amount Accrual Period.

**Deferred Maturity Date** has the meaning given to it in Condition 6.2.

**Derivatives Definitions** means the definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc.

**Designated Period** means, in respect of a Business Day, the period from (and including) such Business Day to (and including) (a) if the fifth calendar anniversary of such Business Day is a Standard IMM, such Standard IMM; or (b) if the fifth calendar anniversary of such day is not a Standard IMM, the first Standard IMM determined by the Calculation Agent falling immediately after the fifth calendar anniversary of such Business Day.

**Determination Coupon Amount Accrual Period** means a Coupon Amount Accrual Period during which the final Loss Determination Amounts in respect of all Defaulted Reference Entities which were Undetermined Reference Entities as at the Credit Loss Determination Date in respect of an Affected Coupon Amount Accrual Period (the **Relevant Affected Coupon Amount Accrual Period**) in respect of such Determination Coupon Amount Accrual Period, are determined.

**Determination Date** means, in respect of a Coupon Amount Accrual Period, the day that is two TARGET Settlement Days preceding the first day of such Coupon Amount Accrual Period.

**Early Redemption Amount** means:

- (i) in respect of each Note of a Series other than the Series E-1 Notes and the Series E-2 Notes, par less Unwind Costs in respect of the relevant Series; and
- (ii) in respect of each Series E-1 Note and Series E-2 Note, (a) such Note's *pro rata* share of the relevant Outstanding Principal Amount as of the day that is five Business Days prior to relevant due date for redemption less (b) Unwind Costs in respect of such Series.

**EC Treaty** means the Treaty establishing the European Community (signed in Rome on 25th March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7th February, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2nd October, 1997).

**Eligible Dealers** means any of JPMorgan Chase Bank, UBS AG, Goldman Sachs International, Morgan Stanley & Co. International Limited, Citigroup Global Markets Limited, Merrill Lynch International, Bear Stearns International, Société Générale, ABN AMRO Bank N.V., Barclays Bank PLC, BNP Paribas SA and Deutsche Bank AG New York Branch or such other Eligible Dealers as determined pursuant to the Investment Management Agreement.

**EURIBOR** means, in respect of a Coupon Amount Accrual Period, the rate for deposits in EUR for a period of six months which appears on Telerate page 248 (or such page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purposes of displaying rates or prices comparable to such rate) as of 11.00 a.m., Brussels time, on the relevant

Determination Date. If such rate does not appear on the Telerate page 248 (or such other page as aforesaid) on the relevant Determination Date, EURIBOR for such Coupon Amount Accrual Period shall be determined on the basis of the rates at which deposits in EUR are offered by four major banks in the Euro-zone interbank market selected by the Calculation Agent (the **EURIBOR Reference Banks**) at approximately 11.00 a.m., Brussels time, on the relevant Determination Date to prime banks in the Euro-zone interbank market for a period of six months commencing on the first day of such Coupon Amount Accrual Period (the **EURIBOR Reset Date**) in an amount (a **Representative Amount**) that is representative of a single transaction in that market as the relevant time. The Calculation Agent will request the principal Euro-zone office of each of the EURIBOR Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, EURIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, EURIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m., Brussels time, on the relevant EURIBOR Reset Date for loans in EUR to leading European banks for a period of six months commencing on the relevant EURIBOR Reset Date and in a Representative Amount.

**Euro** or **EUR** means 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.

**Euro-zone** means the region comprised of member states of the European Union that adopt the EUR in accordance with the EC Treaty.

**Event Determination Date**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Extended Maturity Date** in respect of the Series E-1 Notes and the Series E-2 Notes, has the meaning given to it in Condition 6.2.

**Fallback Bid Quotation** means, in respect of a Fallback Reference Entity and a Credit Spread Reset Date:

- (i) the bid quotation obtained and expressed as a percentage in the manner that follows:
  - (a) At any time on or before 3.00 p.m., London time on the second Bid Quotation Business Day in respect of all the relevant Fallback Reference Entities following the relevant Credit Spread Reset Date (a **Fallback Bid Quotation Date**), the Investment Manager shall attempt to obtain from two Eligible Dealers (selected by the Investment Manager) the bid quotation for the running premium (expressed as an annualised percentage per annum) which such Eligible Dealer would be willing to pay to Deutsche Bank AG New York Branch or any successor thereto to buy credit default protection over such Fallback Reference Entity pursuant to a physically settled credit default swap documented pursuant to the Derivatives Definitions and a 1992 ISDA Master Agreement and on the basis of the Standard Terms applicable to such Fallback Reference Entity for a period of time equal to the Designated Period and with a notional amount, in each case, as used by the Calculation Agent to determine the Reference Entity Bid Quotation for such Reference Entity pursuant to Condition 3.3.1(a).
  - (b) Subject as provided below, if two such quotations are obtained by the Investment Manager for such Fallback Reference Entity, the Fallback Bid Quotation for such Fallback Reference Entity for such date shall be the highest of these two quotations. If only one quotation for such Fallback Reference Entity is obtained then such quotation shall be the Fallback Bid Quotation. The Investment Manager shall give

notice to the Calculation Agent of (x) the Fallback Bid Quotation and (y) the name of the relevant Eligible Dealer from whom such Fallback Bid Quotation was obtained, in each case as soon as reasonably practicable after the determination thereof and in any event no later than 3.00 p.m., London time on such Fallback Bid Quotation Date.

- (c) If:
- (x) no quotation is obtained from either of the Eligible Dealers or if both the Eligible Dealers providing quotations will only provide a quotation for an upfront premium but not a quotation for a running annualised premium on the terms set out in (i)(a) above, the Investment Manager shall notify, the Calculation Agent of such as soon as reasonably practicable and in no event later than 3.00 p.m., London time on such Fallback Bid Quotation Date; or
  - (y) the Swap Counterparty would not be able to execute a credit default swap on the terms and with the relevant Eligible Dealer in respect of the quotation obtained by the Investment Manager pursuant to (b) above as the Fallback Bid Quotation,

then, in either case, the relevant Fallback Bid Quotation shall be the Reference Entity Bid Quotation determined by the Calculation Agent on the Fallback Bid Quotation Date;

or if less

- (ii) eight per cent. per annum.

**Final Price**, in respect of a Defaulted Reference Entity and a Series, has the meaning given to it in the relevant Default Swap.

**Grace Period** in respect of the Series E-1 Notes and the Series E-2 Notes, has the meaning given to it in the relevant Default Swap.

**Grace Period Extension Date** in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Hybrid Bid Quotation** means, in respect of a Credit Spread Reset Date and subject as provided in Condition 3.3.1, a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to the weighted average of each Reference Entity Bid Quotation in respect of the Relevant Reference Entities which are not Fallback Reference Entities and each Fallback Bid Quotation in respect of all Relevant Reference Entities which are Fallback Reference Entities.

**Initial Portfolio Notional Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Interest Rate** means, in respect of a Coupon Amount Accrual Period and:

- (i) the Series A-1 Notes, the Series B-1 Notes and the Series E-1 Notes, EURIBOR for such Coupon Amount Accrual Period;
- (ii) the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes, USD LIBOR for such Coupon Amount Accrual Period;
- (iii) in respect of the Series D-1 Notes, the CMS Rate for such Coupon Amount Accrual Period;

- (iv) in respect of the Series J-3 Notes, JPY LIBOR for such Coupon Amount Accrual Period; and
- (v) the Series P-1 Notes 2.00 per cent.

**Intermediary Relevant Rate** means, in respect of a Coupon Amount Accrual Period, the rate (expressed as a percentage per annum) calculated by the Calculation Agent pursuant to Condition 3.3.1 in relation to the Credit Spread Reset Date in respect of such Coupon Amount Accrual Period.

**Issue Date** means 20th May, 2005.

**JPY** means Japanese Yen.

**JPY LIBOR** means, in respect of a Coupon Amount Accrual Period and the Series J-3 Notes, the rate for deposits in JPY for a period of six months which appears on the Telerate page 3750 (or such other page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purposes of displaying rates or prices comparable to such rate) as of 11.00 a.m., London time, on the relevant LIBOR Determination Date. If such rate does not appear on the Telerate page 3750 (or such other page as aforesaid) on the relevant LIBOR Determination Date, JPY LIBOR for such Coupon Amount Accrual Period shall be determined on the basis of the rates at which deposits in JPY are offered by four major banks in the London interbank market selected by the Calculation Agent (the **JPY Reference Banks**) at approximately 11.00 a.m., London time, on the relevant LIBOR Determination Date to prime banks in the London interbank market for a period of six months commencing on the first day of such Coupon Amount Accrual Period (the **JPY LIBOR Reset Date**) in an amount (a **JPY Representative Amount**) that is representative of a single transaction in that market at the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, JPY LIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, JPY LIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the rates quoted by major banks in Tokyo, selected by the Calculation Agent, at approximately 11.00 a.m., Tokyo time, on the relevant JPY LIBOR Reset Date for loans in JPY to leading European banks for a period of six months commencing on the relevant JPY LIBOR Reset Date and in a JPY Representative Amount.

**Latest Applicable Grace Period Extension Date** means, with respect to one or more Series E Reference Entities in relation to which a Potential Failure to Pay has occurred with respect to one or more Obligation(s) of such Series E Reference Entities on or prior to the Scheduled Maturity Date and in respect of which the Maturity Date of the Series E-1 Notes or the Series E-2 Notes, as the case may be, has been postponed pursuant to Condition 6.2, the latest applicable Grace Period Extension Date in respect of such Series E Reference Entities.

**Latest Applicable Repudiation/Moratorium Evaluation Date** means, with respect to one or more Series E Reference Entities in relation to which a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date and in respect of which the Maturity Date of the Series E-1 Notes or the Series E-2 Notes, as the case may be, has been postponed pursuant to Condition 6.2, the latest applicable Repudiation/Moratorium Evaluation Date in respect of such Series E Reference Entities.

**LIBOR Determination Date** means, in respect of a Coupon Amount Accrual Period and a Series, the day that is two London Banking Days preceding the first day of such Coupon Amount Accrual Period in respect of such Series.

**London Banking Day** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

**London Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

**London/Paris Business Day** means a day that is both a London Business Day and a Paris Business Day.

**Loss Determination Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Maturity Date** means:

- (i) in respect of the Series A-1 Notes, the Series A-2 Notes, the Series D-1 Notes and the Series P-1 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2015;
- (ii) in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes and the Series E-2 Notes and, in the case of the Series E-1 Notes and the Series E-2 Notes only, subject as provided in Condition 6.2, the Coupon Amount Accrual Date falling in or nearest to May 2012 (the **Scheduled Maturity Date**), Provided That if the Termination Date of the relevant Default Swap would occur after the Scheduled Termination Date of such Default Swap, the Maturity Date shall be postponed to the day (the **Postponed Maturity Date**) that is five Business Days following the Termination Date; and
- (iii) in respect of the Series J-3 Notes, the Coupon Amount Accrual Date falling in or nearest to May 2020.

*The Coupon Amount Accrual Date falling in or nearest to May 2015 will be 20th May, 2015, the Coupon Amount Accrual Date falling in or nearest to May 2012 will be 20th May, 2012 and the Coupon Amount Accrual Date falling in or nearest to May 2020 will be 20th May, 2020 provided that, in each case, if such day is not a Business Day then such Coupon Amount Accrual Date shall be postponed to the next day that is a Business Day.*

*In the event that the Maturity Date of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes is postponed, for so long as the Notes are listed on the Luxembourg Stock Exchange and/or Euronext Amsterdam N.V. and the rules of such exchange so require, the Issuer will use reasonable endeavours to notify the Luxembourg Stock Exchange and/or Euronext Amsterdam N.V., as applicable, as soon as practicable and a notice will be published in a leading newspaper having general circulation in Luxembourg and/or a leading newspaper having general circulation in the Netherlands, as applicable, to that effect.*

**Monoline Insurer Reference Entity**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**New York City Business Day** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

**Non-Defaulted Reference Entity** means, in respect of a day, a Reference Entity which is not a Defaulted Reference Entity as of such day.

**Obligations** in respect of the Series E-1 Notes or the Series E-2 Notes has the meaning given to it in the relevant Default Swap.

**Outstanding Principal Amount** means, in respect of each Series E-1 Note or Series E-2 Note and a day, an amount calculated by the Calculation Agent equal to the Outstanding Tranche Notional Amount in respect of such Series as at such day.

**Outstanding Tranche Notional Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Overnight Rate** means, in respect of a day:

- (i) in respect of the Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes, the Series P-1 Notes and the Series E-1 Notes, the overnight rate as calculated by the European Central Bank and appearing on Telerate Page 247 (or such other source as the Calculation Agent shall determine to be appropriate displaying the overnight deposit rates, as calculated by the European Central Bank) in respect of that day;
- (ii) in respect of the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes, the overnight deposit rate appearing on the Federal Reserve Publication H.15 (519) (or such successor publication published by the Board of Governors of the Federal Reserve System) in respect of that day; and
- (iii) in respect of the Series J-3 Notes, the overnight rate prevailing in the London interbank market for deposits in JPY in respect of that day, as determined by the Calculation Agent.

**Paris Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Paris.

**Participation Percentage** means:

- (i) in respect of the Series A-1 Notes, 375 per cent.;
- (ii) in respect of the Series A-2 Notes, 475 per cent.;
- (iii) in respect of the Series B-1 Notes, 180 per cent.;
- (iv) in respect of the Series B-2 Notes, 260 per cent.;
- (v) in respect of the Series D-1 Notes, 170 per cent.;
- (vi) in respect of the Series J-3 Notes, 220 per cent.;
- (vii) in respect of the Series P-1 Notes, 525 per cent.;
- (viii) in respect of the Series E-1 Notes, 2200 per cent; and
- (ix) in respect of the Series E-2 Notes, 2200 per cent.

**Positive Trading Reserve Amount** means, in respect of a Series, an amount equal to the product of (a) the amount (if a positive amount) of the relevant Trading Reserve Amount and (b) the Initial Portfolio Notional Amount, in each case as at 5.00 p.m., London time on the Business Day before the

Termination Date in respect of the relevant Default Swap or, if the Notes of the relevant Series are redeemed prior to the Maturity Date, on the Redemption Date.

**Postponed Maturity Date**, in respect of the Series B-1 Notes, the Series B-2 Notes, the Series E-1 Notes or the Series E-2 Notes, has the meaning given to it in the definition of Maturity Date.

**Potential Failure to Pay** in respect of the Series E-1 Notes or the Series E-2 Notes, has the meaning given to it in the relevant Default Swap.

**Potential Repudiation/Moratorium** in respect of the Series E-1 Notes or the Series E-2 Notes, has the meaning given to it in the relevant Default Swap.

**Presentation Date** means a day which:

- (i) is or falls after the relevant due date;
- (ii) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (iii)
  - (a) in the case of payments in euro, is a TARGET Settlement Day; or
  - (b) in the case of payments in USD, is a New York City Business Day; or
  - (c) in the case of payments in JPY, is a Tokyo Business Day.

**Redemption Date** has the meaning given to it in Condition 3.2.

**Reference Entity**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Reference Entity Bid Quotation** means, in respect of a Relevant Reference Entity and a Credit Spread Reset Date, a Notice Day or a Fallback Bid Quotation Date:

- (i) the most recent indicative bid quotation determined by the Calculation Agent from such source(s) as it may select in its sole and absolute discretion for the running premium (expressed as an annualised percentage per annum) at which a hypothetical market counterparty would be willing to buy credit default protection from Deutsche Bank AG London (or any successor thereto) pursuant to a physically settled hypothetical credit default swap documented pursuant to the Derivatives Definitions and a 1992 ISDA Master Agreement and on the basis of the Standard Terms applicable to such Reference Entity for a period of time equal to the Designated Period; or if less
- (ii) eight per cent. per annum.

**Reference Entity Categories**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Reference Entity Notional Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Reference Obligation**, in respect of a Reference Entity and a Series, has the meaning given to it in the relevant Default Swap.



**Reference Obligation Notification**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Relevant Coupon Amount Payment Date** means each Coupon Amount Payment Date falling after the Coupon Amount Accrual End Date scheduled to fall in or nearest to May 2007.

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys so payable has not been duly received by the Principal Paying Agent prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders of the relevant Series in accordance with Condition 14.

**Relevant Outstanding Tranche Notional Amount** means:

- (a) in respect of each Series other than the Series P-1 Notes and a Coupon Amount Accrual Period, an amount (which may never be less than zero) determined by the Calculation Agent equal to the Outstanding Tranche Notional Amount in respect of such Series as at the relevant Credit Loss Determination Date on the basis that the Final Price in respect of all the Defaulted Reference Entities for which no Loss Determination Amount has been determined in each case in respect of such Series pursuant to the relevant Default Swap as at the relevant Credit Loss Determination Date was such as to achieve the greatest possible reduction in the Outstanding Tranche Notional Amount; and
- (b) in respect of the Series P-1 Notes and a Coupon Amount Accrual Period, an amount determined by the Calculation Agent equal to the Outstanding Tranche Notional Amount in each case in respect of such Series as at the relevant Credit Loss Determination Date.

**Relevant Reference Entity** means, in respect of a Credit Spread Reset Date, each Reference Entity which is a Non-Defaulted Reference Entity on such Credit Spread Reset Date.

**Repudiation/Moratorium Evaluation Date**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Repudiation/Moratorium Extension Condition**, in respect of the Series E-1 Notes or Series E-2 Notes, has the meaning given to it in the relevant Default Swap.

**Series E Reference Entity** means, in respect of the Series E-1 Notes or the Series E-2 Notes, each Reference Entity in respect of the Default Swap in relation to such Series.

**Scheduled Termination Date**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Specified Coupon Amount** means, in respect of a Series and a Coupon Amount Accrual Period, an amount calculated by the Calculation Agent equal to the product of:

- (i) the Relevant Outstanding Tranche Notional Amount for such Series;
- (ii) the Coupon Rate for such Series; and
- (iii) the Coupon Amount Fraction for such Series,

in each case for such Coupon Amount Accrual Period.

**Specified Denomination** means:

- (i) in respect of the Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes and the Series E-1 Notes, EUR100,000;
- (ii) in respect of the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes, USD100,000;
- (iii) in respect of the Series P-1 Notes, EUR10,000; and
- (iv) in respect of the Series J-3 Notes, JPY1,000,000.

**Standard IMM** means any of 20th March, 20th June, 20th September or 20th December in any year.

**Standard Terms**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**TARGET Settlement Day** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

**Termination Coupon Amount Accrual Period** means, in respect of a Series, the Coupon Amount Accrual Period in which (i) the Termination Date in respect of such Series falls or (ii) if the Notes of such Series are redeemed prior to the Maturity Date, the Redemption Date in respect of such Series falls.

**Termination Date**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Tokyo Business Day** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo.

**Trade Date** means 29th April, 2005.

**Trading Reserve Amount**, in respect of a Series, has the meaning given to it in the relevant Default Swap.

**Trading Reserve Amount Interest** means, in respect of a day and a Series, an amount calculated by the Calculation Agent equal to:

- (i) the product of (a) the Trading Reserve Amount on such day or, if greater, zero, (b) the Initial Portfolio Notional Amount and (c) the Overnight Rate in respect of such Series on such day; divided by
- (ii) 360.

**Undetermined Reference Entity** in respect of a Series has the meaning given to it in the relevant Default Swap.

**Unwind Costs** means, in respect of a Series:

- (a) in connection with a redemption pursuant to Condition 6.4 (Redemption for tax reasons) or Condition 6.6 (Illegality), an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs and expenses (including loss of funding) that are reasonable and in respect of which evidence can be provided by the Calculation Agent, tax and duties incurred by the Issuer and/or any of its Affiliates (including, for the avoidance of doubt, Deutsche Bank AG New York Branch) in connection with the redemption of the Notes of

such Series and the related termination, settlement or re-establishment of any hedge or related trading position; and

- (b) in connection with a redemption pursuant to Condition 8 (Event of Default), an amount determined by the Calculation Agent equal to the sum of the related termination, settlement or re-establishment of any hedge or related trading position,

in each case such amount to be apportioned *pro rata* amongst each Note of such Series.

**USD** means United States dollars.

**USD LIBOR** means, in respect of a Coupon Amount Accrual Period, the rate for deposits in USD for a period of six months which appears on the Telerate page 3750 (or such other page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purposes of displaying rates or prices comparable to such rate) as of 11.00 a.m., London time, on the relevant USD LIBOR Determination Date. If such rate does not appear on the Telerate page 3750 (or such other page as aforesaid) on the relevant USD LIBOR Determination Date, USD LIBOR for such Coupon Amount Accrual Period shall be determined on the basis of the rates at which deposits in USD are offered by four major banks in the London interbank market selected by the Calculation Agent (the **USD Reference Banks**) at approximately 11.00 a.m., London time, on the relevant USD LIBOR Determination Date to prime banks in the London interbank market for a period of six months commencing on the first day of such Coupon Amount Accrual Period (the **USD LIBOR Reset Date**) in an amount (a **USD Representative Amount**) that is representative of a single transaction in that market as the relevant time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, USD LIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, USD LIBOR for such Coupon Amount Accrual Period will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11.00 a.m., New York City time, on the relevant USD LIBOR Reset Date for loans in U.S. dollars to leading European banks for a period of six months commencing on the relevant USD LIBOR Reset Date and in a USD Representative Amount.

## **1. FORM, DENOMINATION AND TITLE**

### **1.1 Form and Denomination**

The Notes are in bearer form, serially numbered, in the Specified Denomination in respect of the relevant Series with Coupons and, in respect of the Series J-3 Notes only, one Talon attached on issue.

### **1.2 Title**

Title to the Notes and to the Coupons will pass by delivery.

### **1.3 Holder Absolute Owner**

The Issuer, the Calculation Agent and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

## 2. STATUS

The Notes of each Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## 3. COUPON AMOUNT

### 3.1 Coupon Amount

Each Note pays the Coupon Amount (if any) on each Coupon Amount Payment Date.

Each Coupon Amount payable under the Notes represents an amount payable by the Issuer as consideration (i) for the use of the issue price of the Notes by the Issuer, (ii) as compensation for and in recognition that in certain circumstances the Coupon Amount payable on other Coupon Amount Payment Dates may be limited or zero and (iii) in the case of the Series E-1 Notes or the Series E-2 Notes, in compensation for and in recognition that in certain circumstances the aggregate amounts payable on redemption of the Notes may be less than the Issue Price.

### 3.2 Accrual of Coupon Amounts

- (a) In the event that the Notes are redeemed prior to the Maturity Date no Coupon Amount shall be payable after the date fixed for redemption of the Notes (the **Redemption Date**), the final Coupon Amount Accrual Period shall be deemed to end on the Redemption Date (or if the Redemption Date is a Coupon Amount Payment Date, the immediately preceding Coupon Amount Accrual End Date) and, the final Coupon Amount payable in respect of the Notes will be calculated as provided in the definition of "Coupon Amount".
- (b) In the event that on the due date for redemption of any Note upon due presentation or surrender thereof, payment in full of the sums due on redemption is improperly withheld or refused, such Note will accrue additional Coupon Amount (as well after as before judgment) calculated as provided in the definition of "Coupon Amount" on the basis of (A) an additional Coupon Amount Accrual Period in respect of such Note commencing on the due date for redemption of such Note and ending on whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of such Note and (B) a Coupon Rate equal to the last calculated Coupon Rate.

### 3.3 Intermediary Relevant Rate

- 3.3.1 Subject as provided in Condition 3.3.2 and Condition 3.3.3 below, the Intermediary Relevant Rate in respect of a Credit Spread Reset Date will be determined as follows:
  - (a) On or prior to 4.00 p.m., London time on such Credit Spread Reset Date, the Calculation Agent will determine the Reference Entity Bid Quotation for each Relevant Reference Entity (which, for the avoidance of doubt, means that the Reference Entity Bid Quotation may be determined at a different time for each Relevant Reference Entity) and shall notify the Investment Manager (such notice the **Average Bid Quotation Notice**) of:

- (i) the Average Bid Quotation in respect of such Credit Spread Reset Date;
  - (ii) the Reference Entity Bid Quotation for each Relevant Reference Entity used by the Calculation Agent to determine the Average Bid Quotation; and
  - (iii) the Designated Period and notional amount of the hypothetical credit default swap used to determine the Reference Entity Bid Quotation for each such Reference Entity.
- (b) Following delivery of the Average Bid Quotation Notice, the Investment Manager shall on or prior to midday, London time on the Business Day (the **Notice Day**) following a Credit Spread Reset Date give notice to each of the Calculation Agent, Deutsche Bank AG New York Branch and the Issuer that either:
- (i) it will attempt to calculate the Fallback Bid Quotation for any or all of the Relevant Reference Entities (such notice a **Fallback Quotation Request Notice** and each such Reference Entity, a **Fallback Reference Entity**); or
  - (ii) the Average Bid Quotation in respect of the relevant Credit Spread Reset Date is acceptable to it (such notice a **Fallback Acceptance Notice**).
- (c) If the Investment Manager (x) does not deliver by midday, London time a Fallback Quotation Request Notice on such Notice Day or (y) delivers a Fallback Acceptance Notice, then the Intermediary Relevant Rate in respect of the relevant Credit Spread Reset Date will be the Average Bid Quotation in respect of such Credit Spread Reset Date.
- (d) If the Investment Manager delivers by midday, London time a Fallback Quotation Request Notice, then the Intermediary Relevant Rate in respect of such Credit Spread Reset Date shall be the Hybrid Bid Quotation.
- (e) Notwithstanding the foregoing, if the Investment Manager has delivered a Fallback Quotation Request Notice in respect of a Relevant Reference Entity and during the period from and including the relevant Credit Spread Reset Date to (and including) the Fallback Bid Quotation Date related to such Credit Spread Reset Date, any Relevant Reference Entity (the **Affected Reference Entity**) becomes a Defaulted Reference Entity, then the Hybrid Bid Quotation in respect of such Credit Spread Reset Date shall be calculated as if such Affected Reference Entity were a Defaulted Reference Entity as at the relevant Credit Spread Reset Date.
- 3.3.2 The Calculation Agent may at any time up to midday, London time, on the Notice Day or, if earlier the time at which the Investment Manager delivers the Fallback Quotation Request Notice or the Fallback Acceptance Notice pursuant to Condition 3.3.1(c), update any Reference Entity Bid Quotation and such updated Reference Entity Bid Quotation shall be deemed to be the relevant Reference Entity Bid Quotation for the purposes of calculating the relevant Intermediary Relevant Rate in accordance with Condition 3.3.1(c) or Condition 3.3.1(d), as applicable.
- 3.3.3 If, in respect of any Credit Spread Reset Date, Société Générale Asset Management Alternative Investments or any successor thereto is not the Investment Manager or the relevant Series is a Static Series (as defined in the relevant Investment Management Agreement), the Intermediary Relevant Rate in respect of such Credit Spread Reset Date will

be a rate (expressed as a percentage per annum) calculated by the Calculation Agent equal to the Average Bid Quotation.

### **3.4 Additional Coupon Amount**

If, in respect of a Series, the Calculation Agent determines that as at 5.00 p.m., London time on the Business Day before (a) the Termination Date of the relevant Default Swap or (b) if the Notes of the relevant Series are to be redeemed prior to the Maturity Date, the Redemption Date there is a Positive Trading Reserve Amount, then the Additional Coupon Amount in respect of such Series will be an amount equal to such Positive Trading Reserve Amount.

### **3.5 Publication of Coupon Rate and Coupon Amount**

The Principal Paying Agent shall cause the Coupon Rate and the Coupon Amount for each Coupon Amount Accrual Period and each Series to be notified to the Issuer and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 14 as soon as possible after their determination. The Coupon Amount for any Series may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice on the basis of the foregoing provisions. Any such amendments will be notified to each stock exchange on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 14 as soon as practicable following the relevant determination.

### **3.6 Notifications, etc. to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Principal Paying Agent, the Calculation Agent or the Investment Manager, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents, the Investment Manager, the Swap Counterparty and the Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent, the Calculation Agent or the Investment Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **4. DETERMINATIONS, CALCULATIONS AND EXERCISE OF DISCRETIONS PURSUANT TO THE RELEVANT DEFAULT SWAP**

In the event that the terms of the relevant Default Swap provide for Party A (as defined in the relevant Default Swap) or the Calculation Agent under the relevant Default Swap (the **Swap Calculation Agent**) to make a determination or calculation or exercise a discretion pursuant to the relevant Default Swap (including, without limitation to the generality of the foregoing, in respect of the determination of Monoline Insurer Reference Entities, the selection of Reference Obligations, the making of Reference Obligation Notifications, the satisfaction of the Conditions to Settlement, or the procurement of Quotations, in each case in accordance with the terms of the relevant Default Swap), such determination, calculation or such exercise of a discretion, as the case may be, shall be made by (i) in the case of Party A, Deutsche Bank AG New York Branch acting in its sole and absolute discretion, or (ii) in the case of the Swap Calculation Agent, the Calculation Agent, which whenever the Swap Calculation Agent is required to act or to exercise judgment, will be in good faith and in a commercially reasonable manner. In the event that the terms of the relevant Default Swap oblige Party A and/or the Swap Calculation Agent to agree or consult with each other in respect of any calculation or

determination in respect of the relevant Default Swap, such obligation shall be deemed not to apply and to be replaced by the obligation of (i) in the case of Party A, Deutsche Bank AG New York Branch acting in its sole and absolute discretion, or (ii) in the case of the Swap Calculation Agent, the Calculation Agent acting in good faith and a commercially reasonable manner, to make the relevant calculation or determination. Whenever the Swap Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation in its discretion. In the event that the terms of the relevant Default Swap oblige Party A or the Swap Calculation Agent to give or deliver notice to any person, (i) in the case of Party A, Deutsche Bank AG New York Branch or (ii) in the case of the Swap Calculation Agent, the Calculation Agent shall give or deliver such notice to the Issuer and the Investment Manager. Upon such delivery, the relevant notice shall be deemed to be validly given pursuant to the relevant Default Swap.

## **5. PAYMENTS**

### **5.1 Payments in respect of Notes**

Payments of principal and Coupon Amount in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of Coupon Amount due on a Coupon Amount Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) of any of the Paying Agents.

### **5.2 Method of Payment**

Payments will be made:

- (i) in respect of Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes, the Series E-1 Notes and the Series P-1 Notes, by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque;
- (ii) in respect of Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes, by credit or transfer to a USD account maintained by the payee with or, at the option of the payee, by a cheque in USD drawn on, a bank in New York City; and
- (iii) in respect of the Series J-3 Notes, by credit or transfer to a JPY account (which, in the case of a payment to a non-resident of Japan, shall be a non-resident account) maintained by the payee with or at the option of the payee, by a cheque in JPY drawn on a bank in Tokyo.

### **5.3 Missing Unmatured Coupons**

Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

#### **5.4 Payments subject to Applicable Laws**

Payments in respect of principal and Coupon Amount on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

#### **5.5 Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 3.2, be entitled to any further Coupon Amount or other payment if a Presentation Date is after the due date.

#### **5.6 U.S. Paying Agents**

Notwithstanding the foregoing and in respect of the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes only, payments of principal and/or Coupon Amount will be made at the specified office in the United States of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that the Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and Coupon Amount payable with respect to the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and Coupon Amount at all specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and Coupon Amount in U.S. dollars; and
- (c) such payment is then permitted under United States law, without involving, in the opinion of the Issuer, adverse tax consequences for the Issuer.

### **6. REDEMPTION AND PURCHASE**

#### **6.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below

- (a) each Note other than a Series E-1 Note or a Series E-2 Note will be redeemed by the Issuer on the relevant Maturity Date at par; and
- (b) each Series E-1 Note and each Series E-2 Note will be redeemed by the Issuer on the relevant Maturity Date at its *pro rata* share of the relevant Outstanding Principal Amount as of such Maturity Date.

#### **6.2 Maturity Date Extension**

In addition to the provisions relating to the postponement of the Maturity Date to the Postponed Maturity Date set out in the definition of "Maturity Date" if, in respect of the Series E-1 Notes or the Series E-2 Notes:

- (a) (i) as at the Scheduled Maturity Date in respect of such Series, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in



relation to one or more Series E Reference Entities in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and any such Grace Periods is/are continuing as at the Scheduled Maturity Date); and/or

- (ii) as at the Scheduled Maturity Date in respect of such Series or, if the provisions of Condition 6.2(b)(ii) apply, the Extended Maturity Date in respect of such Series, the Repudiation/Moratorium Extension Condition has been satisfied on or prior to such Scheduled Maturity Date or such Extended Maturity Date, as the case may be, in respect of one or more Series E Reference Entities and the Repudiation/Moratorium Evaluation Date in respect of any such Potential Repudiation/Moratorium will in the sole determination of the Calculation Agent fall after such Scheduled Maturity Date or such Extended Maturity Date, as the case may be,

the Issuer shall give notice to the relevant Noteholders in accordance with Condition 19 and postpone the Maturity Date in respect of such Series to the day (the **Deferred Maturity Date**) falling five Business Days after the Latest Applicable Grace Period Extension Date or the Latest Applicable Repudiation/Moratorium Evaluation Date, as the case may be in respect of such Series; or

- (b) on (i) (A) the Scheduled Maturity Date in respect of such Series or (B) if the Maturity Date in respect of such Series has been postponed pursuant to (a) above, the Deferred Maturity Date in respect of such Series, the Conditions to Settlement have not been satisfied in respect of one or more Series E Reference Entities but in the opinion of the Calculation Agent a Credit Event has or may have occurred in respect of such Series E Reference Entities or (ii) on the Scheduled Maturity Date in respect of such Series, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred, the Issuer may, upon giving notice to the relevant Noteholders in accordance with Condition 19 postpone the Maturity Date in respect of such Series to the day (the **Extended Maturity Date**) that is fifteen calendar days after such Scheduled Maturity Date or such Deferred Maturity Date, as the case may be.

### **6.3 Early Redemption of the Series E-1 Notes or the Series E-2 Notes**

Each of the Series E-1 Notes and the Series E-2 Notes shall be redeemed if, on any day (the **Zero Date**), the Calculation Agent determines that the relevant Outstanding Principal Amount is or has been reduced to zero on or prior to such day. In such event, no amounts in respect of principal will be payable by the Issuer to the Noteholders under the Series E-1 Notes or the Series E-2 Notes, as the case may be and the Series E-1 Notes or the Series E-2 Notes, as the case may be, will be redeemed on the Business Day following the Zero Date upon payment of the final Coupon Amount payable in respect of such Series determined as provided in Condition 3.2.

### **6.4 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part on any Coupon Amount Payment Date on giving not less than 30 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or

regulations prevailing in the United Kingdom which change or amendment becomes effective on or after the Trade Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date; and

(b) such obligation cannot be avoided by the Issuer,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Each Note redeemed pursuant to this Condition 6.4 will be redeemed at the Early Redemption Amount together with Coupon Amount determined as provided in Condition 3.2.

#### **6.5 Redemption at the option of the Issuer in respect of the Series P-1 Notes**

The Issuer may having given not less than 5 nor more than 60 days' notice to the holders of the Series P-1 Notes, in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the Series P-1 Notes then outstanding on any Relevant Coupon Amount Payment Date at par together with Coupon Amount in respect of the relevant Series determined as provided in Condition 3.2

#### **6.6 Redemption for Illegality**

In the event that the Calculation Agent determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's 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, the Issuer having given not less than 10 nor more than 30 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together with Coupon Amount determined as provided in Condition 3.2.

#### **6.7 Purchases**

The Issuer or any Affiliate of the Issuer may at any time purchase Notes (provided that all unmatured Coupons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

#### **6.8 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.7 above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## 7. TAXATION

Principal and Coupon Amount shall be payable to the holders of the Notes or Coupons by the Issuer without withholding or deduction for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in the United Kingdom or by or on behalf of any political subdivision or any authority therein having power to tax (together **Withholding Taxes**), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts of principal and Coupon Amount as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such deduction or withholding shall equal the respective amounts of principal and Coupon Amount which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or Coupon Amount made by it; or
- (b) are payable by reason of the holder having, or having had, some personal or business connection with the United Kingdom and not merely by reason of the fact that payments in respect of the Notes or Coupons are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the United Kingdom; or
- (c) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or Coupon Amount becomes due, or is duly provided for and notice thereof is published in accordance with Condition 14, whichever occurs later; or
- (d) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or
- (e) are imposed pursuant to (a) any European Union Directive or Regulation concerning the taxation of interest income or (b) any international treaty or understanding relating to such taxation and to which the United Kingdom or the European Union is a party, or (c) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

## 8. EVENTS OF DEFAULT

Any Noteholder may give notice to the Issuer in accordance with Condition 14.2 that any Note held by such Noteholder is, and shall accordingly immediately become, due and payable at the Early Redemption Amount together with Coupon Amount determined as provided in Condition 3.2 if any of the following events (each an **Event of Default**) occurs and is subsisting:

- (a) *Non-payment*: the Issuer fails to pay principal or Coupon Amount in respect of the relevant Series within 30 days of the relevant due date; or

- (b) *Breach of other obligations*: the Issuer fails to perform any other obligation arising under the relevant Series and such failure continues for more than 60 days after the Issuer has received notice thereof from Noteholders of a least one-tenth in principal amount of the relevant Series demanding redemption; or
- (c) *Suspension of payments*: the Issuer suspends its payments generally; or
- (d) *Bankruptcy etc*: a court in the jurisdiction of incorporation of the Issuer institutes bankruptcy or composition proceedings to avert bankruptcy or similar proceedings against the assets of the Issuer, or the Issuer applies for the institution of such proceedings concerning its assets.

## 9. PRESCRIPTION

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of Coupon Amount) after the Relevant Date therefor. In respect of the Series J-3 Notes only, there shall not be included in any Coupon sheet issued upon exchange of the Talon, any Coupon which would be void under this Condition or Condition 5.3.

## 10. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 11. SUBSTITUTION OF THE ISSUER OR BRANCH

### 11.1 Substitution of Issuer

The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders of a relevant Series, be entitled at any time to substitute for the Issuer any other company (the **Substitute**) as principal debtor in respect of all obligations arising from or in connection with the Notes of a Series provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes of such Series represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Notes of such Series and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Notes of such Series shall be unconditionally and irrevocably guaranteed by the Issuer; (iv) the Luxembourg Stock Exchange shall have confirmed that following the proposed substitution of the Substitute the Notes of such Series would continue to be listed on the Luxembourg Stock Exchange; (v) Euronext Amsterdam shall have confirmed that following the proposed substitution of the substitute the Notes would continue to be listed on Euronext Amsterdam N.V.; and (vi) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Noteholders of such Series in accordance with Condition 14.

## **11.2 Substitution of Branch**

The Issuer shall have the right upon notice to the Noteholders of the relevant Series in accordance with Condition 14 to change the branch through which it is acting for the purpose of the Notes of such Series, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

## **11.3 Modification of Conditions as a result of Substitution of Issuer or Substitution of Branch**

After any substitution or change of branch pursuant to Condition 11.1 or 11.2 above, the Conditions will be modified in all consequential respects including, but not limited to, replacement of references to United Kingdom in the Conditions where applicable, by references to the country of incorporation, domicile and/or residence for tax purposes of the Substitute or the new branch, as the case may be. Such modifications shall be notified to Noteholders in accordance with Condition 14.

## **12. PAYING AGENTS AND CALCULATION AGENT**

### **12.1 Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out at the end of the Conditions.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) so long as the Notes are listed on the Luxembourg Stock Exchange, there will at all times be a Paying Agent (which may be the Principal Paying Agent) with a specified office in such place as may be required by the rules and regulations of the Luxembourg Stock Exchange; and
- (c) so long as the Notes are listed on Euronext Amsterdam N.V. and the rules of Euronext Amsterdam N.V. so require, there will at all times be a Paying Agent (which may be the Principal Paying Agent) with a specified office in Amsterdam.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in the United States in the circumstances described in Condition 5.6. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders.

## 12.2 Calculation Agent

The Calculation Agent has agreed to act as Calculation Agent in respect of the Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Conditions shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

The Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent and to appoint a successor calculation agent, Provided That there shall at all times be a Calculation Agent. Notice of any change in Calculation Agent shall be given to the Noteholders in accordance with Condition 14.

## 12.3 Investment Manager

The Investment Manager has in each Investment Management Agreement agreed to act as investment manager in connection with the relevant Portfolios for the purpose of performing certain functions in respect of each such Portfolio including, without limitation, the proposal of Substitutions in respect of Reference Entities in such Portfolios and in relation to the calculation of the relevant Intermediary Relevant Rate in respect of each Coupon Amount Accrual Period in accordance with the relevant Investment Management Agreement. The Investment Manager has agreed, (i) in performing its duties with respect to Substitution Requests and Substitution Notices, to act with the primary objective of maximising the Outstanding Tranche Notional Amount of each Default Swap and (ii) in relation to the calculation of the relevant Intermediary Relevant Rate in respect of a Coupon Amount Accrual Period, to use all reasonable endeavours in the course of carrying out its duties and exercising its discretions under the relevant Investment Management Agreement to protect the interests of the Noteholders.

Each Investment Management Agreement, *inter alia*, sets out the terms upon which the appointment of the Investment Manager pursuant to such agreement may be terminated.

For so long as any Series is outstanding, copies of the most recent Portfolio Composition Report relating to the relevant Series may be obtained by Noteholders during normal business hours at the specified office of the Principal Paying Agent and at the office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A. and at the office of the Paying Agent in the Netherlands, Deutsche Bank Amsterdam.

## **12.4 General**

The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## **13. EXCHANGE OF TALONS IN RESPECT OF THE SERIES J-3 NOTES**

On and after the Coupon Amount Payment Date on which the final Coupon comprised in the Coupon sheet in respect of the Series J-3 Notes matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet, subject to the provisions of Condition 9.

## **14. NOTICES**

### **14.1 Notices to Noteholders and Couponholders**

All notices to the Noteholders will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London, (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange and for so long as the rules of the Luxembourg Stock Exchange so require, a daily newspaper of general circulation in Luxembourg and (iii) if and for so long as the Notes are listed on Euronext Amsterdam N.V. and for so long as the rules of Euronext Amsterdam N.V. so require, in the Euronext Amsterdam Daily Official List and in a Dutch daily newspaper with a national or wide circulation. It is expected that such publication will be made in the *Financial Times* in London and *d'Wort* in Luxembourg and *Het Financieele Dagblad* in the Netherlands. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

### **14.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, in the event that the Notes are listed on the Luxembourg Stock Exchange, the Paying Agent in Luxembourg or, in the event that the Notes are listed on Euronext Amsterdam N.V., the Paying Agent in Amsterdam.

## **15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of each Series of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes of the relevant Series or any of the provisions of the Agency Agreement relating to such Series. Such a meeting may be convened by the Issuer or upon the request in writing of Noteholders of the relevant Series holding not less than ten per cent. in nominal amount of the Notes of the relevant Series for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever

the nominal amount of the Notes of the relevant Series so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes of the relevant Series (including modifying the date of maturity of the Notes or any date for payment of Coupon Amount thereon, reducing or cancelling the amount of principal or the Coupon Amount in respect of the Notes or altering the currency of payment of the Notes or the Coupons) of a Series, the quorum shall be two or more persons holding or representing not less than three-quarters in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one quarter in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders of a Series shall be binding on all the Noteholders of the relevant Series, whether or not they are present at the meeting, and on all relevant Couponholders.

The Agency Agreement contains provisions to the effect, *inter alia*, that:

- (i) meetings of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders and Series E-2 Noteholders will normally be held separately. However, the Principal Paying Agent may from time to time determine that meetings of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders and Series E-2 Noteholders may be held together;
- (ii) a resolution which in the opinion of the Issuer affects only Series A-1 Noteholders or Series A-2 Noteholders or Series B-1 Noteholders or Series B-2 Noteholders or Series D-1 Noteholders or Series J-3 Noteholders or Series P-1 Noteholders or Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, shall be deemed to have been duly passed if passed at a separate meeting of such Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (iii) a resolution which in the opinion of the Issuer affects the holders of more than one Series of Notes but does not give rise to a conflict of interest between the Noteholders of the relevant Series shall be deemed to have been duly passed if passed at a single meeting of holders of the Series of Notes so affected. At any such meeting, each Noteholder shall have one vote in respect of each (a) in respect of the Series A-1 Notes, the Series B-1 Notes, the Series D-1 Notes and the Series E-1 Notes EUR100,000, (b) in respect of the Series A-2 Notes, the Series B-2 Notes and the Series E-2 Notes USD100,000, (c) in respect of the Series P-1 Notes, EUR10,000 and (d) in respect of the Series J-3 Notes, JPY1,000,000 in principal amount of the relevant Series of Notes held;
- (iv) no Extraordinary Resolution of Series A-1 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series A-1 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series A-1 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary



Resolution of Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;

- (v) no Extraordinary Resolution of Series A-2 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series A-2 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series A-2 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (vi) no Extraordinary Resolution of Series B-1 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series B-1 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series B-1 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (vii) no Extraordinary Resolution of Series B-2 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series B-2 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series B-2 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (viii) no Extraordinary Resolution of Series D-1 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series D-1 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series D-1 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary

Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;

- (ix) no Extraordinary Resolution of Series J-3 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series J-3 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series J-3 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series P-1 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (x) no Extraordinary Resolution of Series P-1 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series P-1 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series P-1 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series E-1 Noteholders or Series E-2 Noteholders, as the case may be;
- (xi) no Extraordinary Resolution of Series E-1 Noteholders which would have the effect, *inter alia*, of changing any due date for payment of principal and/or Coupon Amount on the Series E-1 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series E-1 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders or Series E-2 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders or Series E-2 Noteholders, as the case may be; and
- (xii) no Extraordinary Resolution of Series E-2 Noteholders which would have the effect, *inter alia*, of changing any due date of payment of principal and/or Coupon Amount on the Series E-2 Notes, increasing the amount of principal and/or Coupon Amount payable on the Series E-2 Notes or changing the method of calculation thereof or altering this proviso, shall be effective unless either (a) the Issuer is of the opinion that it will not be materially prejudicial to the interests of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1 Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders or Series E-1 Noteholders, as the case may be, or (b) it is sanctioned by an Extraordinary Resolution of Series A-1 Noteholders, Series A-2 Noteholders, Series B-1

Noteholders, Series B-2 Noteholders, Series D-1 Noteholders, Series J-3 Noteholders, Series P-1 Noteholders or Series E-1 Noteholders, as the case may be.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders of a Series or relevant Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

## **16. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders of a relevant Series or the related Couponholders to create and issue further notes of such Series having terms and conditions the same as the Notes of the relevant Series or the same in all respects save for the amount and date of the first payment of Coupon Amount thereon and so that the same shall be consolidated and form a single series with the outstanding Notes of such Series.

## **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **18. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

### **18.2 Submission to Jurisdiction**

The Issuer agrees, for the exclusive benefit of the Noteholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes and the Coupons may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

### **18.3 Other documents**

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts in terms substantially similar to those set out above.

## SCHEDULE

### FORMS OF HYPOTHETICAL CREDIT DEFAULT SWAP CONFIRMATIONS

(A) FORM OF HYPOTHETICAL CREDIT DEFAULT SWAP CONFIRMATION RELATING TO EACH SERIES OTHER THAN THE SERIES P-1 NOTES

Date: [●]

To: [●]

Our Reference: Summit No. [●]

Re: Portfolio Credit Default Swap relating to the [EUR73,000,000 Series A-1 Credit Linked Topaz Notes due 2015]/[USD38,500,000 Series A-2 Credit Linked Topaz Notes due 2015]/[EUR5,000,000 Series B-1 Credit Linked Topaz Notes due 2012]/[USD10,000,000 Series B-2 Credit Linked Topaz Notes due 2012]/[EUR29,000,000 Series D-1 Credit Linked Topaz Notes due 2015]/[JPY1,000,000,000 Series J-3 Credit Linked Topaz Notes due 2020]/[EUR2,000,000 Series E-1 Credit Linked Topaz Notes due 2012]/[USD9,800,000 Series E-2 Credit Linked Topaz Notes due 2012] (the "**Notes**") and entered into in connection with an Investment Management Agreement dated 20th May, 2005 entered into between, *inter alios*, Deutsche Bank AG New York Branch and Société Générale Asset Management Alternative Investments (as the same may be amended, modified or supplemented from time to time) (the "**Investment Management Agreement**")

Dear Sir:

The purpose of this letter (this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between Deutsche Bank AG New York Branch ("**Party A**") and a seller of protection ("**Party B**") on the Trade Date specified below (the "**Transaction**") for the purposes of calculations to be made in respect of the Notes. This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (together the "**Credit Derivatives Definitions**") each as published by the International Swaps and Derivatives Association, Inc. and as modified as set out herein, are incorporated into this Confirmation. Capitalised terms not otherwise defined herein or in the Credit Derivatives Definitions shall have the meanings given to such terms in the terms and conditions of the Notes (as the same may be amended, modified or supplemented from time to time, the "**Conditions**") or, as the case may be, in the Investment Management Agreement. In the event of any inconsistency between any of this Confirmation, the Investment Management Agreement, the Conditions and/or the Credit Derivatives Definitions, the first mentioned document will govern.

This Confirmation supplements, forms a part of, and is subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) (the "**Agreement**") as if we had executed an agreement in such form (but without any Schedule except for the election of English Law as the governing law and [For the Series A-1 Notes, EUR]/[For the Series A-2 Notes, USD]/[For the Series B-1 Notes, EUR]/[For the Series B-2 Notes, USD]/[For the Series D-1 Notes, EUR]/[For the Series J-3 Notes, JPY]/[For the Series E-1 Notes, EUR]/[For the Series E-2 Notes, USD] as the Termination Currency on the Trade Date set out below. In the event of any inconsistency between the provisions of that provision of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The parties agree and acknowledge that the Transaction to which this Confirmation relates contemplates that the Conditions to Settlement may be satisfied with respect to more than one Reference Entity, that there may therefore be multiple Event Determination Dates, Cash Settlement Dates and Cash Settlement Amounts, and that the Credit Derivatives Definitions should, for the purposes of this Confirmation, be interpreted accordingly.

The terms of the Transaction to which this Confirmation relates are as follows:

**1. General Terms:**

Trade Date: [●]

Effective Date: [●]

Termination Date:

The earlier of:

- (i) the later of the date on which the Outstanding Tranche Notional Amount is reduced to zero and the latest date on which an amount may become payable in accordance with the terms hereof; and
- (ii) the later of the Scheduled Termination Date and the latest date on which an amount may become payable in accordance with the terms hereof.

For the avoidance of doubt, this provision shall take precedence over any other provision in the Credit Derivatives Definitions purporting to specify another date as a Termination Date for the purposes of this Transaction.

Scheduled Termination Date: 20th May, 2012

Initial Tranche Notional Amount: *[For the Series A-1 Notes, EUR73,000,000]/[For the Series A-2 Notes, USD38,500,000]/[For the Series B-1 Notes, 5,000,000]/[For the Series B-2 Notes, USD10,000,000]/[For the Series D-1 Notes, EUR29,000,000]/[For the Series J-3 Notes, JPY1,000,000,000]/[For the Series E-1 Notes, EUR2,000,000]/[For the Series E-2 Notes, 9,800,000].*

Portfolio Notional Amount: At any time an amount equal to the aggregate of the Reference Entity Notional Amounts for all Reference Entities at such time.

Initial Portfolio Notional Amount: The Portfolio Notional Amount on the Effective Date

Fixed Rate Payer: Deutsche Bank AG New York Branch (the "**Buyer**")

Floating Rate Payer: Party B (the "**Seller**")

Calculation Agent:	Deutsche Bank AG London. Whenever the Calculation Agent is required to make any determination it may, <i>inter alia</i> , decide issues of construction and legal interpretation in its discretion.
Calculation Agent City:	London
Business Day:	Paris, London, New York, Sydney and Tokyo .
Business Day Convention:	Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Portfolio:	On the Effective Date, the portfolio of Reference Entities is as set out in Schedule 2 hereto (the " <b>Initial Portfolio</b> "). Subsequent to the Effective Date the Portfolio shall be determined from time to time in accordance with this Confirmation and the Investment Management Agreement.
Reference Entities:	Each of the Reference Entities comprised in the Portfolio from time to time and any of their respective Successors.
Defaulted Reference Entity:	Each Reference Entity in respect of which an Event Determination Date has occurred.
Reference Entity Categories:	One of the following categories (each a " <b>Reference Entity Category</b> ") shall be applicable to each Reference Entity: <ul style="list-style-type: none"> <li>(a) Western European Corporate Reference Entities;</li> <li>(b) European Insurance Corporate Reference Entities;</li> <li>(c) European Emerging Markets Corporate Reference Entities;</li> <li>(d) Australian New Zealand Corporate Reference Entities;</li> <li>(e) Japanese Corporate Reference Entities;</li> <li>(f) Singaporean Corporate Reference Entities;</li> <li>(g) Asian Corporate Reference Entities;</li> <li>(h) North American Investment Grade Corporate Reference Entities;</li> <li>(i) North American Insurance Corporate Reference Entities;</li> <li>(j) North American High Yield Corporate Reference</li> </ul>

Entities; and

(k) Latin American Corporate Reference Entities.

Subject to the Section "Successor" below, the Reference Entity Category applicable to each Reference Entity contained in the Initial Portfolio shall be the Reference Entity Category specified in respect of such Reference Entity in Schedule 2 hereto.

Subject to the Section "Successor" below and to the provisions of "Standard Terms for Reference Entities" below, the Reference Entity Category for each Replacement Reference Entity will be determined by the Calculation Agent in a commercially reasonable manner at the time of inclusion. When selecting a Reference Entity Category for a Replacement Reference Entity, the Calculation Agent will be deemed to be acting in a commercially reasonable manner if it selects a Reference Entity Category by reference to the jurisdiction of organisation of the relevant Replacement Reference Entity.

Standard Terms for Reference Entities:

Each Reference Entity shall be subject to the distinct terms which relate to the Reference Entity Category which is applicable to such Reference Entity (the "Standard Terms" for that Reference Entity Category). The Standard Terms for each Reference Entity Category are set out in the annexes to Schedule 1 to this Confirmation as follows:

- (a) the Standard Terms for Western European Corporate Reference Entities are set out in Annex 1;
- (b) the Standard Terms for European Insurance Corporate Reference Entities are set out in Annex 2;
- (c) the Standard Terms for European Emerging Markets Corporate Reference Entities are set out in Annex 3;
- (d) the Standard Terms for Australian New Zealand Corporate Reference Entities are set out in Annex 4;
- (e) the Standard Terms for Japanese Corporate Reference Entities are set out in Annex 5;
- (f) the Standard Terms for Singaporean Corporate Reference Entities are set out in Annex 6;
- (g) the Standard Terms for Asian Corporate Reference Entities are set out in Annex 7;
- (h) the Standard Terms for North American Investment Grade Corporate Reference Entities are set out in Annex 8;
- (i) the Standard Terms for North American Insurance



Corporate Reference Entities are set out in Annex 9;

- (j) the Standard Terms for North American High Yield Corporate Reference Entities are set out in Annex 10; and
- (k) the Standard Terms for Latin American Corporate Reference Entities are set out in Annex 11.

In the case that, from time to time:

- (i) Standard Terms for a Reference Entity Category no longer correspond to the standard market practice in the relevant geographic region, the Calculation Agent will determine, in a commercially reasonable manner, new Standard Terms that will be applicable to Replacement Reference Entities included after the date of modification of the Standard Terms. Any modification to the Standard Terms shall be made in writing and provided to Party B.
- (ii) additional Reference Entity Categories and consequently additional Standard Terms arise in the single name credit default swap market, the Calculation Agent shall determine by reference to the standards of the single name credit default swaps market such additional Reference Entities Categories and related Standard Terms in a commercially reasonable manner and upon written notice to Party B such additional Reference Entity Categories and related Standard Terms shall be deemed to apply to Replacement Reference Entities included after the date of modification of the Standard Terms.

For avoidance of doubt, such modified Standard Terms shall apply only to the Replacement Reference Entities which have been substituted after the date of modification and shall not apply to Reference Entities which were included prior to the date of modification.

Monoline Insurer Reference Entity:

Any Reference Entity determined from time to time in good faith and a commercially reasonable manner by the Calculation Agent to carry on the business of a monoline insurance company (or to be a holding company thereof).

Successor:

Section 2.2 of the Credit Derivatives Definitions is hereby amended by:

- (a) deleting the words "for the entire Credit Derivative Transaction" from each of Section 2.2(a)(i) and Section 2.2(a)(ii);
- (b) deleting the words "for a New Credit Derivative

Transaction" from each of Section 2.2(a)(iii) and Section 2.2(a)(iv) and replacing them with the words "and the Reference Entity Notional Amount in respect of each such Successor will be";

- (c) deleting Section 2.2(e) in its entirety and replacing it with the following:

"(e) Where, pursuant to Section 2.2(a)(iii) or (iv) above, more than one Successor has been identified in respect of a Reference Entity (the "**Original Reference Entity**"), each Successor will be a Reference Entity for the purposes of this Transaction and the Reference Entity Notional Amount and, if applicable, the Loss Determination Amount in respect of each such Successor will be the Reference Entity Notional Amount and, if applicable, the Loss Determination Amount relating to the Original Reference Entity immediately prior to the Succession Event, in each case divided by the number of Successors. In addition the terms and conditions of this Transaction will be modified to the extent that any modification is required, as determined by the Calculation Agent, to preserve the economic effects of this Transaction prior to the occurrence of the relevant Succession Event."

The Reference Entity Category applicable to a Successor to a Reference Entity shall be the same Reference Entity Category as that Reference Entity. However, if the Calculation Agent determines that more than one Reference Entity (each a "**Prior Reference Entity**") has pursuant to Section 2.2 of the Credit Derivatives Definitions (as amended herein) become a single Reference Entity and the Prior Reference Entities were not all within the same Reference Entity Categories, the Calculation Agent shall determine in its sole and absolute discretion the Reference Entity Category applicable to such resulting Reference Entity.

Notwithstanding anything to the contrary in Section 2.2 (as amended herein), in relation to a Reference Entity in respect of which a Reference Obligation Notification has been effectively delivered by Buyer to Seller "**Successor**" means in relation to such Reference Entity (1) where a Reference Obligation specified in the Reference Obligation Notification is a primary obligation of the relevant Reference Entity, the entity which directly or indirectly succeeds to such Reference Obligation by way of a Succession Event and (2) where a Reference Obligation specified in the Reference

Obligation Notification is guaranteed by the relevant Reference Entity, the entity which assumes the guarantee obligation in respect of such Reference Obligation or otherwise succeeds directly or indirectly to such Reference Obligation by way of a Succession Event and if pursuant to (1) or (2) above there is more than one Successor, such Successor as may be selected by the Calculation Agent in its sole and absolute discretion.

Reference Obligations:

With respect to a Reference Entity:

- (a) for the purposes of determining whether the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic is satisfied, (i) with respect to a Reference Entity comprised in the Initial Portfolio, the obligation specified as such, if any, opposite such Reference Entity in Schedule 2 hereto, as adjusted from time to time in accordance with the provisions of this Confirmation and (ii) with respect to a Reference Entity comprised in the Portfolio subsequent to the Effective Date, the Reference Obligation determined in accordance with the provisions of this Confirmation and the Investment Management Agreement; and
- (b) for the purposes of determining a Loss Determination Amount in respect of a Defaulted Reference Entity, one or more obligations of that Defaulted Reference Entity (either (i) directly or (ii) as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Standard Terms applicable to such Defaulted Reference Entity, as provider of any Qualifying Guarantee or (iii) in the case of a Defaulted Reference Entity which is a Monoline Insurer Reference Entity, as provider of a Qualifying Policy) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Section 4.1(a)-(d) of the Credit Derivatives Definitions) or right of set-off by or of the Defaulted Reference Entity or any applicable Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date of selection, of immediate assertion or demand by or on behalf of the holder or holders against the Defaulted Reference Entity for an amount at least equal to the Reference Obligation Notional Amount applicable to the

relevant obligation apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement, selected by Buyer and notified to Seller (such notice, a "**Reference Obligation Notification**") on or prior to the Valuation Date in respect of the relevant Defaulted Reference Entity which either (i) constitute Reference Obligations pursuant to paragraph (a) above and/or (ii) fall within the Deliverable Obligation Category specified below and, subject to Section 2.21(c) of the Credit Derivatives Definitions, have each of the Deliverable Obligation Characteristics specified below. In the event that Buyer does not specify a Reference Obligation pursuant to a Reference Obligation Notification, the Reference Obligation for the purposes of determining a Loss Determination Amount shall be deemed to be the Reference Obligation determined in accordance with paragraph (a) above.

For the avoidance of doubt, provided that a Reference Obligation selected pursuant to paragraph (b) above (which is not a Reference Obligation by virtue of paragraph (a) above) satisfies the applicable Deliverable Obligation Category and Deliverable Obligation Characteristics on the date of selection, such obligation(s) may constitute Reference Obligation(s) for the purposes hereof irrespective of whether this continues to be the case subsequent to such date.

In respect of Reference Obligations selected by Buyer in a Reference Obligation Notification:

- (i) the Buyer may alter such selection at any time on or prior to the Valuation Date in respect of the relevant Defaulted Reference Entity, provided that in respect of Reference Obligations selected pursuant to paragraph (b) above, the newly selected Reference Obligation(s) complies with the requirements set forth herein as at the date of its selection;
- (ii) each Reference Obligation Notification shall describe the selected Reference Obligation(s) in reasonable detail and shall specify for each such Reference Obligation the title or designation, maturity date and coupon rate;
- (iii) in the event that there is more than one selected Reference Obligation in respect of a Defaulted Reference Entity, the Buyer shall stipulate in the Reference Obligation Notification the amount of

each selected Reference Obligation to be valued on the Valuation Date in respect of the Defaulted Reference Entity, the sum of such amounts not to exceed the Reference Entity Notional Amount in respect of such Defaulted Reference Entity;

- (iv) Section 2.30 of the Credit Derivatives Definitions shall not apply to such selected Reference Obligations; and
- (v) if subsequent to selection a Reference Obligation is redeemed and/or cancelled in whole, Buyer may by notice to Seller specify an alternative Reference Obligation to replace such Reference Obligation. If in such circumstances no alternative Reference Obligation exists on the relevant Valuation Date and, in connection with the redemption and/or cancellation of the original Reference Obligation, holders of such Reference Obligation receive cash and/or securities and/or other assets (in each case, whether of the relevant Defaulted Reference Entity or a third party) (together, "**Assets**") then, notwithstanding anything to the contrary contained herein, the amount utilised in the calculation of the relevant Loss Determination Amount corresponding to such Reference Obligation shall be equal to the relevant Reference Obligation Notional Amount minus the Assets Value.

For the purposes of the foregoing;

**"Assets Value"** means the immediately realisable value of the Asset Entitlement, such value to be determined by the Calculation Agent as soon as reasonably practicable after the Assets have been received by the Relevant Holder;

**"Asset Entitlement"** means the Assets to which a Relevant Holder would be entitled; and

**"Relevant Holder"** means a holder of an amount of the Reference Obligation with an outstanding principal balance equal to the relevant Reference Obligation Notional Amount.

All Guarantees:	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.
Deliverable Obligation Category:	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.
Deliverable Obligation Characteristics:	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

Interpretation:

For the purposes of this Confirmation:

- (a) each reference in the Credit Derivatives Definitions to "a Deliverable Obligation" and "the Deliverable Obligation" shall be deemed to be a reference to "a Reference Obligation" and "the Reference Obligation" respectively;
- (b) each reference in the Credit Derivatives Definitions to "a Delivery Date" and "the Delivery Date" shall be deemed to be a reference to the date of selection of the relevant Reference Obligation, except that the words "Delivery Date or" and ", as the case may be" shall be deleted in the two places where they appear in Section 8.7(b)(i);
- (c) each reference in the Credit Derivatives Definitions to "Physical Settlement Date" shall be deemed to be a reference to the date of selection of the relevant Reference Obligation; and
- (d) the words "and all times thereafter" shall be deleted from Section 2.20(b)(i).

Reference Entity Notional Amount:

With respect to a Reference Entity,

- (a) comprised in the Initial Portfolio, [For the Series A-1 Notes, EUR20,277,777.78]/[For the Series A-2 Notes, USD 10,694,444.44]/[For the Series B-1 Notes, EUR 1,388,888.89]/[For the Series B-2 Notes, USD2,777,777.78]/[For the Series D-1 Notes, EUR8,055,555.56]/[For the Series J-3 Notes, JPY277,777,777.78]/[For the Series E-1 Notes, EUR555,555.56]/[For the Series E-2 Notes, USD2,722,222.22], as adjusted from time to time in accordance with the provisions of this Confirmation and the Investment Management Agreement; and
- (b) included in the Portfolio as a result of the Substitution, an amount at the time of such Substitution equal to the Reference Entity Notional Amount in respect of the corresponding Replaced Reference Entity immediately prior to such Substitution, as such amount may be adjusted in accordance with the provisions of this Confirmation and the Investment Management Agreement.

Reference Obligation

In respect of each Reference Obligation of a Defaulted

Notional Amount: Reference Entity, the amount specified in the relevant Reference Obligation Notification as the amount of such Reference Obligation to be valued on the relevant Valuation Date, provided that (i) if only one Reference Obligation is specified in the relevant Reference Obligation Notification and no such amount is specified in respect of such Reference Obligation, the Reference Obligation Notional Amount of such Reference Obligation shall be an amount equal to the Reference Entity Notional Amount of the relevant Defaulted Reference Entity and that (ii) the sum of the Reference Obligation Notional Amounts in respect of a Defaulted Reference Entity may not exceed the relevant Reference Entity Notional Amount. In the event that Buyer does not deliver a Reference Obligation Notification, the Reference Obligation Notional Amount for the purposes of determining a Loss Determination Amount shall be deemed to be the Reference Entity Notional Amount of the relevant Defaulted Reference Entity.

Reference Price: With respect to each Reference Obligation, 100%.

**2. Fixed Payments:**

Fixed Rate Payer Calculation Amount: For any Fixed Rate Payer Calculation Period, the Outstanding Tranche Notional Amount on the last day of such period.

Outstanding Tranche Notional Amount: *[For the Series A-1 Notes]/[For the Series A-2 Notes]/[For the Series B-1 Notes]/[For the Series B-2 Notes]/[For the Series J-3 Notes]/[For the Series E-1 Notes]/[For the Series E-2 Notes]*

[On any day, and subject to a minimum of zero and a maximum of the Initial Tranche Notional Amount, an amount equal to the result of ((a) + (c)) – (b), where:

- (a) means the Initial Tranche Notional Amount;
- (b) means the Aggregate Loss Determination Amount on that day, subject to a minimum of zero; and
- (c) means the Subordination Reserve Amount (as defined in paragraph 10 (Subordination Reserve Account) and which may be a negative figure).]

*[For the Series D-1 Notes]*

[On any day, and subject to a minimum of zero and a maximum of the Initial Tranche Notional

Amount, an amount equal to the result of ((a) + (c)) – ((b) + (d)), where:

- (a) means the Initial Tranche Notional Amount;
- (b) means the Aggregate Loss Determination Amount on that day, subject to a minimum of zero;
- (c) means the Subordination Reserve Amount (as defined in paragraph 10 (Subordination Reserve Account) and which may be a negative figure); and
- (d) means the Aggregate CMS Adjustment Amount (which may be a negative figure) on that day.

Aggregate CMS Adjustment Amount:

On any day, the sum of all CMS Adjustment Amounts.

CMS Adjustment Amount:

In respect of a CMS Unwind Amount, an amount calculated by the Calculation Agent equal to the amount by which the Outstanding Tranche Notional Amount immediately after the date on which any Loss Determination Amount in respect of any Defaulted Reference Entity or any Substitution Percentage is determined, would be required to be reduced (if the relevant CMS Unwind Amount is positive) or increased (if the relevant CMS Unwind Amount is negative), as applicable, so that the present value of the aggregate Coupon Amounts payable under the Notes after such date is reduced (if the relevant CMS Unwind Amount is positive) or increased (if the relevant CMS Unwind Amount is negative), as applicable, by an amount equal to the absolute value of the relevant CMS Unwind Amount. If the relevant CMS Unwind Amount is a negative amount then the CMS Adjustment Amount will be expressed as a negative amount and if the relevant CMS Unwind Amount is a positive amount then the CMS Adjustment Amount will be expressed as a positive amount.

The parties acknowledge that adjusting the Outstanding Tranche Notional Amount will affect the CMS Adjustment Amount (which in turn may affect the size of the Outstanding Tranche Notional Amount). Consequently, the parties agree that the determination of the CMS Adjustment Amount and the adjustment to the Outstanding Tranche Notional Amount may be an iterative process which will (in each case) be



carried out by the Calculation Agent in its sole and absolute discretion.

CMS Transaction:

A notional interest rate swap transaction between Party A and a market counterparty documented under a 1992 ISDA Master Agreement with the following terms:

(a) an effective date of 20 May, 2005;

(b) a termination date of 20 May 2015;

(c) a notional amount on the effective date equal to the Initial Tranche Notional Amount. Thereafter, each time the Outstanding Tranche Notional Amount is adjusted in accordance with the provisions set out above, the notional amount of the CMS Transaction shall be adjusted to an amount equal to the new Outstanding Tranche Notional Amount and an amount equal to the CMS Unwind Cost calculated;

(d) Party A pays on each Coupon Amount Payment Date (as defined in the Conditions) an amount calculated by applying the CMS Rate (as defined in the Conditions) to the notional amount using the 30/360 day count fraction; and

(e) the market counterparty pays on each Coupon Amount Payment Date (as defined in the Conditions) an amount calculated by applying EURIBOR (as defined in the Conditions) to the notional amount using the 30/360 day count fraction.

CMS Unwind Amount:

An amount equal to the Mark to Market Value of the CMS Transaction immediately before the relevant adjustment of the notional minus the Mark to Market Value of the CMS Transaction immediately after such adjustment of the notional, which may be a negative figure.

Mark to Market Value:

In respect of the CMS Transaction, at any time an amount (which may be positive or negative) which would be payable to Party A (expressed as a negative if an amount would be payable to the market counterparty) in accordance with Section 6(e) of the 1992 ISDA Master Agreement (the "**Agreement**") as estimated by the Calculation Agent as though an Early Termination Date had been designated as a result of a Termination Event

under the Agreement for which the market counterparty was the sole Affected Party and the CMS Transaction was the only Affected Transaction and calculated on the basis that, for the purposes of this calculation only, the notional of the CMS Transaction was fixed for the remainder of the term of the CMS Transaction at the level that it was at immediately prior to its adjustment and that, following the adjustment of the notional, the notional of the CMS Transaction was fixed at the level that it was at immediately after such adjustment for the remainder of the term of the CMS Transaction. Capitalised terms used in this definition shall bear the meaning given to them in the Agreement.]

Aggregate Loss Determination Amount:

On any day, the aggregate of all Loss Determination Amounts determined with respect to Defaulted Reference Entities on or prior to such date.

Loss Determination Amount:

With respect to any Defaulted Reference Entity the sum, for each Reference Obligation specified in the relevant Reference Obligation Notification, of the greater of:

- (i) the relevant Reference Obligation Notional Amount multiplied by the amount by which the Reference Price exceeds the Final Price in respect of the relevant Reference Obligation; and
- (ii) zero.

The Loss Determination Amount for a Defaulted Reference Entity shall be calculated on the date on which the Final Prices for each relevant Reference Obligation have been determined and will be effective as of the Event Determination Date with respect to that Reference Entity.

Fixed Rate Payer Payment Dates:

Each Coupon Amount Payment Date as defined in the Conditions up to and including the Scheduled Termination Date.

Section 2.10 of the Credit Derivatives Definitions shall not apply to this Transaction.

Fixed Rate Payer Calculation Periods:

Each Coupon Amount Accrual Period as defined in the Conditions.

Fixed Rate: The Coupon Rate as defined in the Conditions.

Fixed Rate Day Count Fraction: The Coupon Amount Fraction as defined in the Conditions.

Deferral of Fixed Amounts: The parties acknowledge that the Fixed Amount payable by Buyer in respect of a Fixed Rate Payer Calculation Period in accordance with the foregoing provisions of this section 2 (the "**Fixed Amount Calculation Provisions**") may not be capable of being determined until the Loss Determination Amount has been determined in respect of each Reference Entity in respect of which an Event Determination Date has occurred during such Fixed Rate Payer Calculation Period or any prior Fixed Rate Payer Calculation Period (each Reference Entity in respect of which an Event Determination Date has occurred, a "**Defaulted Reference Entity**" and each Defaulted Reference Entity in respect of which the Final Price has not been determined, an "**Undetermined Reference Entity**").

Accordingly, in circumstances where on the last day of a Fixed Rate Payer Calculation Period there are one or more Undetermined Reference Entities, a Fixed Amount in accordance with the Fixed Amount Calculation Provisions shall not be payable on the relevant Fixed Rate Payer Payment Date (the "**Scheduled Fixed Rate Payer Payment Date**"). Instead:

- (a) on the Scheduled Fixed Rate Payer Payment Date, Buyer shall pay to Seller the Minimum Fixed Amount; and
- (b) on the Fixed Rate Payer Payment Date following the determination of the Loss Determination Amount in respect of each Defaulted Reference Entity that was an Undetermined Reference Entity on the Scheduled Fixed Rate Payment Date or, in the event that there are no more Fixed Rate Payer Payment Dates, on the day that is two Business Days after the date of determination of the final Loss Determination Amount (the "**Additional Fixed Rate Payer Payment Date**"), Buyer shall pay to Seller the sum of (i) the Fixed Amount Adjustment Payment in respect of such Fixed Rate Payer Calculation Period and (ii) the Accrued Interest Amount.

Where:

**"Minimum Fixed Amount"** means, with respect to a Fixed Rate Payer Calculation Period, the Fixed Amount which would have been payable in relation thereto, in accordance with the Fixed Amount Calculation Provisions if on each day during such period on which one or more Defaulted Reference Entities are Undetermined Reference Entities, Loss Determination Amounts had been determined in respect of each such Undetermined Reference Entity but on the basis that the Final Price was such as to achieve the greatest possible reduction in the Outstanding Tranche Notional Amount.

**"Fixed Amount Adjustment Payment"** means, with respect to a Fixed Rate Payer Calculation Period, an amount equal to the excess if any of (a) the Fixed Amount which would have been payable in respect thereof on the Scheduled Fixed Rate Payer Payment Date, in accordance with the Fixed Amount Calculation Provisions, if each Loss Determination Amount related to each Reference Entity that was an Undetermined Reference Entity as at the Scheduled Fixed Rate Payer Payment Date had been determined on the relevant Event Determination Date (based on the actual Final Price relating thereto) over (b) the Minimum Fixed Amount in respect of such Fixed Rate Payer Calculation Period.

**"Accrued Interest Amount"** means, with respect to a Fixed Rate Payer Calculation Period, the amount of interest that has accrued on the Fixed Amount Adjustment Payment at the Average Overnight Rate as defined in the Conditions (which for the avoidance of doubt shall be compounding) from and including the Scheduled Fixed Rate Payer Payment Date to but excluding the Additional Fixed Rate Payer Payment Date.

### 3. Floating Payment:

Conditions to Settlement: In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

For the avoidance of doubt, the parties agree that the Conditions to Settlement may be satisfied more than once under this Transaction; provided, however, that the Conditions to Settlement may, subject to "Credit Event

Notice After Restructuring" below, be satisfied once only with respect to each Reference Entity unless (i) subsequent to the satisfaction of the Conditions to Settlement with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which an Event Determination Date has not occurred, in which case the Conditions to Settlement may be satisfied again in relation to that Reference Entity; and (ii) a Reference Entity appears more than once in the Portfolio by virtue of the operation of the Successor provisions in which case, for the avoidance of doubt, the Conditions to Settlement may be satisfied separately in relation to each Reference Entity.

Credit Events:	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.
Multiple Holder Obligation:	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.
Credit Event Notice After Restructuring:	<p>Section 3.9 of the Credit Derivatives Definitions shall not apply in respect of any Reference Entity where the Standard Terms for that Reference Entity specify Section 3.9 as not applicable.</p> <p>If Section 3.9(b) of the Credit Derivatives Definitions is applicable to a Reference Entity, it shall be amended to read as follows: "(b) if the Notifying Party has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the outstanding Reference Entity Notional Amount for the relevant Reference Entity, (i) upon the satisfaction of the Conditions to Settlement, the parties shall perform their respective settlement obligations (if any) hereunder on the relevant Cash Settlement Date, with references to the Reference Entity Notional Amount in the relevant provisions being deemed to mean the relevant Exercise Amount, and (ii) thereafter, the Reference Entity Notional Amount for such Reference Entity shall be reduced by such Exercise Amount;".</p>
Obligation(s):	In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.
Excluded Obligations:	None

#### 4. Settlement Terms:

Settlement Method:	Cash Settlement.  For the avoidance of doubt, for the purposes of determining a Loss Determination Amount with respect to a Defaulted Reference Entity, the Calculation Agent shall determine a Final Price in accordance with the valuation provisions of this Section 4 for each Reference Obligation selected by Buyer as set out above.
Valuation Date:	Single Valuation Date With respect to each Reference Obligation of a Defaulted Reference Entity, the Valuation Date shall be a date falling not more than 120 Business Days following the relevant Event Determination Date, as selected by Buyer in its sole and absolute discretion.
Valuation Time:	Such time as the Calculation Agent determines in its sole and absolute discretion.
Quotation Method:	Bid.
Quotation Amount:	The Reference Obligation Notional Amount with respect to the relevant Reference Obligation.
Minimum Quotation Amount:	An amount equal to the product of (i) USD1,000,000 (or its equivalent in the relevant Obligation Currency) multiplied by (ii) the quotient of the Reference Obligation Notional Amount applicable to the relevant Reference Obligation divided by the Reference Entity Notional Amount in respect of the relevant Defaulted Reference Entity.
Dealers:	A dealer in obligations of the type of obligations for which Quotations are to be obtained. The Dealers shall be selected by the Calculation Agent or, as the case may be, the Quotation Calculation Agent (as defined below) in its sole and absolute discretion, provided that Deutsche Bank AG London shall in all cases be one of the selected Dealers. Any firm quotation provided by Deutsche Bank AG London shall be the firm quotation which Deutsche Bank AG London would provide to a counterparty in the market, as determined in its sole and absolute discretion.
Settlement Currency:	<i>[For the Series A-1 Notes, EUR]/[For the Series A-2 Notes, USD]/[For the Series B-1 Notes, EUR]/[For the Series B-2 Notes, USD]/[For the Series D-1 Notes, EUR]/[For the Series J-3 Notes, JPY]/[For the Series E-1 Notes, EUR]/[For the Series E-2 Notes, USD].</i>
Cash Settlement Date:	With respect to each Defaulted Reference Entity, three

Business Days after the calculation of the Final Price for all Reference Obligations relating thereto.

Cash Settlement Amount:

With respect to a Defaulted Reference Entity, the lower of:

- (a) the Loss Determination Amount with respect to such Defaulted Reference Entity; and
- (b) the Outstanding Tranche Notional Amount as at the date of determination of the Loss Determination Amount for such Defaulted Reference Entity (excluding from the calculation of Aggregate Loss Determination Amount the Loss Determination Amount for such Defaulted Reference Entity).

Upon the determination of a Final Price under this Transaction following the occurrence of one or more Credit Events, the Outstanding Tranche Notional Amount shall be reduced by the relevant amount as of the relevant Event Determination Date and, notwithstanding the provisions of the Credit Derivatives Definitions, no Cash Settlement Amount shall be payable hereunder.

Quotations:

Section 7.7 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced with the following:

"**Quotation**" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) In respect of each Reference Obligation, the Calculation Agent shall attempt to obtain Full Quotations with respect to the Valuation Date from five or more Dealers. If at least two such Full Quotations are not available on the same Business Day within three Business Days of the Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date, such tenth Business Day being the "**Interim Quotation Date**") the Calculation Agent shall attempt to obtain Full Quotations from at least five or more Dealers and, if at least two Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average

Quotation in accordance with paragraph (a) above, then the Calculation Agent shall use its reasonable efforts to appoint a Dealer other than the Calculation Agent or any Affiliate of the Calculation Agent (the "**Quotation Calculation Agent**") not more than five Business Days after the Interim Quotation Date (the date of such appointment being the "**Quotation Calculation Agent Appointment Date**" for such Valuation Date).

- (c) In the event that the Calculation Agent appoints a Quotation Calculation Agent pursuant to paragraph (b) above, the Quotation Calculation Agent shall attempt to obtain Full Quotations with respect to the Quotation Calculation Agent Appointment Date from five or more Dealers. If the Quotation Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of the relevant Quotation Calculation Agent Appointment Date, then on the next following Business Day (and, if necessary on each Business Day thereafter until the fifth Business Day following the relevant Quotation Calculation Agent Appointment Date (such fifth Business Day being the "**Final Quotation Date**")) the Quotation Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Quotation Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within five Business Days of the relevant Quotation Calculation Agent Appointment Date, the Quotations for the relevant Valuation Date shall be deemed to be any Full Quotation obtained from a Dealer on the Final Quotation Date, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers on the Final Quotation Date (for which purpose the weight applicable to each firm quotation shall be that part of the Quotation Amount for which such quotation was obtained and a firm quotation of zero shall be deemed to have been obtained with respect to that part of the Quotation Amount for which firm quotations were not obtained). If the Quotation Calculation Agent is unable to obtain any Full Quotation or any other firm quotations on the Final Quotation Date, the Quotations for the



relevant Valuation Date shall be as determined by the Calculation Agent (which determination may, for the avoidance of doubt, be equal to zero).

- (d) In the event that the Calculation Agent is unable to appoint a Quotation Calculation Agent pursuant to paragraph (b) above, and the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within 10 Business Days of the relevant Valuation Date, then the Quotations for the relevant Valuation Date shall be zero.
- (e) All Quotations obtained in accordance with the foregoing shall not include accrued but unpaid interest".

Valuation Method: Notwithstanding anything to the contrary in Section 7.5 of the Credit Derivatives Definitions, the Valuation Method shall be Highest.

In respect of each Reference Obligation of a Defaulted Reference Entity, "Highest" means the highest Quotation obtained by the Calculation Agent (or in accordance with Section 7.7(b) or 7.7(c) of the Credit Derivatives Definitions (as amended herein)) in respect of such Reference Obligation on any Valuation Date.

## **5. Additional Provisions:**

### **5.1 Additional Provisions for Monoline Insurer Reference Entities**

The Additional Provisions for Monoline Insurers published by the International Swaps and Derivatives Association, Inc. on 21 January 2005 (the "**Additional Provisions**") will apply to each Monoline Insurer Reference Entity only, amended as follows:

- (a) The last sentence of the definition of "Qualifying Policy" shall be deleted.
- (b) Paragraph (e) of the Additional Provisions shall be deleted in its entirety.
- (c) The words "and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument" shall be deleted from paragraph (i).
- (d) The reference in paragraph (j) to Section 2.15(a)(ii) shall be deemed to be a reference to the Section "Reference Obligations" above and the last sentence of paragraph (j) shall be deleted.

## 5.2 Section 2.32 Restructuring Maturity Limitation and Fully Transferable Obligation

Section 2.32 of the Credit Derivatives Definitions shall be amended as follows:

- (i) Section 2.32(a) shall be deemed to be replaced in its entirety by the following:

**"Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation.** (a) If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified as applicable in the Standard Terms relating to a Reference Entity and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by Buyer, then an obligation can only be selected pursuant to paragraph (b) of the "Reference Obligations" Section above as a Reference Obligation if it is a Fully Transferable Obligation with a final maturity date not later than the Restructuring Maturity Limitation Date."

- (ii) Section 2.32(b) of the Credit Derivatives Definitions shall be amended to read:

"Fully Transferable Obligation" means a Reference Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Reference Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Reference Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Reference Obligation shall not be considered to be a requirement for consent for the purposes of this Section 2.32(b).

For the purposes of determining whether a Reference Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the date of selection of such Reference Obligation pursuant to paragraph (b) of the "Reference Obligations" Section above, taking into account only the terms of the Reference Obligation and any related transfer or consent documents which the Calculation Agent considers likely to be obtainable."

## 5.3 Section 2.33 Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation

- (i) Section 2.33(a) and Section 2.33(b) of the Credit Derivatives Definitions shall be amended to read:

**"Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation.** (a) If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the Standard Terms relating to a Reference Entity and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by Buyer, then an obligation can only be selected pursuant to paragraph (b) of the "Reference Obligations" Section above as a Reference Obligation if it is a Conditionally Transferable Obligation with a final maturity date not later than the Modified Restructuring Maturity Limitation Date.

(b) "Conditionally Transferable Obligation" means a Reference Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Reference Obligation other than Bonds, provided however that a Reference Obligation other than Bonds will be a Conditionally Transferable

Obligation notwithstanding the consent of the Reference Entity or the guarantor, if any, of a Reference Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Reference Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Reference Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Reference Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Reference Obligation shall not be considered to be a requirement for consent for the purposes of this Section 2.33(b).

For the purposes of determining whether a Reference Obligation is Transferable or is capable of being assigned or novated to Modified Eligible Transferees, such determination shall be made as the date of selection of such Reference Obligation pursuant to paragraph (b) of the "Reference Obligations" Section above, taking into account only the terms of the Reference Obligation and any related transfer or consent documents which the Calculation Agent considers likely to be obtainable."

- (ii) For the avoidance of doubt, Section 2.33(b)(i) shall be deemed to have been deleted for the purposes of this Transaction.

#### **5.4 Representations.**

- (a) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.
- (b) Each party hereby agrees that, as of the Trade Date:
  - (i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.
  - (ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
  - (iii) Status of Parties. The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.
  - (iv) Hedging. Each party may hedge its obligations under this Transaction by entering into another credit default swap or similar transaction with the other party or with a third party.

#### **6. This Transaction Not a Contract of Insurance**

The parties confirm that this Transaction is not intended to be and does not constitute a contract of surety, insurance, guarantee or indemnity. Without prejudice to the provisions of Paragraph 3 of this Confirmation, the parties acknowledge that the payments to be made by Seller will be made independently and are not conditional upon Buyer sustaining or being exposed to risk or loss and that the rights and obligations of the parties hereunder are not dependent upon Buyer owning or having any legal, equitable or other interest in the Reference Obligations.

**7. Governing Law**

This Confirmation shall be governed by and construed in accordance with English law.

**8. Cancellation of Notes**

Where pursuant to Condition 6.8 (*Cancellation*) of the Conditions some but not all of the Notes are cancelled, the obligations of the parties hereunder will terminate in a proportion corresponding with the proportion which the outstanding principal amount of the Notes so cancelled bears to the outstanding principal amount of the Notes immediately prior to such cancellation (the "**Applicable Proportion**"). Such termination shall take effect through a reduction of the Portfolio Notional Amount, each Reference Entity Notional Amount and the Aggregate Loss Determination Amount in the Applicable Proportion, together with such other reductions and modifications required as determined by the Calculation Agent in its sole discretion to give effect to the partial termination of the Transaction. If any such termination takes place, then for the avoidance of doubt, no termination payment or payment under Section 6(e) of the Agreement shall be due from either party.

**9. Further Issues**

Where pursuant to Condition 16 (*Further Issues*) of the Conditions a further issue of notes takes place, the obligations of the parties hereunder will increase in a proportion corresponding with the proportion which the outstanding principal amount of the notes so issued bears to the outstanding principal amount of the Notes immediately prior to such issue (the "**Relevant Proportion**"). Such increase shall take effect through an increase of the Portfolio Notional Amount, each Reference Entity Notional Amount and the Aggregate Loss Determination Amount in the Relevant Proportion, together with such other increases and modifications required as determined by the Calculation Agent in its sole discretion to give effect to the increase.

**10. Subordination Reserve Account**

Buyer will maintain two notional accounts. The balance of each of the accounts on the Effective Date will be zero.

(A) Trading Reserve Account

Until the earlier of the Scheduled Termination Date and the Termination Date of this Transaction, Buyer will credit to the balance of the Trading Reserve Account any positive Substitution Percentage and debit from the Trading Reserve Account the absolute value of any negative Substitution Percentage, in each case on the day that it is calculated in accordance with the terms of the Investment Management Agreement. On any day, the balance of the Trading Reserve Account (whether positive or negative) is referred to as the "**Trading Reserve Amount**".

(B) Subordination Reserve Account

- (a) If on any day there is a positive Trading Reserve Amount, and (i) the Aggregate Loss Determination Amount is greater than zero or (ii) or the Subordination Reserve Amount is negative, Buyer will debit from the Trading Reserve Account such proportion of the positive Trading Reserve Amount so as to credit the Subordination Reserve Account with the Maximum Possible Subordination Adjustment Amount (as defined below) on such day. On any day, the balance of the Subordination Reserve Account (whether positive or negative) is referred to as the "**Subordination Reserve Amount**".
- (b) If on any day there is a negative Trading Reserve Amount, Buyer will credit the Trading Reserve Account with an amount equal to the absolute value of such negative Trading Reserve Amount and will debit the Subordination Reserve Account with the absolute value of the relevant Subordination Adjustment Amount (as defined below).

Definitions:

**"Maximum Possible Subordination Adjustment Amount"** means the lesser of (a) the relevant Subordination Adjustment Amount and (b) the Initial Tranche Notional Amount minus the Outstanding Tranche Notional Amount after the deduction of any Loss Determination Amount due on that day [and in respect of the Series D-1 Notes, the application of any relevant CMS Adjustment Amount on that day].

**"Subordination Adjustment Amount"** means an amount (which may be positive or negative) equal to the product of (a) the Trading Reserve Amount divided by the relevant Subordination Sensitivity Percentage rounded to the nearest 0.01 per cent. and (b) the Initial Portfolio Notional Amount, in each case as determined by Buyer in its sole discretion.

**SCHEDULE 1  
STANDARD TERMS**

Annex 1 – Western European Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring:	
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated

Specified Currency:  
Standard Specified  
Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

## Annex 2 – European Insurance Corporate Convention Terms

All Guarantees:	Applicable
Conditions to Settlement:	Credit Event Notice
	Notifying Parties: Buyer
	Notice of Publicly Available Information: Applicable
Credit Event:	Bankruptcy
	Failure to Pay
	Grace Period Extension: Not Applicable
	Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring
	Multiple Holder Obligation: Applicable
	Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	
	Obligation Category: Borrowed Money
	Obligation Characteristics: None
Deliverable Obligations:	Exclude Accrued Interest
	Deliverable Obligation Category: Bond or Loan
	Deliverable Obligation Characteristics: Not Subordinated
	Specified Currency: Standard Specified Currencies
	Not Contingent



Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

### Annex 3 – European Emerging Markets Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Obligation Acceleration	
	Repudiation/Moratorium	
	Restructuring	
	Multiple Holder Obligation:	In respect of Loans, Applicable and in respect of Bonds, Not Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance

Deliverable Obligations: Exclude Accrued Interest

Deliverable Obligation Category: Bond

Deliverable Obligation Characteristics: Not Subordinated

Specified Currency:  
Standard Specified  
Currencies

Not Domestic Law

Not Contingent

Not Domestic Issuance

Assignable Loan

Consent Required Loan

Transferable

Not Bearer

## Annex 4 – Australia New Zealand Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies plus AUD and NZD

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

## Annex 5 – Japanese Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Section 3.9 of the Credit Derivatives Definitions:	Not Applicable
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	JPY 100,000,000 or USD 1,000,000 or the equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Not Applicable
	Default Requirement:	JPY 1,000,000,000 or USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	Not Subordinated
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Additional Provisions:

In Section 3.3 of the Credit Derivatives Definitions, all references to "Greenwich Mean Time" shall be replaced by references to "Tokyo time".

## Annex 6 – Singaporean Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies plus SGD
		Not Sovereign Lender
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified



Currencies plus SGD

Not Sovereign Lender

Not Contingent

Assignable Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 7 – Asian Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Not Sovereign Lender
		Not Domestic Currency
		Not Domestic Issuance
		Not Domestic Law
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated

Specified Currency:  
Standard Specified  
Currencies

Not Sovereign Lender

Not Domestic Law

Not Contingent

Not Domestic Issuance

Assignable Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 8 – North American Investment Grade Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 9 – North American Insurance Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent
		Assignable Loan
		Consent Required Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer
Additional Provisions:	Additional Provisions for Monoline Insurer Reference Entities shall apply	

Annex 10 – North American High Yield Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent
		Assignable Loan
		Consent Required Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer

Annex 11 – Latin American Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
	Obligation Acceleration:	Applicable
	Repudiation/Moratorium:	Applicable
	Restructuring:	Applicable
	Multiple Holder Obligation:	Inapplicable
Obligation(s):	Obligation Category:	Bond
	Obligation Characteristics:	Not Subordinated
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent



Not Domestic Law

Not Domestic Issuance

Transferable

Not Bearer

**SCHEDULE 2  
REFERENCE ENTITIES**

<b>Reference Entity</b>	<b>Reference Obligation</b>	<b>Reference Entity Category</b>

The information for the above table is as set out in 'Initial Portfolios' on pages 152 to 159 of the Offering Circular dated 20th May, 2005 issued in connection with the Notes.

**(B) FORM OF HYPOTHETICAL CREDIT DEFAULT SWAP CONFIRMATION RELATING TO THE SERIES P-1 NOTES**

Date: [●]

To: [●]

Our Reference: Summit No. [●]

Re: Portfolio Credit Default Swap relating to the EUR12,000,000 Series P-1 Credit Linked Topaz Notes due 2015 (the "**Notes**") and entered into in connection with an Investment Management Agreement dated 20th May, 2005 entered into between, *inter alios*, Deutsche Bank AG New York Branch and Société Générale Asset Management Alternative Investments (as the same may be amended, modified or supplemented from time to time) (the "**Investment Management Agreement**")

Dear Sir:

The purpose of this letter (this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between Deutsche Bank AG New York Branch ("**Party A**") and a seller of protection ("**Party B**") on the Trade Date specified below (the "**Transaction**") for the purposes of calculations to be made in respect of the Notes. This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (together the "**Credit Derivatives Definitions**") each as published by the International Swaps and Derivatives Association, Inc. and as modified as set out herein, are incorporated into this Confirmation. Capitalised terms not otherwise defined herein or in the Credit Derivatives Definitions shall have the meanings given to such terms in the terms and conditions of the Notes (as the same may be amended, modified or supplemented from time to time, the "**Conditions**") or, as the case may be, in the Investment Management Agreement. In the event of any inconsistency between any of this Confirmation, the Investment Management Agreement, the Conditions and/or the Credit Derivatives Definitions, the first mentioned document will govern.

This Confirmation supplements, forms a part of, and is subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) (the "**Agreement**") as if we had executed an agreement in such form (but without any Schedule except for the election of English Law as the governing law and EUR as the Termination Currency on the Trade Date set out below. In the event of any inconsistency between the provisions of that provision of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The parties agree and acknowledge that the Transaction to which this Confirmation relates contemplates that the Conditions to Settlement may be satisfied with respect to more than one Reference Entity, that there may therefore be multiple Event Determination Dates, Cash Settlement Dates and Cash Settlement Amounts, and that the Credit Derivatives Definitions should, for the purposes of this Confirmation, be interpreted accordingly.

The terms of the Transaction to which this Confirmation relates are as follows:

**1. General Terms:**

Trade Date: [●]

Effective Date: [●]

Termination Date:

The earlier of:

- (i) the later of the date on which the Outstanding Tranche Notional Amount is reduced to zero and the latest date on which an amount may become payable in accordance with the terms hereof; and
- (ii) the later of the Scheduled Termination Date and the latest date on which an amount may become payable in accordance with the terms hereof.

For the avoidance of doubt, this provision shall take precedence over any other provision in the Credit Derivatives Definitions purporting to specify another date as a Termination Date for the purposes of this Transaction.

Scheduled Termination Date: 20th May, 2012

Initial Tranche Notional Amount: EUR12,000,000

Portfolio Notional Amount: At any time an amount equal to the aggregate of the Reference Entity Notional Amounts for all Reference Entities at such time.

Initial Portfolio Notional Amount: The Portfolio Notional Amount on the Effective Date

Fixed Rate Payer: Deutsche Bank AG New York Branch (the "**Buyer**")

Floating Rate Payer: Party B (the "**Seller**")

Calculation Agent: Deutsche Bank AG London. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation in its discretion.

Calculation Agent City: London

Business Day: Paris, London, New York, Sydney and Tokyo

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date

referred to in this Confirmation that falls on a day that is not a Business Day).

**Portfolio:** On the Effective Date, the portfolio of Reference Entities is as set out in Schedule 2 hereto (the "**Initial Portfolio**"). Subsequent to the Effective Date the Portfolio shall be determined from time to time in accordance with this Confirmation and the Investment Management Agreement.

**Reference Entities:** Each of the Reference Entities comprised in the Portfolio from time to time and any of their respective Successors.

**Defaulted Reference Entity:** Each Reference Entity in respect of which an Event Determination Date has occurred.

**Reference Entity Categories:** One of the following categories (each a "**Reference Entity Category**") shall be applicable to each Reference Entity:

- (a) Western European Corporate Reference Entities;
- (b) European Insurance Corporate Reference Entities;
- (c) European Emerging Markets Corporate Reference Entities;
- (d) Australian New Zealand Corporate Reference Entities;
- (e) Japanese Corporate Reference Entities;
- (f) Singaporean Corporate Reference Entities;
- (g) Asian Corporate Reference Entities;
- (h) North American Investment Grade Corporate Reference Entities;
- (i) North American Insurance Corporate Reference Entities;
- (j) North American High Yield Corporate Reference Entities; and
- (k) Latin American Corporate Reference Entities.

Subject to the Section "Successor" below, the Reference Entity Category applicable to each Reference Entity contained in the Initial Portfolio shall be the Reference Entity Category specified in respect of such Reference Entity in Schedule 2 hereto.

Subject to the Section "Successor" below and to the provisions of "Standard Terms for Reference Entities" below, the Reference Entity Category for each Replacement Reference Entity will be determined by the Calculation Agent in a commercially reasonable manner at the time of inclusion. When selecting a

Reference Entity Category for a Replacement Reference Entity, the Calculation Agent will be deemed to be acting in a commercially reasonable manner if it selects a Reference Entity Category by reference to the jurisdiction of organisation of the relevant Replacement Reference Entity.

Standard Terms for Reference Entities:

Each Reference Entity shall be subject to the distinct terms which relate to the Reference Entity Category which is applicable to such Reference Entity (the "**Standard Terms**" for that Reference Entity Category). The Standard Terms for each Reference Entity Category are set out in the annexes to Schedule 1 to this Confirmation as follows:

- (a) the Standard Terms for Western European Corporate Reference Entities are set out in Annex 1;
- (b) the Standard Terms for European Insurance Corporate Reference Entities are set out in Annex 2;
- (c) the Standard Terms for European Emerging Markets Corporate Reference Entities are set out in Annex 3;
- (d) the Standard Terms for Australian New Zealand Corporate Reference Entities are set out in Annex 4;
- (e) the Standard Terms for Japanese Corporate Reference Entities are set out in Annex 5;
- (f) the Standard Terms for Singaporean Corporate Reference Entities are set out in Annex 6;
- (g) the Standard Terms for Asian Corporate Reference Entities are set out in Annex 7;
- (h) the Standard Terms for North American Investment Grade Corporate Reference Entities are set out in Annex 8;
- (i) the Standard Terms for North American Insurance Corporate Reference Entities are set out in Annex 9;
- (j) the Standard Terms for North American High Yield Corporate Reference Entities are set out in Annex 10; and
- (k) the Standard Terms for Latin American Corporate Reference Entities are set out in Annex 11.

In the case that, from time to time:

- (i) Standard Terms for a Reference Entity Category no longer correspond to the standard market practice in the relevant geographic region, the Calculation Agent will determine, in a commercially reasonable manner, new Standard Terms that will be applicable to Replacement Reference Entities included after the date of modification of the Standard Terms.

Any modification to the Standard Terms shall be made in writing and provided to Party B.

- (ii) additional Reference Entity Categories and consequently additional Standard Terms arise in the single name credit default swap market, the Calculation Agent shall determine by reference to the standards of the single name credit default swaps market such additional Reference Entities Categories and related Standard Terms in a commercially reasonable manner and upon written notice to Party B such additional Reference Entity Categories and related Standard Terms shall be deemed to apply to Replacement Reference Entities included after the date of modification of the Standard Terms.

For avoidance of doubt, such modified Standard Terms shall apply only to the Replacement Reference Entities which have been substituted after the date of modification and shall not apply to Reference Entities which were included prior to the date of modification.

Monoline Insurer Reference Entity: Any Reference Entity determined from time to time in good faith and a commercially reasonable manner by the Calculation Agent to carry on the business of a monoline insurance company (or to be a holding company thereof).

Successor: Section 2.2 of the Credit Derivatives Definitions is hereby amended by:

- (a) deleting the words "for the entire Credit Derivative Transaction" from each of Section 2.2(a)(i) and Section 2.2(a)(ii);
- (b) deleting the words "for a New Credit Derivative Transaction" from each of Section 2.2(a)(iii) and Section 2.2(a)(iv) and replacing them with the words "and the Reference Entity Notional Amount in respect of each such Successor will be";
- (c) deleting Section 2.2(e) in its entirety and replacing it with the following:

"(e) Where, pursuant to Section 2.2(a)(iii) or (iv) above, more than one Successor has been identified in respect of a Reference Entity (the "**Original Reference Entity**"), each Successor will be a Reference Entity for the purposes of this Transaction and the Reference Entity Notional Amount and, if applicable, the Loss Determination Amount in respect of each such Successor will be the Reference Entity Notional

Amount and, if applicable, the Loss Determination Amount relating to the Original Reference Entity immediately prior to the Succession Event, in each case divided by the number of Successors. In addition the terms and conditions of this Transaction will be modified to the extent that any modification is required, as determined by the Calculation Agent, to preserve the economic effects of this Transaction prior to the occurrence of the relevant Succession Event."

The Reference Entity Category applicable to a Successor to a Reference Entity shall be the same Reference Entity Category as that Reference Entity. However, if the Calculation Agent determines that more than one Reference Entity (each a "**Prior Reference Entity**") has pursuant to Section 2.2 of the Credit Derivatives Definitions (as amended herein) become a single Reference Entity and the Prior Reference Entities were not all within the same Reference Entity Categories, the Calculation Agent shall determine in its sole and absolute discretion the Reference Entity Category applicable to such resulting Reference Entity.

Reference Obligations: With respect to a Reference Entity, for the purposes of determining whether the Not Subordinated Obligation Characteristic is satisfied, (i) with respect to a Reference Entity comprised in the Initial Portfolio, the obligation specified as such, if any, opposite such Reference Entity in Schedule 2 hereto, as adjusted from time to time in accordance with the provisions of this Confirmation and (ii) with respect to a Reference Entity comprised in the Portfolio subsequent to the Effective Date, the Reference Obligation determined in accordance with the provisions of this Confirmation and the Investment Management Agreement.

All Guarantees: In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

Reference Entity Notional Amount: With respect to a Reference Entity,

- (a) comprised in the Initial Portfolio, EUR4,000,000, as adjusted from time to time in accordance with the provisions of this Confirmation and the Investment Management Agreement; and
- (b) included in the Portfolio as a result of a Substitution, an amount at the time of such Substitution equal to the Reference Entity Notional Amount in respect of the corresponding Replaced Reference Entity immediately prior to such



Substitution, as such amount may be adjusted in accordance with the provisions of this Confirmation and the Investment Management Agreement.

## 2. Fixed Payments:

Fixed Rate Payer Calculation Amount:	For any Fixed Rate Payer Calculation Period, the Outstanding Tranche Notional Amount on the last day of such period.
Outstanding Tranche Notional Amount:	On any day, and subject to a minimum of zero and a maximum of the Initial Tranche Notional Amount, an amount equal to the result of ((a) + (c)) – (b), where:  (a) means the Initial Tranche Notional Amount;  (b) means the Aggregate Loss Determination Amount on that day, subject to a minimum of zero; and  (c) means the Subordination Reserve Amount (as defined in paragraph 11 (Subordination Reserve Account) and which may be a negative figure).
Aggregate Loss Determination Amount:	On any day, the aggregate of all Loss Determination Amounts determined with respect to Defaulted Reference Entities on or prior to such date.
Loss Determination Amount:	With respect to any Defaulted Reference Entity, the greater of:  (i) the relevant Reference Entity Notional Amount multiplied by 70 per cent.; and  (ii) zero.  The Loss Determination Amount for a Defaulted Reference Entity shall be calculated and will be effective from the relevant Event Determination Date.
Fixed Rate Payer Payment Dates:	Each Coupon Amount Payment Date as defined in the Conditions up to and including the Scheduled Termination Date.  Section 2.10 of the Credit Derivatives Definitions shall not apply to this Transaction.

Fixed Rate Payer Calculation Each Coupon Amount Accrual Period as defined in the Conditions.

Fixed Rate: The Coupon Rate as defined in the Conditions.

Fixed Rate Day Count Fraction: The Coupon Amount Fraction as defined in the Conditions.

### **3. Floating Payment:**

Conditions to Settlement: In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

For the avoidance of doubt, the parties agree that the Conditions to Settlement may be satisfied more than once under this Transaction; provided, however, that the Conditions to Settlement may, subject to "Credit Event Notice After Restructuring" below, be satisfied once only with respect to each Reference Entity unless (i) subsequent to the satisfaction of the Conditions to Settlement with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which an Event Determination Date has not occurred, in which case the Conditions to Settlement may be satisfied again in relation to that Reference Entity; and (ii) a Reference Entity appears more than once in the Portfolio by virtue of the operation of the Successor provisions in which case, for the avoidance of doubt, the Conditions to Settlement may be satisfied separately in relation to each Reference Entity.

Credit Events: In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

Multiple Holder Obligation: In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

Credit Event Notice After Restructuring: Section 3.9 of the Credit Derivatives Definitions shall not apply in respect of any Reference Entity where the Standard Terms for that Reference Entity specify Section 3.9 as not applicable.

If Section 3.9(b) of the Credit Derivatives Definitions is applicable to a Reference Entity, it shall be amended to read as follows: "(b) if the Notifying Party has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the outstanding Reference Entity Notional Amount for the relevant Reference Entity, (i) upon the satisfaction of the Conditions to Settlement, the parties shall perform their respective settlement obligations (if any) hereunder on

the relevant Cash Settlement Date, with references to the Reference Entity Notional Amount in the relevant provisions being deemed to mean the relevant Exercise Amount, and (ii) thereafter, the Reference Entity Notional Amount for such Reference Entity shall be reduced by such Exercise Amount;".

Obligation(s): In respect of a Reference Entity, as set out in the Standard Terms for that Reference Entity.

Excluded Obligations: None

#### **4. Settlement Terms:**

Settlement Method: Cash Settlement  
Upon the occurrence of an Event Determination Date under this Transaction following the occurrence of one or more Credit Events, the Outstanding Tranche Notional Amount shall be reduced by the relevant amount as of the relevant Event Determination Date and, notwithstanding the provisions of the Credit Derivatives Definitions, no Cash Settlement Amount shall be payable hereunder.

Settlement Currency: EUR.

#### **5. Additional Provisions:**

##### **5.1 Additional Provisions for Monoline Insurer Reference Entities**

The Additional Provisions for Monoline Insurers published by the International Swaps and Derivatives Association, Inc. on 21 January 2005 (the "**Additional Provisions**") will apply to each Monoline Insurer Reference Entity only, amended as follows:

- (a) The last sentence of the definition of "Qualifying Policy" shall be deleted.
- (b) Paragraph (e) of the Additional Provisions shall be deleted in its entirety.
- (c) The words "and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument" shall be deleted from paragraph (i).
- (d) The reference in paragraph (j) to Section 2.15(a)(ii) shall be deemed to be a reference to the Section "Reference Obligations" above and the last sentence of paragraph (j) shall be deleted.

##### **5.2 Representations**

- (a) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.
- (b) Each party hereby agrees that, as of the Trade Date:

- (i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.
- (ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
- (iii) Status of Parties. The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.
- (iv) Hedging. Each party may hedge its obligations under this Transaction by entering into another credit default swap or similar transaction with the other party or with a third party.

## 6. This Transaction Not a Contract of Insurance

The parties confirm that this Transaction is not intended to be and does not constitute a contract of surety, insurance, guarantee or indemnity. Without prejudice to the provisions of Paragraph 3 of this Confirmation, the parties acknowledge that the payments to be made by Seller will be made independently and are not conditional upon Buyer sustaining or being exposed to risk or loss and that the rights and obligations of the parties hereunder are not dependent upon Buyer owning or having any legal, equitable or other interest in the Reference Obligations.

## 7. Governing Law

This Confirmation shall be governed by and construed in accordance with English law.

## 8. Cancellation of Notes

Where pursuant to Condition 6.8 (*Cancellation*) of the Conditions some but not all of the Notes are cancelled, the obligations of the parties hereunder will terminate in a proportion corresponding with the proportion which the outstanding principal amount of the Notes so cancelled bears to the outstanding principal amount of the Notes immediately prior to such cancellation (the "**Applicable Proportion**"). Such termination shall take effect through a reduction of the Portfolio Notional Amount, each Reference Entity Notional Amount and the Aggregate Loss Determination Amount in the Applicable Proportion, together with such other reductions and modifications required as determined by the Calculation Agent in its sole discretion to give effect to the partial termination of the Transaction. If any such termination takes place, then for the avoidance of doubt, no termination payment or payment under Section 6(e) of the Agreement shall be due from either party.

## 9. Issuer Call Option

Where pursuant to Condition 6.5 (*Redemption at the option of the Issuer in respect of the Series P-1 Notes*) of the Conditions the Notes are redeemed at the option of the Issuer, this Transaction will terminate and, notwithstanding Section 6(e) of the Agreement, no further payments shall be due to or from either party.

## 10. Further Issues

Where pursuant to Condition 16 (*Further Issues*) of the Conditions a further issue of notes takes place, the obligations of the parties hereunder will increase in a proportion corresponding with the proportion which the outstanding principal amount of the notes so issued bears to the outstanding principal amount of the Notes immediately prior to such issue (the "**Relevant Proportion**"). Such increase shall take effect through an increase of the Portfolio Notional Amount, each Reference Entity Notional Amount and the Aggregate Loss Determination Amount in the Relevant Proportion, together with such other increases and modifications required as determined by the Calculation Agent in its sole discretion to give effect to the increase.

## 11. Subordination Reserve Account

Buyer will maintain two notional accounts. The balance of each of the accounts on the Effective Date will be zero.

### (A) Trading Reserve Account

Until the earlier of the Scheduled Termination Date and the Termination Date of this Transaction, Buyer will credit to the balance of the Trading Reserve Account any positive Substitution Percentage and debit from the Trading Reserve Account the absolute value of any negative Substitution Percentage, in each case on the day that it is calculated in accordance with the terms of the Investment Management Agreement. On any day, the balance of the Trading Reserve Account (whether positive or negative) is referred to as the "**Trading Reserve Amount**".

### (B) Subordination Reserve Account

(a) If on any day there is a positive Trading Reserve Amount and (i) the Aggregate Loss Determination Amount is greater than zero or (ii) the Subordination Reserve Amount is negative, Buyer will debit from the Trading Reserve Account such proportion of the positive Trading Reserve Amount so as to credit the Subordination Reserve Account with the Maximum Possible Subordination Adjustment Amount (as defined below) on such day. On any day, the balance of the Subordination Reserve Account (whether positive or negative) is referred to as the "**Subordination Reserve Amount**".

(b) If on any day there is a negative Trading Reserve Amount, Buyer will credit the Trading Reserve Account with an amount equal to the absolute value of such negative Trading Reserve Amount and will debit the Subordination Reserve Account with the absolute value of the relevant Subordination Adjustment Amount (as defined below).

Definitions:

**"Maximum Possible Subordination Adjustment Amount"** means the lesser of (a) the relevant Subordination Adjustment Amount and (b) the Initial Tranche Notional Amount minus the Outstanding Tranche Notional Amount after the deduction of any Loss Determination Amount due on that day.

**"Subordination Adjustment Amount"** means an amount (which may be positive or negative) equal to the product of (a) the Trading Reserve Amount divided by the relevant Subordination Sensitivity Percentage rounded to the nearest 0.01 per cent. and (b) the Initial Portfolio Notional Amount, in each case as determined by Buyer in its sole discretion.

**SCHEDULE 1  
STANDARD TERMS**

Annex 1 – Western European Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring:	
	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated

Specified Currency:  
Standard Specified  
Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer



## Annex 2 – European Insurance Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

### Annex 3 – European Emerging Markets Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Obligation Acceleration	
	Repudiation/Moratorium	
	Restructuring	
	Multiple Holder Obligation:	In respect of Loans, Applicable and in respect of Bonds, Not Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance

Deliverable Obligations:	Exclude Accrued Interest
Deliverable Obligation Category:	Bond
Deliverable Obligation Characteristics:	Not Subordinated
	Specified Currency: Standard Specified Currencies
	Not Domestic Law
	Not Contingent
	Not Domestic Issuance
	Assignable Loan
	Consent Required Loan
	Transferable
	Not Bearer

Annex 4 – Australia New Zealand Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies plus AUD and NZD

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

## Annex 5 – Japanese Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Section 3.9 of the Credit Derivatives Definitions:	Not Applicable
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	JPY 100,000,000 or USD 1,000,000 or the equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Not Applicable
	Default Requirement:	JPY 1,000,000,000 or USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	Not Subordinated
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Additional Provisions:

In Section 3.3 of the Credit Derivatives Definitions, all references to "Greenwich Mean Time" shall be replaced by references to "Tokyo time".



## Annex 6 – Singaporean Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies plus SGD
		Not Sovereign Lender
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified

Currencies plus SGD

Not Sovereign Lender

Not Contingent

Assignable Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 7 – Asian Corporate Convention Terms

All Guarantees:	Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring	
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated
		Not Sovereign Lender
		Not Domestic Currency
		Not Domestic Issuance
		Not Domestic Law
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated

Specified Currency:  
Standard Specified  
Currencies

Not Sovereign Lender

Not Domestic Law

Not Contingent

Not Domestic Issuance

Assignable Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 8 – North American Investment Grade Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
	Restructuring	
	Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
	Multiple Holder Obligation:	Applicable
	Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity:  
30 years

Not Bearer

Annex 9 – North American Insurance Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent
		Assignable Loan
		Consent Required Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer
Additional Provisions:	Additional Provisions for Monoline Insurer Reference Entities shall apply	

Annex 10 – North American High Yield Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Not Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
Obligation(s):	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent
		Assignable Loan
		Consent Required Loan
		Transferable
		Maximum Maturity: 30 years
		Not Bearer



Annex 11 – Latin American Corporate Convention Terms

All Guarantees:	Not Applicable	
Conditions to Settlement:	Credit Event Notice	
	Notifying Parties:	Buyer
	Notice of Publicly Available Information:	Applicable
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Applicable
	Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay
	Obligation Acceleration:	Applicable
	Repudiation/Moratorium:	Applicable
	Restructuring:	Applicable
	Multiple Holder Obligation:	Inapplicable
Obligation(s):	Obligation Category:	Bond
	Obligation Characteristics:	Not Subordinated
		Not Domestic Currency
		Not Domestic Law
		Not Domestic Issuance
Deliverable Obligations:	Exclude Accrued Interest	
	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	Not Subordinated
		Specified Currency: Standard Specified Currencies
		Not Contingent

Not Domestic Law

Not Domestic Issuance

Transferable

Not Bearer

**SCHEDULE 2  
REFERENCE ENTITIES**

<b>Reference Entity</b>	<b>Reference Obligation</b>	<b>Reference Entity Category</b>

The information for the above table is as set out in 'Initial Portfolios' on pages 152 to 159 of the Offering Circular dated 20th May, 2005 issued in connection with the Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes, amounting to approximately EUR73,000,000 in respect of the Series A-1 Notes, USD38,500,000 in respect of the Series A-2 Notes, EUR5,000,000 in respect of the Series B-1 Notes, USD10,000,000 in respect of the Series B-2 Notes, EUR29,000,000 in respect of the Series D-1 Notes, JPY1,000,000,000 in respect of the Series J-3 Notes, EUR12,000,000 in respect of the Series P-1 Notes, EUR2,000,000 in respect of the Series E-1 Notes and USD9,800,000 in respect of the Series E-2 Notes, will be applied by the Issuer in the ordinary course of its banking business.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (each a **Global Note** and together, in respect of a Series, the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes of a Series while the Notes are represented by Global Notes.*

### 1. Exchange

Each Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

- (a) an Event of Default (as defined in Condition 8) has occurred and is continuing; or
- (b) the Issuer has been notified that both Clearstream, Luxembourg and/or Euroclear have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form,

each such event or occurrence an **Exchange Event**.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Principal Paying Agent and, in the case of (c) above, the Issuer may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of a Permanent Global Note may or, in the case of (c) above, shall surrender such Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the relevant Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of Coupon Amount which has not already been paid on such Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the relevant Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

## 2. Payments

On and after 29th June, 2005, no payment will be made on a Temporary Global Note unless exchange for an interest in the relevant Permanent Global Note is improperly withheld or refused. Payments of principal and Coupon Amount in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of Coupon Amount on a Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

## 3. Notices

For so long as all of the Notes of a Series are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Clearstream, Luxembourg and/or Euroclear:

- (i) notices to Noteholders of such Series may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 14, provided that, so long as the Notes of such Series are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg if and to the extent that the rules of the Luxembourg Stock Exchange so require and so long as the Notes are listed on Euronext Amsterdam, notice will also be given by publication in the Euronext Amsterdam Daily Official List and in a Dutch daily newspaper with a national or wide circulation if and to the extent that the rules of Euronext Amsterdam so require. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to Clearstream, Luxembourg and/or Euroclear, as the case may be, as aforesaid; and
- (ii) notices to be given by any Noteholder of such Series may be given by any holder of a Note to the Principal Paying Agent or, in the event that the Notes are listed on the Luxembourg Stock Exchange, the Paying Agent in Luxembourg or, in the event that the Notes are listed on Euronext Amsterdam N.V., the Paying Agent in Amsterdam in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 4. Accountholders

For so long as all of the Notes of a Series are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Clearstream, Luxembourg and/or Euroclear, each person (other than Clearstream, Luxembourg and/or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg and/or Euroclear as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Clearstream Luxembourg and/or Euroclear as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the

right to demand a poll at, meetings of the Noteholders and giving notices to the Issuer pursuant to Condition 14) other than with respect to the payment of principal and Coupon Amount, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Clearstream, Luxembourg and/or Euroclear, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

**5. Prescription**

Claims against the Issuer in respect of principal and Coupon Amount on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of Coupon Amount) from the Relevant Date (as defined in the Definitions).

**6. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

**7. Clearstream, Luxembourg and/or Euroclear**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg and/or Euroclear, as appropriate. References in the Global Notes and this summary to Clearstream Luxembourg, and/or Euroclear shall be deemed to include references to any other clearing system through which interests in the Notes are held.

**8. Specified Denomination in respect of the Series P-1 Notes**

The Series P-1 Notes are issued in the denomination of EUR10,000. However for so long as the Series P-1 Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit the Series P-1 Notes will be tradable in minimum nominal amounts of EUR10,000 and integral multiples of EUR1,000 in excess thereof. However if definitive Notes are issued they will only be printed and issued in denominations of EUR10,000. Accordingly, if definitive Notes are issued, a holder of Series P-1 Notes holding Notes having an aggregate nominal amount which is not an integral multiple of EUR10,000 will receive definitive Notes with an aggregate nominal amount rounded down to the nearest multiple of EUR10,000. In addition at any meeting of holders of Series P-1 Notes, for so long as the Series P-1 Notes are represented by a Global Note a holder's entitlement to vote will be determined on the basis of the aggregate nominal amount of its holding rounded down to the nearest integral multiple of EUR10,000.

## THE INVESTMENT MANAGER

Société Générale Asset Management Alternative Investments (the **Investment Manager**) is a wholly-owned subsidiary of Société Générale Asset Management (**SGAM**), one of the main subsidiaries of Société Générale which is in charge of asset management activities. SGAM and its affiliates have management and business activities in Europe, the Middle East, the United States of America, and the Asia Pacific Region.

The SGAM group has been assigned the rating AM2+ by the rating agency Fitch Ratings.

The Investment Manager manages structured products (ie. guaranteed funds or vehicles using constant portfolio insurance methodology), collateralised debt obligations, hedge funds and private equity funds.

The Investment Manager is a company incorporated in France as a "société anonyme" in 1997 and is authorised and regulated as a portfolio management company by the Autorité des Marchés Financiers (previously the Commission des Opérations de Bourse). In order to achieve its activities and to comply with applicable law, the Investment Manager was one of the first management companies to be authorised by the Autorité des Marchés Financiers to enter into credit derivative transactions for the account of its portfolios.

The Investment Manager had assets under management of over U.S.\$22.5 billion as at the end of June 2004, distributed among more than 140 mutual funds and separate accounts.



## THE INVESTMENT MANAGEMENT AGREEMENTS

The Investment Manager will perform the functions described herein pursuant to authority granted to the Investment Manager by Deutsche Bank AG New York Branch under each Investment Management Agreement.

The Investment Manager has in each Investment Management Agreement agreed to act as investment manager in connection with the Portfolios to which such Investment Management Agreement relates for the purpose of performing certain functions, including, without limitation, the carrying out of Substitutions in respect of Reference Entities in the relevant Portfolios and performing certain functions in relation to the calculation of the relevant Intermediary Relevant Rate in respect of each Coupon Amount Accrual Period. In each Investment Management Agreement, the Investment Manager agrees, (i) in performing its duties under the relevant Investment Management Agreement with respect to Substitution Requests and Substitution Notices, to provide such services with the primary objective of maximising the Outstanding Tranche Notional Amount of each Default Swap and (ii) in connection with the calculation of the relevant Intermediary Relevant Rate, to use its reasonable endeavours in the course of carrying out its duties and exercising its discretions under the Investment Management Agreement, to protect the interests of the relevant Noteholders.

The following is a summary only of the main provisions of each Investment Management Agreement. Potential investors in the Notes should carefully consider the Investment Management Agreement which is applicable to the relevant Series of Notes prior to investing in such Notes.

### *Substitutions in the Portfolio*

#### **Substitution Requests**

Pursuant to the terms of the relevant Investment Management Agreement, the Investment Manager may, on any Business Day other than a Business Day which falls during a Substitution Request Suspension Period, notify the Swap Counterparty's Designated Person that it wishes to substitute a Replacement Reference Entity for a Reference Entity in the Portfolios to which such Investment Management Agreement relates (a **Substitution Request**) and specify the Reference Obligation and the Reference Entity Category that shall be applicable in respect of the Replacement Reference Entity. However, a Substitution Request shall only be made if the Investment Manager determines that the Replacement Reference Entity is likely to comply with the Eligibility Criteria, any such substitution is likely to comply with the Condition to Substitution and the Portfolio is likely to comply with the Portfolio Guidelines following such substitution (or, where the Portfolio does not already comply with the Portfolio Guidelines at the time of the Substitution Request, the substitution is not likely to increase the extent of such non-compliance), in each case, in respect of the relevant Investment Management Agreement.

Any Substitution Request that does not comply with the paragraph above shall be invalid.

#### **Notice of Substitution Information**

If the Swap Counterparty receives a valid Substitution Request from the Investment Manager before 12.00 p.m., New York City time, on a Business Day, then by 8.00 a.m., New York City time, on the immediately following Business Day the Swap Counterparty shall give a Notice of Substitution Information to the Investment Manager. If the Swap Counterparty receives a valid Substitution Request from the Investment Manager after 12.00 p.m., New York City time, on a Business Day, then by 8.00 a.m., New York City time, on the second Business Day following such Business Day the Swap Counterparty shall give a Notice of Substitution Information to the Investment Manager (in

each case, the date of delivery of such Notice of Substitution Information being the **Substitution Date**).

### **Alternative Quotations**

The Investment Manager may request bid and/or offer quotations from Eligible Dealers for Quoted Spreads in respect of either or both of the Replacement Reference Entity and the Replaced Reference Entity contained in a Substitution Request (an **Alternative Quotation**).

Any such Alternative Quotation (which shall be expressed as a percentage per annum (the **Alternative Spread**)) shall be obtained on the basis that:

- (a) the Eligible Dealer will enter into a physically settled credit default swap with the Swap Counterparty, documented on the Standard Terms (as amended, if applicable, on the date such quotation is obtained) applicable to such Replacement Reference Entity (on the basis that such Replacement Reference Entity is deemed to be a Reference Entity) or on the Standard Terms (as amended, if applicable, at the time of the inclusion of the relevant Reference Entity in the Portfolios) applicable to such Replaced Reference Entity, as the case may be or such alternative terms as the Swap Counterparty and the Investment Manager may agree are customary in respect of the relevant Replaced Reference Entity or Replacement Reference Entity, as the case may be, at the relevant time, where:
  - (i) the Reference Entity is the Replacement Reference Entity or, as the case may be, the Replaced Reference Entity;
  - (ii) the Reference Obligation is the Reference Obligation (if any) for the Replacement Reference Entity or, as the case may be, the Replaced Reference Entity;
  - (iii) the Floating Rate Payer Calculation Amount is equal to the relevant Substitution Quotation Amount;
  - (iv) the maturity date of the credit default swap is equal to the applicable Designated Maturity; and
  - (v) subject as provided above, each of the terms of the credit default swap are the same as the terms of the credit default swap used by the Swap Counterparty to calculate the relevant Quoted Spread for the relevant Replaced Reference Entity or the Replacement Reference Entity, as the case may be; and
- (b) the quotation is to remain open for one hour after it has been given by the Eligible Dealer.

### **Substitution**

At any time during the period of one hour following the Swap Counterparty giving the Notice of Substitution Information to the Investment Manager (the **Substitution Window**), the Investment Manager may require the Swap Counterparty to execute a substitution by notifying the Swap Counterparty's Designated Person (either in writing or by telephone) accordingly and specifying the relevant Substitution Pair (the **Substitution Notice**). However, if the Investment Manager has obtained any Alternative Quotation(s) and wishes to execute a substitution based on such Alternative Quotation(s), the Investment Manager shall promptly (and no later than 30 minutes prior to the expiry of the Substitution Window) deliver a notice of the Alternative Quotation(s) specifying the relevant Substitution Pair (an **Alternative Quotation Notice**) to the Swap Counterparty's Designated Person (either in writing or by telephone). Each Alternative Quotation Notice shall contain sufficient details to enable the Swap Counterparty to execute a credit default swap in respect of each Alternative

Quotation and shall specify (a) the Alternative Spread, (b) the name of the Eligible Dealer, (c) the contact person at such Eligible Dealer from whom the Alternative Quotation was obtained, (d) the name of the Replaced Reference Entity and/or the Replacement Reference Entity, as the case may be, in respect of which the Alternative Spread has been obtained, (e) the tenor of the credit default swap, (f) the Reference Entity Category applicable to the Replacement Reference Entity and (g) the relevant Reference Obligation in respect of which the Alternative Spread has been obtained. Service of either the Substitution Notice or the Alternative Quotation Notice, as the case may be, shall be deemed to be a representation by the Investment Manager that the Replacement Reference Entity and the Portfolio will comply with the requirements set out in "Substitution Date" below on the Substitution Date.

If no Alternative Quotation Notice has been given, the Swap Counterparty shall effect the substitution in accordance with the Substitution Notice. If an Alternative Quotation Notice has been given, the Swap Counterparty shall either (a) elect to match the Alternative Quotation(s) or (b) use its reasonable efforts to enter into the relevant credit default swap(s) with the relevant Eligible Dealer (**Alternative Credit Default Swaps**). If the Swap Counterparty is able to enter into all the relevant Alternative Credit Default Swaps with respect to a Substitution Pair, it shall execute the substitution in accordance with the Alternative Quotation Notice. To the extent that the Swap Counterparty is unable to enter into all the relevant Alternative Credit Default Swaps, it shall enter into such Alternative Credit Default Swap(s) as it can and shall execute the remainder of the substitution as set out in the Notice of Substitution Information.

#### **Substitution Date**

Any such substitution (a **Substitution**) shall be effective on the Substitution Date provided that the Replacement Reference Entity complies with the Eligibility Criteria at the time of such Substitution, any such Substitution complies with the relevant Condition to Substitution at the time of such Substitution and the Portfolio complies with the Portfolio Guidelines following such Substitution (or, where the Portfolio does not comply with the Portfolio Guidelines prior to such Substitution, the Substitution does not increase the extent of such non-compliance) and the Swap Counterparty shall notify the Investment Manager of the Substitution Percentage, in each case, in respect of the relevant Investment Management Agreement.

In respect of any Substitution that is effective, subject to the removal or resignation of the Investment Manager as described in the relevant Investment Management Agreement, with effect from the Substitution Date:

- (a) the Replaced Reference Entity shall be deemed to have been removed from the relevant Portfolios;
- (b) the Replacement Reference Entity shall be deemed to be included as a Reference Entity in the relevant Portfolios; and
- (c) the Trading Reserve Amount and the Subordination Reserve Amount will be adjusted in accordance with the terms of each Default Swap which is the subject of such Investment Management Agreement.

#### **Intermediary Relevant Rate**

Subject to the terms of each Investment Management Agreement and in respect of each Series of Notes to which the relevant Investment Management Agreement relates, the Investment Manager shall determine in good faith and acting in a commercially reasonable manner whether to deliver a Fallback Acceptance Notice or a Fallback Quotation Request Notice to the Calculation Agent. The Investment Manager shall deliver the Fallback Acceptance Notice or Fallback Quotation Request Notice, as the case may be, to each of the Calculation Agent, the Swap Counterparty and the Issuer on

or prior to midday, London time, on the Business Day (the **Notice Day**) following the relevant Credit Spread Reset Date. If the Investment Manager (x) does not deliver by midday, London time a Fallback Quotation Request Notice on such Notice Day or (y) delivers a Fallback Acceptance Notice, then the Intermediary Relevant Rate in respect of the relevant Credit Spread Reset Date and the relevant Series will be the Average Bid Quotation in respect of such Credit Spread Reset Date. If the Investment Manager delivers by midday, London time, a Fallback Quotation Request Notice, then the Intermediary Relevant Rate in respect of such Credit Spread Reset Date and the relevant Series shall be the Hybrid Bid Quotation.

### ***Portfolio Composition Report***

In respect of each Investment Management Agreement and the Portfolios to which it relates, on the fourth Business Day of each calendar month, the Investment Manager is required to prepare and distribute to each of the Swap Counterparty, the Issuer, the Calculation Agent, the Luxembourg Listing Agent and the Netherlands Listing Agent a report (the **Portfolio Composition Report**), which contains the following information, in each case as of the last Business Day of the preceding calendar month (each a **Portfolio Composition Report Day**):

- (a) Reference Entities comprising the relevant Portfolios;
- (b) the indicative mid-market spreads for each such Reference Entity for a Designated Maturity of five years;
- (c) all Replaced Reference Entities and Replacement Reference Entities since the date of the previous Portfolio Composition Report relating to such Portfolios;
- (d) the long term debt rating from Moody's and S&P for each Reference Entity comprising the relevant Portfolios; and
- (e) the country of origin of each Reference Entity comprising the relevant Portfolios.

### ***Eligibility Criteria***

In respect of each Investment Management Agreement and the Portfolio or Portfolios to which it relates, the following criteria (the **Eligibility Criteria**) shall apply in respect of each Replacement Reference Entity at the time of the proposed inclusion of such Replacement Reference Entity in each Portfolio:

1. The Portfolio Guidelines Quoted Spread with respect to such Replacement Reference Entity may not exceed 7.00 per cent. per annum.
2. Moody's long term debt rating of such Replacement Reference Entity shall be at least Ba3 and S&P's long term debt rating of such Replacement Reference Entity shall be at least BB-.
3. Such Replacement Reference Entity must have a country of incorporation with an S&P sovereign rating of at least BBB or a Moody's sovereign rating of at least Baa2.
4. No Replacement Reference Entity shall be a Sovereign (as determined by the Swap Counterparty).

### ***Portfolio Guidelines***

In respect of each Investment Management Agreement and the Portfolio or Portfolios to which it relates, no Substitution may cause the relevant Portfolio to contravene, or if the relevant Portfolio is

already in contravention prior to such Substitution, cause a worsening of such contravention of the following guidelines:

1. There shall not be Substitutions in respect of more than 25 per cent. of the Reference Entities in the relevant Portfolio during the period from (and including) the Issue Date to (but excluding) the first anniversary after the Issue Date and, thereafter, each period from (and including) an anniversary of the Issue Date to (but excluding) the next occurring anniversary of the Issue Date, provided that for the purposes of determining the number of Substitutions which have been made in any such period, any Substitution in respect of a Credit Impaired Reference Entity shall not be taken into account.
2. The aggregate of the Reference Entity Notional Amounts of Reference Entities in the same Moody's Industry Classification (as such term is used by Moody's) or in the same S&P Industry Classification Group (as such term is used by S&P) shall in each case not be more than 15.00 per cent. of the Initial Portfolio Notional Amount.
3. The weighted average of the Portfolio Guidelines Quoted Spread for each Reference Entity in the relevant Portfolio shall not be more than 3.00 per cent. per annum.
4. The Reference Entity Notional Amount of a particular Reference Entity shall not exceed 0.84 per cent. of the relevant Initial Portfolio Notional Amount to which it relates.
5. The aggregate of the Reference Entity Notional Amounts of Reference Entities that are Moody's High Yield Corporate Entities shall not be more than 10.00 per cent. of the Initial Portfolio Notional Amount.
6. The aggregate of the Reference Entity Notional Amounts of Reference Entities that are S&P High Yield Corporate Entities shall not be more than 10.00 per cent. of the Initial Portfolio Notional Amount.
7. The aggregate of the Reference Entity Notional Amounts of Reference Entities not rated by either S&P or Moody's shall be no more than 5.00 per cent. of the Initial Portfolio Notional Amount.
8. The aggregate of the Reference Entity Notional Amounts of Reference Entities that have a country of incorporation with an S&P sovereign rating of less than A- and/or a Moody's sovereign rating of less than A3 shall be no more than 5.00 per cent. of the Initial Portfolio Notional Amount.

#### ***Condition to Substitution***

In respect of each Investment Management Agreement and the Portfolio or Portfolios to which it relates the following Condition to Substitution shall apply in respect of a Substitution at the time of the proposed inclusion of the relevant Replacement Reference Entity in the relevant Portfolio:

No Substitution is permitted if such Substitution would result in the Aggregate Loss Determination Amount less any applicable Subordination Reserve Amount (which may be negative or positive) in respect of any Default Swap exceeding 2.0 per cent. of the Initial Portfolio Notional Amount.

## ***Removal or Resignation of Investment Manager***

### *Termination following a Removal Event*

Subject as provided in each Investment Management Agreement, the Issuer may at any time following the occurrence of a Removal Event, remove the Investment Manager as manager of the Portfolios which are subject of such Investment Management Agreement by notifying the Investment Manager in writing of such removal.

For the purposes of each Investment Manager Agreement, **Removal Event** means (i) the Investment Manager wilfully violates any material obligation by which it is bound under or pursuant to the relevant Investment Management Agreement; (ii) the Investment Manager violates any material provision of the relevant Investment Management Agreement, and fails to cure such violation within 30 calendar days after it becomes aware of such violation or after notice of such violation is given to the Investment Manager by the Swap Counterparty; (iii) (a) the entry of a decree or order by a court having jurisdiction in France adjudging the Investment Manager as bankrupt or insolvent, or approving as properly filed a petition seeking moratorium of payments, reorganisation, arrangement, adjustment or composition of or in respect of the Investment Manager under any applicable law, or appointing a receiver, liquidator, assignee or sequestrator (or other similar official) of it or substantially all of its property, or ordering the winding-up or liquidation of it or its affairs; or (b) an involuntary case or proceeding is initiated against the Investment Manager or a proceeding is initiated by it under any applicable insolvency law, including presentation to the court of an application for an administration order, or seeking the appointment of a receiver, administrator, liquidator or other similar official in relation to the Investment Manager or to the whole or substantially all of the undertaking or assets of the Investment Manager or seeking the winding up or liquidation of the Investment Manager or any of its Affiliates, or a receiver, administrator, liquidator or other similar official is appointed in relation to it or in relation to the whole or substantially all of the undertaking or assets of the Investment Manager or an encumbrancer takes possession or execution or other process is levied or enforced upon or sued out against the whole or substantially all of the undertaking or assets of the Investment Manager or if the Investment Manager is dissolved or becomes insolvent, initiates or consents to any case or judicial proceeding relating to itself or its assets under any applicable insolvency law and, in the case of any such proceeding or petition instituted or presented against it or any such appointment made or process levied, enforced or sued out, such proceeding, petition, appointment or process is not dismissed, discharged, stayed or restrained in each case within 30 days thereafter; (iv) the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under the relevant Investment Management Agreement or the Investment Manager being indicted for a criminal offence materially related to the management of investments; (v) the Investment Manager ceasing to be permitted to act as such under any applicable laws or regulations in any jurisdiction relevant to the functions to be performed by the Investment Manager under the relevant Investment Management Agreement; or (vi) a material adverse change in the business and operations of the Investment Manager has occurred and is continuing, such that, in the reasonable opinion of the Swap Counterparty acting in good faith and in a commercially reasonable manner, as a result of such change the Investment Manager no longer has the capacity or the competence to perform its obligations as Investment Manager under the relevant Investment Management Agreement.

### *Termination without cause*

Subject as provided in each Investment Management Agreement, the Issuer shall as soon as reasonably practicable after receipt of the consent or written direction of Noteholders representing at least  $66\frac{2}{3}$  per cent. of any Series then outstanding (but excluding any Notes of such Series held by the Investment Manager for its own account) to terminate the appointment of the Investment Manager in respect of the Portfolio in relation to such Series, send a written notice to the Investment Manager informing it of such consent or written direction and with effect from the date falling 90 calendar days

from the date of such notice the Investment Manager's appointment in respect of such Series (and, for the avoidance of doubt, such Series only) shall be terminated.

*Resignation*

Subject as provided in each Investment Management Agreement, the Investment Manager may resign in respect of an Investment Management Agreement upon 30 days' prior written notice to each of the Swap Counterparty, the Calculation Agent and the Issuer.

*Static Portfolio*

Following the resignation or removal of the Investment Manager, in each case, pursuant to an Investment Management Agreement, the Portfolios to which such Investment Management Agreement relates (or the Portfolio in respect of the relevant Series, as applicable) shall become static and no further substitutions or calculations by the Investment Manager in respect of the Intermediary Rate in respect of such Series will be made.

***Governing Law***

Each Investment Management Agreement is governed by English law.

## THE INITIAL PORTFOLIOS

Reference Entity	Country of Incorporation	Reference Obligation		Reference Entity Category
			ISIN	
ABB International Finance Limited	Switzerland	ABB 6 1/2 11/30/11	XS0181196170	Western European Corporate
ACCOR	France	ACCOR 1 3/4 01/08	FR0010026765	Western European Corporate
ACE LIMITED	United States	ACE 8 7/8 08/15/29	US00440EAC12	North American Investment Grade Corporate
Aegon N.V.	Netherlands	AEGON 8 08/15/06	US007924AD52	Subordinated European Insurance Corporate
Aktiebolaget Electrolux	Sweden	ELTLX 6 03/20/08	XS0126231199	Western European Corporate
Allianz Aktiengesellschaft	Germany	ALZ 6 1/8 05/31/22	XS0148887564	Subordinated European Insurance Corporate
Altria Group, Inc.	United States	MO 7 11/04/13	US02209SAA15	North American Investment Grade Corporate
Ambac Financial Group, Inc.	United States	ABK 9 3/8 08/01/11	US023139AA61	North American Investment Grade Corporate
AMCOR LTD	Australia	AMCOR 4 1/4 03/11	XS0188426372	Australian New Zealand Corporate
ARCELOR	France	LORFP 3 06/27/17	XS0148400954	Western European Corporate
Arrow Electronics, Inc.	United States	ARW 6.875% OF 06/18	US042735AL41	North American Investment Grade Corporate
AutoZone, Inc.	United States	AZO 5 7/8 10/15/12	US053332AC61	North American Investment Grade Corporate



BAE SYSTEMS PLC	United Kingdom	BAPLC 10 3/4 11/14	GB0001272664	Western European Corporate
BOOTS GROUP PLC	United Kingdom	BOOT5 1/2 05/26/09	XS0097335318	Western European Corporate
BRITISH AIRWAYS plc	United Kingdom	BAB7 1/4 08/23/16	XS0133582147	Western European Corporate
BRITISH AMERICAN TOBACCO p.l.c.	United Kingdom	BATSLN 4 7/8 02/09	XS0094703799	Western European Corporate
BRITISH SKY BROADCASTING GROUP PLC	United Kingdom	BSY 8.2 07/15/09	US111013AD05	Western European Corporate
BRITISH TELECOMMUNICATIONS public limited company	United Kingdom	BRITEL 6 7/8 02/11	XS0123684887	Western European Corporate
CADBURY SCHWEPPE'S PUBLIC LIMITED COMPANY	United Kingdom	CBRY 5 06/26/07	XS0149902834	Western European Corporate
CALTEX AUSTRALIA LTD	Australia			Australian New Zealand Corporate
Capital One Financial Corporation	United States	COF 7 1/8 08/01/08	US14040HAD70	North American Investment Grade Corporate
CARNIVAL CORPORATION	United States	CCL 6.65 01/15/28	US143658AH53	North American Investment Grade Corporate
CenturyTel, Inc.	United States	CTL 7.875% OF 08/12 [L]	US156700AG13	North American Investment Grade Corporate
CIT Group Inc.	United States	CIT 7 3/4 04/02/12	US125581AB41	North American Investment Grade Corporate
Clear Channel Communications, Inc.	United States	CCU 7.65 09/15/10	US184502AK84	North American Investment Grade Corporate
CNOOC LIMITED	People's Republic of China	CNOOC 6 3/8 03/12	USU17469AA25	Asian Corporate
Comcast Corporation	United States	CMCSA 5 1/2 03/11	US20030NAD30	North American Investment Grade Corporate

COMPAGNIE GENERALE DES ESTABLISSEMENTS MICHELIN - MICHELIN et Cie	France	MICH6 1/8 04/16/09	XS0145903406	Western European Corporate
COMPASS GROUP PLC	United Kingdom	CPGLN 6 3/8 05/12	XS0148362501	Western European Corporate
Cooper Tire & Rubber Company	United States	COOPER 7 3/4 12/09	US216831AD93	North American Investment Grade Corporate
Countrywide Home Loans, Inc.	United States	CFC 5 5/8 07/15/09	US22237LMY55	North American Investment Grade Corporate
Cox Communications, Inc.	United States	COXENT 7 3/4 11/10	US224044AY38	North American Investment Grade Corporate
DAILY MAIL AND GENERAL TRUST PLC	United Kingdom			Western European Corporate
DaimlerChrysler AG	Germany	DCX 7.2 09/01/09	US233835AA55	Western European Corporate
DANA CORPORATION	United States	DCN 6 1/2 03/01/09	US235811AK23	North American High Yield Corporate
Degussa AG	Germany	DEGUSS 5 1/8 12/13	XS0181557454	Western European Corporate
Deutsche Lufthansa Aktiengesellschaft	Germany	LUFTHA 1 1/4 01/12	XS0140276618	Western European Corporate
DIXONS GROUP PLC	United Kingdom	DIX 6 1/8 11/15/12	XS0157632562	Western European Corporate
Dominion Resources, Inc.	United States	D 6.25% OF 06/12 [B]	US25746UAJ88	North American Investment Grade Corporate
Duke Capital LLC	United States	DUK 6 1/4 02/15/13	US26439RAJ59	North American Investment Grade Corporate
Eastman Chemical Company	United States	EMN 7 04/15/12	US277432AE06	North American Investment Grade Corporate

Elisa Oyj	Finland	ELIAV 6 3/8 01/06	XS0123501636	Western European Corporate
ENECO Holding N.V.	Netherlands	ENECO 4 1/8 06/10	XS0169895843	Western European Corporate
Essent N.V.	Netherlands	ESSENA 4 1/2 06/13	XS0170641426	Western European Corporate
FINMECCANICA S.P.A.	Italy	FINMEC 5 3/4 12/18	XS0182242247	Western European Corporate
FLEXTRONICS INTERNATIONAL LTD.	United States	FLEX6 1/2 05/15/13	US33938EAH09	North American High Yield Corporate
FRANCE TELECOM	France	FRTEL 7 1/4 01/13	FR0000471948	Western European Corporate
Fresenius Aktiengesellschaft	Germany	FME 7 3/4 04/30/09	XS0167402501	Western European Corporate
Gallaher Group PLC	United Kingdom	GLHLN 5 7/8 08/08	XS0089315930	Western European Corporate
Gecina	France	GFCFP 4 7/8 02/10	FR0000472441	Western European Corporate
General Electric Capital Corporation	United States	GE 6 06/15/12	US36962GY42	North American Investment Grade Corporate
GKN HOLDINGS PLC	United Kingdom	GKNLN 7 05/14/12	XS0147740335	Western European Corporate
GUS PLC	United Kingdom	GUSLN 6 3/8 07/09	XS0099323999	Western European Corporate
HALLIBURTON COMPANY	United States	HAL 5 1/2 10/15/10	US406216AR24	North American Investment Grade Corporate
HAMMERSON PLC	United Kingdom	HMSOLN 6 1/4 06/08	XS0130216947	Western European Corporate
Hannover Rueckversicherung AG	Germany	HANRUE 6 1/4 03/31	XS0126063386	Subordinated European Insurance Corporate
HAVAS	France	HAVAS 4 01/01/09	FR0000188476	Western European Corporate
HeidelbergCement AG	Germany	HEI 4 3/4 04/09/09	DE0002966850	Western European Corporate

HELLENIC TELECOMMUNICATIONS ORGANISATION SOCIETE ANONYME	Greece	OTE 5 08/05/13	XS0173549659	Western European Corporate
Holcim Ltd	Switzerland	HOLZSW 4 3/8 06/10	XS0170227093	Western European Corporate
Hutchison Whampoa Limited	People's Republic of China	HUWHY 7 02/16/11	USG4671XAC4 1	Asian Corporate
IMPERIAL TOBACCO GROUP PLC	United Kingdom	IMPTOB 7 1/8 04/09	US453144AA55	Western European Corporate
International Lease Finance Corporation	United States	AIG 6 3/8 03/15/09	US459745EZ45	North American Investment Grade Corporate
International Paper Company	United States	IP 6 3/4 09/01/11	US460146BN29	North American Investment Grade Corporate
LAFARGE	France	LAFCP 5.448 12/13	FR0010032730	Western European Corporate
Lehman Brothers Holdings Inc.	United States	LEH 6 5/8 01/18/12	US52517PSC67	North American Investment Grade Corporate
LVMH MOET HENNESSY LOUIS VUITTON	France	MOET 5 04/29/10	FR0000474223	Western European Corporate
Marathon Oil Corporation	United States	MRO 6 1/8 03/15/12	US565849AA47	North American Investment Grade Corporate
MARKS AND SPENCER p.l.c.	United Kingdom	MKS 6 3/8 11/07/11	XS0138137285	Western European Corporate
MBIA Inc.	United States	MBI 6 5/8 10/01/28	US55262CAF77	North American Investment Grade Corporate
METRO AG	Germany	METFNL 4 5/8 05/11	DE000A0BCGN 2	Western European Corporate
Metso Oyj	Finland	METSO 5 1/8 11/11	XS0205081911	Western European Corporate
Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft in Muenchen	Germany	MUNRE 6 3/4 06/23	XS0166965797	Subordinated European Insurance Corporate

Newell Rubbermaid Inc.	United States	NWL 6 3/4 03/15/12	US651229AB28	North American Investment Grade Corporate
PCCW-HKT TELEPHONE LIMITED	People's Republic of China	PCCW7 3/4 11/15/11	USG6955FAA9 6	Asian Corporate
Petroleos Mexicanos	Mexico	PEMEX 9 1/2 09/27	US71654QAR3 9	Latin American Corporate
PILKINGTON PLC	United Kingdom	PILKIN 6 1/2 10/08	XS0136984654	Western European Corporate
PINAULT-PRINTEMPS-REDOUTE	France	PRTP 5 1/4 03/11	FR0010068486	Western European Corporate
ProLogis	United States	PLD 5 1/2 03/01/13	US743410AE29	North American Investment Grade Corporate
ProSiebenSat.1 Media AG	Germany	PROSIE11 1/4 07/09	XS0151428470	Western European Corporate
PUBLICIS GROUPE SA	France	PUBFP 1 01/18/18	FR0000180127	Western European Corporate
QANTAS AIRWAYS LIMITED	Australia	QANTAS 7 3/4 06/09	USQ77974AT24	Australian New Zealand Corporate
Radian Group Inc.	United States	RDN 7 3/4 06/01/11	US750236AB78	North American Investment Grade Corporate
RALLYE	France	GENP 5 3/8 01/09	FR0010039107	Western European Corporate
RENAULT	France	RENAUL 4 5/8 05/10	FR0000474843	Western European Corporate
RENTOKIL INITIAL PLC	United Kingdom	RENTKL6 1/8 11/08	XS0138467237	Western European Corporate
Safeway Inc.	United States	SWY 5.8 08/15/12	US786514BF54	North American Investment Grade Corporate
SBC Communications Inc.	United States	SBC 5 7/8 08/15/12	US78387GAK94	North American Investment Grade Corporate
SCOR	France	SCOR 0 07/06/20	XS0112998223	Western European Corporate

SCOTTISH & NEWCASTLE PLC	United Kingdom	SCOTNB 5 5/8 12/06	XS0139288863	Western European Corporate
SES Global	Luxembourg	SEGLX 4 1/2 11/08	XS0180191164	Western European Corporate
SOCIETE AIR FRANCE	France			Western European Corporate
SODEXHO ALLIANCE	France	EXHO5 7/8 03/25/09	FR0000488603	Western European Corporate
SOL MELIA, SOCIEDAD ANONIMA	Spain	SOLSM 6 1/4 02/06	XS0124479147	Western European Corporate
Sprint Corporation	United States	FON 8 3/8 03/15/12	US852060AS17	North American Investment Grade Corporate
TAKEFUJI CORPORATION	Japan	TAKFUJ9.2 04/15/11	USJ81335AH45	Japanese Corporate
TATE & LYLE PUBLIC LIMITED COMPANY	United Kingdom	TATELY 6 1/2 06/12	XS0150130879	Western European Corporate
TECHNIP	France	TECFP 4 5/8 05/11	FR0010085795	Western European Corporate
TELECOM ITALIA SPA	Italy	TITIM 6 1/4 02/12	XS0142531903	Western European Corporate
Telefonos de Mexico, Sociedad Anonima de Capital Variable	Mexico	TFONY 8 1/4 01/06	USp9048DAk56	Latin American Corporate
TELEKOMUNIKACJA POLSKA SPOLKA AKCYJNA	Poland	TPSA7 3/4 12/10/08	USN31209AA26	European Emerging Markets Corporate
The Export-Import Bank of Korea	South Korea	EIBKOR 4 1/4 11/07	XS0158626969	Asian Corporate
The Hertz Corporation	United States	F 7 5/8 06/01/12	US428040BS77	North American Investment Grade Corporate
THE KROGER CO.	United States	KR 5 1/2 02/01/13	US501044CE98	North American Investment Grade Corporate
The May Department Stores Company	United States	MAY 8 07/15/12	US577778BN25	North American Investment Grade Corporate

The PMI Group, Inc.	United States	PMI 2 1/2 07/15/21	US69344MAE1 2	North American Investment Grade Corporate
The Standard Life Assurance Company	United Kingdom	STALIF 6 3/8 07/22	XS0151267522	Subordinated European Insurance Corporate
ThyssenKrupp AG	Germany	TKAGR 7 03/19/09	DE0008506254	Western European Corporate
Time Warner Inc.	United States	TWX 6 7/8 05/01/12	US00184AAF21	North American Investment Grade Corporate
Tyson Foods, Inc.	United States	TSN 8 1/4 10/01/11	US902494AM53	North American Investment Grade Corporate
VALEO	France	VLOF5 5/8 07/13/06	FR0000486573	Western European Corporate
Vattenfall Aktiebolag	Sweden	VATFAL 6 03/31/10	XS0109778190	Western European Corporate
VEOLIA ENVIRONNEMENT	France	VIEFP 5 7/8 02/12	XS0142249555	Western European Corporate
VNU N.V.	Netherlands	VNU 5 5/8 05/20/10	XS0168516713	Western European Corporate
VOLKSWAGEN AKTIENGESELLSCHAFT	Germany	VW 4 7/8 05/22/13	XS0168882495	Western European Corporate
WENDEL INVESTISSEMENT	France	MWDP 5 02/16/11	XS0185010401	Western European Corporate
Whirlpool Corporation	United States	WHR 8.6 05/01/10	US963320AK24	North American Investment Grade Corporate
Wolters Kluwer N.V.	Netherlands	WOLKLU 5 1/8 01/14	XS0181273342	Western European Corporate
WPP Group plc.	United Kingdom	WPPLN 6 06/18/08	XS0131030032	Western European Corporate
XL CAPITAL LTD	Bermuda	XL 5.25% OF 09/14	US98372PAF53	North American Investment Grade Corporate

**Additional Disclosure**

Information required by Appendix III of Circular CaB 98/7 published by the Exchange Supervisory Authority will be available, upon request, at the specified office of the Paying Agent in Luxembourg.



## DESCRIPTION OF DEUTSCHE BANK AG AND THE DEUTSCHE BANK GROUP

### **Incorporation, Registered Office and Objectives**

Deutsche Bank Aktiengesellschaft (**Deutsche Bank AG** or the **Bank**) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank AG which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2nd May, 1957. Deutsche Bank AG is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the **Deutsche Bank Group**).

The objects of Deutsche Bank AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objects of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

### **Deutsche Bank AG, London Branch**

The Notes will be issued by Deutsche Bank AG, acting through its London branch (**Deutsche Bank AG London**). On 12th January, 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14th January, 1993, Deutsche Bank AG registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

### **Share Capital**

As of 31st March, 2005, the issued share capital of the Bank amounted to Euro 1,403,558,410.24 consisting of 548,265,004 ordinary shares of no par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German stock exchanges. The shares are also listed on the Stock Exchanges in Amsterdam, Brussels, London, Luxembourg, New York, Paris, Tokyo, Vienna and Zurich.

## CAPITALISATION AND INDEBTEDNESS STATEMENT OF DEUTSCHE BANK GROUP

As of 31st March, 2005, the capitalisation of the Deutsche Bank Group (un-audited) on the basis of United States Generally Accepted Accounting Principles ("U.S. GAAP") was as follows:

	As of 31st March, 2005 <u>(in Euro million)</u>
Deposits	348,857
Trading liabilities	171,928
Central bank funds purchased and securities sold under repurchase agreements	113,249
Securities loaned	20,887
Other short-term borrowings	25,295
Other liabilities	74,780
Long-term debt	115,177
Obligation to purchase common shares	3,872
<b>Total liabilities</b>	<b>874,045</b>
Common shares, no par value, nominal value of Euro 2.56	1,404
Additional paid-in capital	11,314
Retained earnings	20,982
Common shares in treasury, at cost	(1,909)
Equity classified as obligation to purchase common shares	(3,872)
Share awards	1,872
Accumulated other comprehensive income (loss)	
Deferred tax on unrealised net gains on securities available for sale relating to 1999 and 2000 tax rate changes in Germany	(2,677)
Unrealised net gains on securities available for sale, net of applicable tax and other	1,722
Unrealised net gains on derivatives hedging variability of cash flows, net of tax	33
Minimum pension liability, net of tax	(1)
Foreign currency translation, net of tax	(2,042)
<b>Total accumulated other comprehensive loss</b>	<b>(2,965)</b>
<b>Total shareholders' equity</b>	<b>26,826</b>
<b>Total liabilities and shareholders' equity</b>	<b>900,871</b>

There has been no material change in the capitalisation of the Deutsche Bank Group since 31st March, 2005.

As of 31st March, 2004, the capitalisation of the Deutsche Bank Group (unaudited) on the basis of U.S. GAAP was as follows:

	As of 31st March, 2004 <hr/> (in Euro million)
Deposits	351,005
Trading liabilities	170,535
Central bank funds purchased and securities sold under repurchase agreements	115,656
Securities loaned	21,773
Other short-term borrowings	22,137
Acceptances outstanding	108
Insurance policy claims and reserves	9,467
Accrued interest payable	3,955
Pending securities transactions past settlement date	9,802
Other liabilities	46,160
Long-term debt	95,424
Obligation to purchase common shares	3,551
<b>Total liabilities</b>	<b>849,573</b>
Common shares, no par value, nominal value of Euro 2.56	1,490
Additional paid-in capital	11,147
Retained earnings	21,504
Common shares in treasury, at cost	(656)
Equity classified as obligation to purchase common shares	(3,551)
Share awards	1,309
Accumulated other comprehensive income (loss)	
Deferred tax on unrealised net gains on securities available for sale relating to 1999 and 2000 tax rate changes in Germany	(2,805)
Unrealised net gains on securities available for sale, net of applicable tax and other	1,467
Unrealised net gains on derivatives hedging variability of cash flows, net of tax	13
Foreign currency translation, net of tax	(1,344)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(2,669)</b>
<b>Total shareholders' equity</b>	<b>28,574</b>
<b>Total liabilities and shareholders' equity</b>	<b>878,147</b>

## MANAGEMENT

In accordance with German law, Deutsche Bank AG has both a Supervisory Board (*Aufsichtsrat*) and a Board of Managing Directors (*Vorstand*). These Boards are separate; no individual may be a member of both. The Supervisory Board appoints the members of the Board of Managing Directors and supervises the activities of this Board. The Board of Managing Directors represents Deutsche Bank AG and is responsible for its management.

The **Board of Managing Directors** consists of

Dr. Josef Ackermann	Spokesman of the Board of Managing Directors
Dr. Clemens Börsig	Chief Financial Officer (CFO) and Chief Risk Officer (CRO)

Dr. Tessen von Heydebreck Chief Administrative Officer (CAO)

Hermann-Josef Lamberti Chief Operating Officer (COO)

The **Supervisory Board** consists of the following 20 members:

Dr. Rolf-E. Breuer	Chairman Frankfurt am Main
Heidrun Förster*	Deputy Chairperson Deutsche Bank Privat- und Geschäftskunden AG Berlin
Dr. rer-oc. Karl-Hermann Baumann	Chairman of the Supervisory Board of Siemens Aktiengesellschaft Munich
Dr. Karl-Gerhard Eick	Deputy Chairman of the Board of Management of Deutsche Telekom AG Bonn
Klaus Funk*	Deutsche Bank Privat- und Geschäftskunden AG Frankfurt am Main
Ulrich Hartmann	Chairman of the Supervisory Board of E.ON AG Düsseldorf
Sabine Horn*	Deutsche Bank AG Frankfurt am Main
Rolf Hunck*	Deutsche Bank AG Hamburg
Sir Peter Job	London
Prof. Dr. Henning Kagermann	Chairman and CEO of the Board of Management of SAP AG Walldorf/Baden
Ulrich Kaufmann*	Deutsche Bank AG Düsseldorf
Prof. Dr. Paul Kirchhof	Director of the Institute for Finance and Tax Law and Head of the Research Group "Federal Tax Code of Germany" at the University of Heidelberg
Henriette Mark*	Deutsche Bank AG Munich
Margret Mönig-Raane*	Vice President of the Unified Services Union

	Berlin
Gabriele Platscher*	Deutsche Bank Privat- und Geschäftskunden AG Braunschweig
Karin Ruck*	Deutsche Bank AG Bad Soden am Taunus
Tilman Todenhöfer	Managing Partner of Robert Bosch Industrietreuhand KG Stuttgart
Dipl.-Ing. Dr.-Ing. E.h. Jürgen Weber	Chairman of the Supervisory Board of Deutsche Lufthansa AG Hamburg
Dipl.-Ing. Albrecht Woeste	Chairman of the Supervisory Board and the Shareholders' Committee of Henkel KGaA Düsseldorf
Leo Wunderlich*	Deutsche Bank AG Mannheim

\* elected by the staff in Germany.

The members of the Board of Managing Directors accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Managing Directors of Deutsche Bank AG is Taunusanlage 12, 60262 Frankfurt am Main, Germany.

### **Financial Year**

The financial year of Deutsche Bank AG is the calendar year.

### **RECENT DEVELOPMENTS AND OUTLOOK**

On 24th March, 2005, Deutsche Bank AG published its annual report for 2004 and confirmed that its Board of Managing Directors and its Supervisory Board recommended a dividend increase of 13 per cent. to €1.70 per share for the fiscal year 2004.

On 29th April, 2005 Deutsche Bank AG published its first quarter results for 2005 reporting income before taxes of €1.8 billion, after restructuring expenses of €168 million.

In February 2003, the Düsseldorf Prosecutor filed charges against Dr. Ackermann and other former members of the Supervisory Board, members of the Board of Managing Directors and one manager of Mannesmann AG at the Düsseldorf District Court (*Landgericht Düsseldorf*). The complaint alleges a breach of trust in connection with payments to former members of the Board of Managing Directors and other managers of Mannesmann AG following the takeover of Mannesmann by Vodafone in spring 2000. On 22nd July, 2004 the Düsseldorf District Court acquitted every defendant of such charges. The Düsseldorf Prosecutor filed a notice of appeal to the Federal Supreme Court (*Bundesgerichtshof*). The Supervisory Board of Deutsche Bank AG has declared that it supports Dr. Ackermann's defence.

## TAXATION

### General Taxation Information

**The following information provided below does not purport to be a complete summary of the tax law and practice currently available. Potential purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of transactions involving Notes.**

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price (if different) of the Notes.

Transactions involving Notes (including purchases, transfer or redemption), the accrual or receipt of any Coupon Amount payable on the Notes and the death of a holder of any Note may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax status of the potential purchaser and may relate to stamp duty, stamp duty reserve tax, income tax, corporation tax, capital gains tax and inheritance tax.

Condition 7 on page 51 should be considered carefully by all potential purchasers of Notes.

### UNITED KINGDOM TAXATION

**The following information does not purport to be a complete summary of the tax law and practice currently applicable in the United Kingdom.**

**The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

#### A. Coupon Amount on the Notes

##### 1. *Payment of the Coupon Amount on the Notes*

- (a) The Issuer, provided that it continues to be a bank within the meaning of section 840A of the Income and Corporation Taxes Act 1988 (the **Act**), and provided that the Coupon Amount is paid in the ordinary course of its business within the meaning of section 349 of the Act will be entitled to make payments of Coupon Amounts without withholding or deduction for or on account of United Kingdom income tax.
- (b) Payments of Coupon Amounts on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange", as defined in section 841 of the Act. The Luxembourg Stock Exchange and Euronext Amsterdam are each a recognised stock exchange. Under a United Kingdom Inland Revenue interpretation, the Notes will satisfy this requirement if they are listed by the competent authority in Luxembourg or the Netherlands and are admitted to trading by the Luxembourg Stock Exchange or on Euronext Amsterdam.
- (c) The Coupon Amount on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the Coupon Amount on the Notes is paid to

a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of the Coupon Amount, provided that the Inland Revenue has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of the Coupon Amount at the time the payment is made) that the Coupon Amount should be paid under deduction of tax.

In all other cases, an amount must generally be withheld from payments of the Coupon Amount on the Notes on account of United Kingdom income tax at the lower rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, or, where a Noteholder is associated with the Issuer, resident in a Member State of the EU and entitled in practice to the benefit of the European Council Directive 2003/49/EC, the Inland Revenue can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders who are individuals may wish to note that the Inland Revenue has power to obtain information (including the name and address of the beneficial owner of the Coupon Amount) from any person in the United Kingdom who either pays the Coupon Amount to or receives the Coupon Amount for the benefit of an individual. Any information obtained may, in certain circumstances, be exchanged by the Inland Revenue with the tax authorities of other jurisdictions.

## 2. *EU Savings Directive*

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive Member States will (if equivalent measures have been introduced by certain non-EU countries) be required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

## 3. *Further United Kingdom Income Tax Issues*

The Coupon Amount on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, Coupon Amounts received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the Coupon Amount is received or to which the Notes are attributable. There are exemptions for the Coupon Amount received by certain categories of agent (such as some brokers investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

**B. United Kingdom Corporation Tax Payers**

In general, Noteholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

**C. Other United Kingdom Tax Payers**

1. *Taxation of Chargeable Gains*

A disposal of the Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

2. *Accrued Income Scheme*

The Notes are likely to constitute variable rate securities for the purposes of the accrued income scheme. Under the accrued income scheme on a disposal of Notes by a Noteholder who is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable the Noteholder may be charged to income tax on an amount of interest which is just and reasonable in the circumstances. The purchaser of such a Note will not be entitled to any equivalent tax credit under the accrued income scheme to set against the actual Coupon Amount received by the purchaser in respect of the Notes (which may therefore be taxable in full).

**D. Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

No United Kingdom stamp duty or SDRT is payable on a transfer by delivery of the Notes.



## NETHERLANDS TAXATION

### General

*The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary includes Coupons and Talons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.*

*This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.*

*This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.*

*For the purpose of the principal Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.*

### Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

### Corporate Income Tax and Individual Income Tax

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual, resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as "income from miscellaneous activities" (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable.

Instead, such Noteholder will be taxed at a flat rate of 30 per cent. on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4 per cent. of the average of the individual's "yield basis" (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual's yield basis.

### **Gift and Inheritance Taxes**

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

### **Treaties**

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

### **Other Taxes and Duties**

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

### **EU Savings Directive**

See United Kingdom taxation section.

## PURCHASE AND SALE

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

The Notes of any Series may not be offered, sold or delivered (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes of such Series, as determined and certified to the Principal Paying Agent or the Issuer by the Manager within the United States or to, or for the account or benefit of, U.S. persons. The Manager will send to each dealer to which it sells any Notes of such Series during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes of such Series within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of the Notes of any Series any offer or sale of Notes of such Series within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### United Kingdom

- (a) The Notes have not been offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, the Notes will not be offered or sold to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (b) Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by any person in connection with the issue or sale of any Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA would not, apply to the Issuer; and
- (c) All applicable provisions of the FSMA have been and will be complied with in respect to anything done in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Germany**

The Notes have not been and will not be offered, sold or publicly promoted or advertised in Germany other than in compliance with the German Securities Selling Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) of 13th December, 1990 (as amended), or any other laws applicable in Germany governing the issue, offering and sale of securities.

## **France**

Notes may not be offered or sold, directly or indirectly, to the public in France and the Offering Circular or any other offering material relating to the Notes may not be distributed or caused to be distributed to the public in France and that any such offers, sales and distributions may only be made in France to qualified investors (*investisseurs qualifiés*) acting for their account, all as defined in, and in accordance with, articles L.411-1 and L.411-2 of the French Code *monétaire et financier* and *décret* No. 98-880 dated 1st October, 1998.

This Offering Circular has not been submitted for clearance to the *Autorité des marchés financiers*.

## **The Netherlands**

For so long as the Notes are not listed on Euronext Amsterdam, or it is unlikely that the Notes will soon be listed on Euronext Amsterdam, the Notes may only be offered, sold, or delivered in or from the Netherlands as part of their initial distribution or as part of any re-offering, and this Offering Circular and any other document in respect of the offering may only be distributed or circulated in the Netherlands, to individuals or legal entities that include, but are not limited to banks, brokers, dealers and institutional investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of their business or profession.

## **Austria**

The Notes may only be offered in the Republic of Austria in accordance with the provisions of the Austrian Capital Markets Act and other applicable laws of the Republic of Austria. The Notes are not registered or otherwise authorised for public offer either under the Capital Markets Act, the Investment Fund Act, or any other securities regulation in Austria. The recipients of this document and any selling material with respect to these Notes have been individually selected and are targeted exclusively on a private placement basis. Accordingly, the Notes may not be offered or advertised publicly.

## **Denmark**

This document has not been filed with or approved by the Danish Securities Council or any other regulatory authority in the Kingdom of Denmark. The Notes have not been offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No.587 of 9th July, 2002 as amended from time to time and any order thereunder.

## **Finland**

This document is being distributed to a limited number of pre-selected investors in circumstances where the offer of Notes in connection with this document does not constitute a public offer as defined in the Securities Market Act of the Republic of Finland. These Notes may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the Notes may not be offered or sold, directly or indirectly, to the public in the Republic of Finland.

## **Greece**

The Notes may not be publicly offered in, or sold to any persons in, the Hellenic Republic. All applicable provisions of law 876/1979 and Presidential Decree 52/1992, as now in force, must be complied with in respect of anything done with regard to the public offering of Notes in, from or otherwise involving the Hellenic Republic, and a permission of the Capital Markets Commission must be obtained accordingly.

## **Israel**

No action has been or will be taken in Israel that would permit a public offering of the Notes or a distribution of the Offering Circular or this Pricing Supplement to the public in Israel.

## **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan ("**Securities and Exchange Law**"). Any person resident in Japan, including any corporation or other entity organised under the laws of Japan, and, with respect to any entity organized under the laws of a jurisdiction other than Japan, its branches or offices located in Japan, may only purchase Notes in accordance with an exemption from the registration provisions of the Securities and Exchange Law available thereunder and in compliance with the other relevant laws and regulations of Japan.

## **Norway**

These Notes may not be directly or indirectly offered or sold in the Kingdom of Norway other than to persons who are registered with the Oslo Stock Exchange as professional investors.

## **Spain**

The sale of the Notes described herein by Deutsche Bank AG London (or by Deutsche Bank AG London on behalf of the Issuer or a third party) does not form part of any public offer of the Notes in Spain. Each investor in Spain has acknowledged and represented that it has entered into an individual transaction that has been negotiated and/or agreed between it and Deutsche Bank AG London upon the request of such investor. Each investor in Spain acknowledges that it has not received any advertising or marketing material from Deutsche Bank AG regarding such transaction. Any subsequent transaction such investor executes regarding the Notes (including requesting Deutsche Bank AG London to transfer the Notes on to any entity managed or controlled by such investor) will be executed on the investor's own behalf only and not on behalf of or for the account of Deutsche Bank AG London.

These Notes may not be directly or indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish Law to include only pension funds, collective investment schemes, insurance companies, banks, saving banks and securities companies).

## **Sweden**

This document is for the intended recipients only and may not in any way be forwarded to the public in Sweden except in accordance with Swedish law. The Notes may not be offered or sold in Sweden in a manner that would require the registration of a prospectus by the Swedish Financial Supervisory Authority according to the Financial Instruments Trading Act.

## **Switzerland**

This document does not constitute an offering circular within the meaning of Art. 652a and/or Art. 1156 of the Swiss Code of Obligations. The Notes may not be offered or sold directly or indirectly in Switzerland or to Swiss based potential investors, except in circumstances which will not result in the offer of the Notes being a public offering in Switzerland within the meaning of the Swiss Code of Obligations and all other applicable laws and regulations of Switzerland.

## **General**

The issue of the Notes has been completely subscribed by the Manager. The Manager may sell the Notes at such times and at such prices as it may determine.

No action has been or will be taken in any country or jurisdiction by the Issuer or the Manager that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer and the Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Neither the Issuer nor the Manager represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Listing

Application has been made to list the Notes on the Luxembourg Stock Exchange and on Euronext Amsterdam.

The constitutional documents of the Issuer and the legal notice relating to the issue of the Notes are being lodged with the Luxembourg Trade and Companies Register in Luxembourg (*Registre de commerce et des sociétés Luxembourg*), where such documents may be examined and copies obtained.

For so long as the Notes are listed on the stock market of Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20, sections a-g of Schedule B of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam.

### Yield to Maturity

There is no explicit yield to maturity.

### Authorisations

The issue of the Notes was authorised by the competent representatives of the Issuer. The issue of the Notes is considered to be in the ordinary course of the Issuer's business and authorised by the constitutional documents of the Issuer and therefore was not authorised by board resolutions. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Clearing of the Notes

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The Notes have the following the Common Codes and International Securities Identification Numbers (ISINs):

#### Series A-1 Notes

Common Code:	021877816
ISIN:	XS0218778164

#### Series A-2 Notes

Common Code:	021878057
ISIN:	XS0218780574

#### Series B-1 Notes

Common Code:	021878146
ISIN:	XS0218781465

#### Series B-2 Notes

Common Code:	021878243
ISIN:	XS0218782430

### **Series D-1 Notes**

Common Code: 021897302  
ISIN: XS0218973021

### **Series J-3 Notes**

Common Code: 021999261  
ISIN: XS0219992616

### **Series P-1 Notes**

Common Code: 021878413  
ISIN: XS0218784139

### **Series E-1 Notes**

Common Code: 021893005  
ISIN: XS0218930054

### **Series E-2 Notes**

Common Code: 021878782  
ISIN: XS0218787827

### **Litigation**

Other than set out herein, Deutsche Bank AG is not or during the last two financial years has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition presented in the Offering Circular.

#### *Research Analyst Independence Investigations*

On 26th August, 2004, Deutsche Bank Securities Inc. (**DBSI**), Deutsche Bank's U.S. broker-dealer subsidiary, reached a settlement with the U.S. Securities and Exchange Commission (the **SEC**), the National Association of Securities Dealers, the New York Stock Exchange and state securities regulators (**U.S. securities regulators**) concerning investigations relating to research analyst independence. The U.S. securities regulators had previously settled similar charges with ten other investment banks. In settling the investigation, DBSI neither admitted nor denied the allegations, and agreed to pay: (i) U.S.\$ 50 million, of which U.S.\$ 25 million is a civil penalty and U.S.\$ 25 million is for restitution to investors; (ii) U.S.\$ 25 million over five years (starting in the first quarter of 2005) to provide third-party research to clients; (iii) U.S.\$ 5 million over five years to fund investor education programs; and (iv) U.S.\$ 7.5 million as a penalty in connection with late production of email in the course of the investigation. In addition, DBSI agreed to adopt certain reforms designed to bolster analyst independence. DBSI had previously implemented many of these reforms. Deutsche Bank AG has provided for the current exposures in its consolidated financial statements.

#### *IPO Allocation Litigation*

DBSI and its predecessor firms, along with numerous other securities firms, have been named as defendants in over 80 putative class action lawsuits pending in the United States District Court for the Southern District of New York. These lawsuits allege violations of securities and antitrust laws in



connection with the allocation of shares in a large number of initial public offerings (**IPOs**) by issuers, officers and directors of issuers, and underwriters of those securities. DBSI is named in these suits as an underwriter. The purported securities class actions allege material misstatements and omissions in registration statements and prospectuses for the IPOs and market manipulation with respect to aftermarket trading in the IPO securities. Among the allegations are that the underwriters tied the receipt of allocations of IPO shares to required aftermarket purchases by customers and to the payment of undisclosed compensation to the underwriters in the form of commissions on securities trades, and that the underwriters caused misleading analyst reports to be issued. The antitrust claims allege an illegal conspiracy to affect the stock price based on similar allegations that the underwriters required aftermarket purchases and undisclosed commissions in exchange for allocation of IPO stocks. In the purported securities class actions, the motions to dismiss the complaints of DBSI and others were denied on 13th February, 2003. Plaintiffs' motion to certify 6 "test" cases as class actions in the securities cases was granted on 13th October, 2004, and DBSI and other defendants have filed a petition for permission to appeal that decision to the Court of Appeals for the Second Circuit. Discovery in the securities cases is underway. In the purported antitrust class action, the defendants' motion to dismiss the complaint was granted on 3rd November, 2003, and the plaintiffs subsequently appealed to the Court of Appeals for the Second Circuit. The appeal has been fully briefed and argued and the parties are awaiting a decision by the court.

#### *Enron Litigation*

Deutsche Bank AG and certain of its affiliates are collectively involved in more than 25 lawsuits arising out of their banking relationship with Enron Corp., its subsidiaries and certain Enron-related entities (**Enron**). These lawsuits include a series of purported class actions brought on behalf of shareholders of Enron, including the lead action captioned *Newby v. Enron Corp.* The consolidated complaint filed in *Newby* named as defendants, among others, Deutsche Bank AG, several other investment banking firms, a number of law firms, Enron's former accountants and affiliated entities and individuals and other individual defendants, including present and former officers and directors of Enron, and it purported to allege claims against Deutsche Bank AG under federal securities laws. On 20th December, 2002, the Court dismissed all of the claims alleged in the *Newby* action against Deutsche Bank AG. Plaintiffs in *Newby* filed a first amended consolidated complaint on 14th May, 2003 and reasserted claims against Deutsche Bank AG under federal securities laws and also added similar claims against its subsidiaries DBSI and Deutsche Bank Trust Company Americas (**DBTCA**). On 29th March, 2004, the Court dismissed in part the claims alleged in the *Newby* action against the Deutsche Bank AG entities. Plaintiffs in *Newby* have filed a motion seeking reconsideration of the Deutsche Bank AG entities' partial dismissal, which motion is pending. Also, an adversary proceeding has been brought by Enron in the bankruptcy court against, among others, Deutsche Bank AG and certain of its affiliates. In this adversary proceeding, Enron seeks damages from the Deutsche Bank AG entities, as well as the other defendants, for alleged aiding and abetting breaches of fiduciary duty by Enron insiders, aiding and abetting fraud and unlawful civil conspiracy, and also seeks return of alleged fraudulent conveyances and preferences and equitable subordination of their claims in the Enron bankruptcy. The Deutsche Bank AG entities' motion to partially dismiss the adversary complaint is pending. In addition to *Newby* and the adversary proceeding described above, there are third-party actions brought by Arthur Andersen in Enron-related cases asserting contribution claims against Deutsche Bank AG, DBSI and many other defendants, and individual and putative class actions brought in various courts by Enron investors and creditors alleging federal and state law claims against the same entities named by Arthur Andersen, as well as DBTCA. Deutsche Bank AG entities, along with various investors, creditor plaintiffs, the Enron bankruptcy estate and various financial institutions, have participated in court-ordered mediation before the Honorable William C. Conner, Senior United States District Judge for the Southern District of New York.

### *WorldCom Litigation*

Deutsche Bank AG and DBSI are defendants in more than 40 actions filed in federal and state courts arising out of alleged material misstatements and omissions in the financial statements of WorldCom Inc. (**WorldCom**). DBSI was a member of the syndicate that underwrote WorldCom's May 2000 and May 2001 bond offerings, which are among the bond offerings at issue in the actions. Deutsche Bank AG London was a member of the syndicate that underwrote the sterling and euro tranches of the May 2001 bond offering. Plaintiffs are alleged purchasers of these and other WorldCom debt securities. The defendants in the various actions include certain WorldCom directors and officers, WorldCom's auditor and members of the underwriting syndicates for the debt offerings. Plaintiffs allege that the offering documents contained material misstatements and/or omissions regarding WorldCom's financial condition. The claims against DBSI and Deutsche Bank AG are made under federal and state statutes (including securities laws), and under various common law doctrines. The largest of the actions against Deutsche Bank AG and DBSI is a class action litigation in the U.S. District Court in the Southern District of New York, in which the class plaintiffs are the holders of a significant majority of the bonds at issue. On 10th March, 2005, Deutsche Bank AG and DBSI reached a settlement agreement, subject to court approval, resolving the class action claims asserted against them, for a payment of approximately U.S.\$ 325 million. The settlement of the class action claims does not resolve the individual actions brought by investors who chose to opt out of the federal class action. The financial effects of the class action settlement are reflected in Deutsche Bank AG's 2004 consolidated financial statements.

### *In the Matter of KPMG LLP Certain Auditor Independence Issues*

On 20th November, 2003, the SEC requested Deutsche Bank AG to produce certain documents in connection with an ongoing investigation of certain auditor independence issues relating to KPMG LLP. Deutsche Bank AG is cooperating with the SEC in its inquiry. KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (**KPMG DTG**), a KPMG LLP affiliate, is Deutsche Bank AG's auditor. During all relevant periods, including the present, KPMG DTG has confirmed to Deutsche Bank AG that KPMG DTG was and is independent from Deutsche Bank AG under applicable accounting and SEC regulations.

### *Kirch Litigation*

In May 2002, Dr. Leo Kirch personally and as an assignee initiated legal action against Dr. Breuer and Deutsche Bank AG alleging that a statement made by Dr. Breuer (then the Spokesman of Deutsche Bank AG's Board of Managing Directors) in an interview with Bloomberg television on 4th February, 2002 regarding the Kirch Group was in breach of laws and financially damaging to Kirch. On 18th February, 2003, the Munich District Court No. I issued a declaratory judgment to the effect that Deutsche Bank AG and Dr. Breuer were jointly and severally liable for damages to Dr. Kirch, TaurusHolding GmbH & Co. KG and PrintBeteiligungs GmbH as a result of the interview statement. Upon appeal, the Munich Superior Court on 10th December, 2003 reaffirmed the decision of the District Court against Deutsche Bank AG, whereas the case against Dr. Breuer was dismissed. Both Dr. Kirch and Deutsche Bank AG have filed motions with the Supreme Court in Civil Matters to set the judgment of the Superior Court aside. The Supreme Court is expected to hold a hearing on the appeals of both sides in Autumn 2005. To be awarded a judgment for damages against Deutsche Bank AG, Dr. Kirch would have to file a new lawsuit; in such proceedings he would have to prove that the statement caused financial damages and the amount thereof. In mid 2003 Dr. Kirch instituted legal action in the Supreme Court of the State of New York in which he seeks the award of compensatory and punitive damages based upon Dr. Breuer's interview. Upon referral to the U.S. District Court for the Southern District of New York, the case was dismissed on 24th September, 2004. Dr. Kirch appealed this decision.

## *Philipp Holzmann AG*

Philipp Holzmann AG (**Holzmann**) is a major German construction firm which filed for insolvency in March 2002. Deutsche Bank AG had been a major creditor bank and holder of an equity interest of Holzmann for many decades, and, from April 1997 until April 2000, a former member of Deutsche Bank AG's Board of Managing Directors was the Chairman of its Supervisory Board. When Holzmann became insolvent at the end of 1999, a consortium of banks led by Deutsche Bank AG participated in late 1999 and early 2000 in a restructuring of Holzmann that included the banks' extension of a credit facility, participation in a capital increase and exchange of debt into convertible bonds. In March 2002, Holzmann and several of its subsidiaries, including in particular imbau Industrielles Bauen GmbH (**imbau**), filed for insolvency. As a result of this insolvency, the administrators for Holzmann and for imbau and a group of bondholders have informed Deutsche Bank AG they may assert claims against Deutsche Bank AG because of the role of Deutsche Bank AG as lender to the Holzmann group prior to and after the restructuring and as leader of the consortium of banks which supported the restructuring. The purported claims include the claim that amounts repaid to the banks constituted voidable preferences that should be returned to the insolvent entities and claims of lender liability resulting from the banks' support for an allegedly infeasible restructuring. Although Deutsche Bank AG are in ongoing discussions, Deutsche Bank AG cannot exclude that some of the parties may file lawsuits against Deutsche Bank AG. To date, the administrator for imbau filed a lawsuit against Deutsche Bank AG in August 2004 alleging that payments received by Deutsche Bank AG in respect of a loan made to imbau in 1997 and 1998 and in connection with a real estate transaction that was part of the restructuring constituted voidable preferences that should be returned to the insolvent entity. Additionally, Gebema N.V. filed a lawsuit in 2000 seeking damages against Deutsche Bank AG alleging deficiencies in the offering documents based on which Gebema N.V. had invested in equity and convertible bonds of Holzmann in 1998.

## *General*

Due to the nature of its business, Deutsche Bank AG and its subsidiaries are involved in litigation, arbitration and regulatory proceedings in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of its businesses. Such matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Although the final resolution of any such matters could have a material effect on Deutsche Bank AG's consolidated operating results for a particular reporting period, the Bank believes that it should not materially affect our consolidated financial position.

## **Documents available for inspection**

For so long as any Notes of a Series are outstanding, copies and, where appropriate, English translations of the following documents may be inspected (in the case of (c) and (d) below) or may be obtained (in the case of (b) and (e) below) during normal business hours at the specified office of the Principal Paying Agent, at the office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A. and at the office of the Paying Agent in the Netherlands, Deutsche Bank Amsterdam, namely:

- (a) an English translation of the Articles of Association of Deutsche Bank AG;
- (b) a copy of this Offering Circular;
- (c) the Agency Agreement;
- (d) the Investment Management Agreement in respect of the relevant Series;
- (e) the most recent Portfolio Composition Report in respect of the relevant Series; and

- (f) any of the documents deemed to be incorporated herein by reference.

Document (b) and the documents referred to in (f) can be obtained free of charge from the office of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A. and at the office of the Paying Agent in the Netherlands, Deutsche Bank Amsterdam.

### **Financial statements available**

For so long as any Notes are outstanding, copies of the following documents may be obtained during normal business hours at the specified office of the Principal Paying Agent, at the office of the Paying Agent in Luxembourg and at the office of the Paying Agent in the Netherlands:

- (a) the most recently published audited consolidated financial statements of Deutsche Bank Group beginning with the audited consolidated financial statements for the years ended 31st December 2003 and 2004; and
- (b) the most recently published unaudited consolidated interim quarterly financial statements of Deutsche Bank Group; and
- (c) the most recently published audited non-consolidated financial statements of Deutsche Bank AG beginning with the audited non-consolidated financial statements for the years ending 31st December, 2003 and 31st December, 2004.

### **Internet Addresses**

The internet address of the Deutsche Bank Group is: [www.deutsche-bank.com](http://www.deutsche-bank.com). Information included on or linked to or from this website does not form part of this Offering Circular, unless this Offering Circular explicitly provides otherwise with respect to a particular document that can be downloaded from the Deutsche Bank Group's website.

### **Auditors**

The independent auditors of Deutsche Bank AG are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (**KPMG**) of Marie-Curie-Strasse 30, 60439 Frankfurt am Main, Germany. KPMG audited Deutsche Bank AG's non-consolidated financial statements for the years ended 31st December 2002, 2003 and 2004, which were prepared in accordance with the German Commercial Code (**HGB**). In accordance with Section 292a HGB, the consolidated financial statements for the years ended 31st December 2002, 2003 and 2004 were prepared in accordance with United States Generally Accepted Accounting Principles (**U.S. GAAP**) and audited by KPMG. In each case an unqualified auditor's certificate has been provided.

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