

# **GOLDMAN, SACHS & CO. WERTPAPIER GMBH**

**Frankfurt am Main**

**(the "Issuer")**

## **Base Prospectus**

pursuant to Section 6 German Securities Prospectus Act  
(*Wertpapierprospektgesetz*)

**for Open End Factor Certificates**

unconditionally guaranteed by

**The Goldman Sachs Group, Inc.**

**United States of America**

**(the "Guarantor")**

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Goldman Sachs International, Frankfurt Branch

**("Offeror")**

**The date of this Base Prospectus is 14 November 2017**

**This base prospectus dated 14 November 2017 (the "Base Prospectus") is a base prospectus relating to non-equity securities according to Art. 22 Para. 6 No. 4 of the Commission Regulation (EC) No. 809/2004 dated 29 April 2004, as lastly amended by Commission Regulation (EU) No. 486/2012 dated 30 March 2012, Commission Regulation (EU) No. 862/2012 dated 4 June 2012, Commission Regulation (EU) No. 621/2013 dated 21 March 2013, Commission Regulation (EU) No. 759/2013 dated 30 April 2013 and Commission Regulation (EU) No. 382/2014 dated 7 March 2014 (the "Prospectus Regulation"). Competent authority for the approval of the Base Prospectus pursuant to Section 6 and Section 13 of the German Securities Prospectus Act (the "WpPG") that implements Directive 2003/71/EC dated 4 November 2003, as lastly amended by Directive 2010/78/EU dated 24 November 2010 (the "Prospectus Directive") into German law is the German Federal Financial Supervisory Authority (the "Competent Authority"). In respect of the individual series of securities issued under the Base Prospectus (the "Securities") in case of public offerings and/or admission to trading on a regulated market final terms (the "Final Terms") will be filed with the Competent Authority. Any decision to purchase the Securities should be made on a consideration of the Base Prospectus as a whole, including the information incorporated by reference, any supplements and the applicable Final Terms.**

**No Sales to United States Persons. Neither the Securities nor the Guarantee in respect of the Issuer's obligations in relation to the Securities has been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and neither the Securities nor the Guarantee may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act, except in transactions exempt from the registration requirements of the Securities Act.**

**To the extent applicable, the Issuer undertakes to comply with Book VI of the Belgian Code of Economic Law in respect of the Securities offered to the public in Belgium. For this purpose, a public offer has the meaning set forth in Article 3 of the Belgian Act of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market.**

**TABLE OF CONTENTS**

<b>I. SUMMARY .....</b>	<b>6</b>
Section A – Introduction and warnings.....	6
Section B – Issuer and any guarantors .....	7
Section C – Securities .....	12
Section D – Risks .....	16
Section E – Offer.....	23
Deutsche Übersetzung der Zusammenfassung .....	26
Abschnitt A - Einleitung und Warnhinweise .....	26
Abschnitt B - Emittent und etwaige Garantiegeber .....	28
Abschnitt C – Wertpapiere.....	33
Abschnitt D – Risiken.....	38
Abschnitt E – Angebot .....	46
<b>II. RISK FACTORS .....</b>	<b>50</b>
<b>A. Risk Factors relating to the Issuer .....</b>	<b>50</b>
1. Risks in connection with the legal form and organisation of Issuer .....	50
2. Risks related to the commercial activity of the Issuer.....	51
<b>B. Risk Factors relating to the Guarantor .....</b>	<b>51</b>
<b>C. Risk Factors relating to the Securities.....</b>	<b>54</b>
1. Risk factors associated with all Securities .....	54
2. Risk factors associated with certain types of Securities .....	63
<i>Product No. 1. Risk factors applicable to Open End Factor Certificates with</i> <i>Nominal.....</i>	63
<i>Product No. 2. Risk factors applicable to Open End Factor Certificates with</i> <i>Multiplier.....</i>	65
3. Risk factors associated with the Underlying .....	67
4. Risk factors associated with conflicts of interest between Goldman Sachs and Security Holders .....	81
<b>III. INFORMATION ABOUT THE SECURITIES.....</b>	<b>85</b>
<b>1. General Information about the Securities.....</b>	<b>85</b>
(a) Interests of individuals or legal entities involved in the issue .....	85
(b) Description of the Securities .....	85
(c) Applicable law .....	85

(d) Currency of the Securities.....	86
(e) Clearing Systems and form and delivery .....	86
(f) Description of the rights attached to the Securities, exercise procedure and consequences of market disruptions .....	89
(g) Information about the Underlying .....	89
(h) Classification and Ranking of the Securities .....	90
(i) Resolutions in respect of the issue of the Securities .....	90
(j) Reasons for the offer and use of proceeds from the sale of the Securities .....	90
(k) Conditions of the offer, Offeror and Issue Date of the Securities .....	90
(l) Pricing of the Securities and factors influencing the price of the Securities .....	91
(m) Listing and trading .....	91
(n) Issue Price, Fees and Commissions .....	91
(o) Rating .....	92
<b>2. Explanation of mechanism of Securities.....</b>	<b>92</b>
<i>Product No. 1. Explanation of mechanism of Open End Factor Certificates with Nominal.....</i>	<i>92</i>
<i>Product No. 2. Explanation of mechanism of Open End Factor Certificates with Multiplier.....</i>	<i>92</i>
<b>IV. GENERAL CONDITIONS .....</b>	<b>94</b>
Section 1 (Security Right, Status, Guarantee, Definitions).....	95
Section 2 (Exercise).....	98
Section 3 (Settlement).....	103
Section 4 (Coupon) .....	109
Section 5 (Ordinary Termination Right of the Issuer).....	110
Section 6 (Transferability, Security Holder).....	111
Section 7 (Agents) .....	114
Section 8 (Substitution of Issuer) .....	114
Section 9 (Further Issuances of Securities, Purchase of Securities, Cancellation) .....	116
Section 10 (Notices).....	116
Section 11 (Modifications) .....	118
Section 12 (Governing Law, Place of Jurisdiction) .....	122
Section 13 (Severability).....	123
Section 14 (Prescription) .....	123
Annex to the General Conditions – Underlying Specific Provisions.....	125

<b>Annex to General Conditions - Index Linked Provisions .....</b>	<b>126</b>
<b>Annex to the General Conditions – Standard form of Renouncement Notice (Italian Listed Securities).....</b>	<b>145</b>
<b>V. FORM OF ISSUE SPECIFIC TERMS .....</b>	<b>147</b>
<b><i>Part A - Product specific terms .....</i></b>	<b>147</b>
<i>Product No. 1. Product specific terms applicable to Open End Factor Certificates     with Nominal.....</i>	147
<i>Product No. 2. Product specific terms applicable to Open End Factor Certificates     with Multiplier .....</i>	150
<b><i>Part B - General terms.....</i></b>	<b>153</b>
<b>VI. GUARANTEE .....</b>	<b>160</b>
<b>VII. IMPORTANT INFORMATION ABOUT THE ISSUER .....</b>	<b>162</b>
<b>VIII. IMPORTANT INFORMATION ABOUT THE GUARANTOR .....</b>	<b>163</b>
<b>IX. FORM OF FINAL TERMS .....</b>	<b>165</b>
<b>X. TAXATION.....</b>	<b>175</b>
<b>XI. SELLING RESTRICTIONS.....</b>	<b>227</b>
<b>XII. GENERAL INFORMATION.....</b>	<b>247</b>
<b>1. Responsibility for the information in the Base Prospectus.....</b>	<b>247</b>
<b>2. Information from third parties .....</b>	<b>247</b>
<b>3. Availability of the Base Prospectus.....</b>	<b>247</b>
<b>4. Consent to use the Prospectus .....</b>	<b>247</b>
<b>XIII. INFORMATION INCORPORATED BY REFERENCE.....</b>	<b>249</b>
<b>SIGNATORIES .....</b>	<b>S-1</b>

## I. SUMMARY

Summaries consist of specific disclosure requirements, known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
A.1	Warnings	<p>The Summary is intended as an introduction to the Base Prospectus dated 14 November 2017 ([as supplemented by <i>[insert supplements, as the case may be: ●]</i> and] as [further] supplemented from time to time) of Goldman, Sachs &amp; Co. Wertpapier GmbH (the "<b>Issuer</b>").</p> <p>Investors should ensure that any decision to invest in the Securities is based on a review of the entire Base Prospectus, including information incorporated by reference, any supplements, and the Final Terms. Where claims relating to the information contained in a base prospectus, information incorporated by reference, any supplements, and the respective Final Terms are brought before a court, the plaintiff investor might, under national legislation of the European Economic Area, have to bear the cost of translating the base prospectus, the information incorporated by reference, any supplements, and the Final Terms before the legal proceedings are initiated.</p> <p>The Issuer and Goldman Sachs International, Frankfurt Branch as offeror have assumed responsibility for this Summary including any translations of the same.</p> <p>These persons who have assumed responsibility for this Summary including any translations or the persons who have tabled the Summary may be held liable, but only in the event that the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or, when read together with the other parts of the Base Prospectus, does not convey all of the key information required.</p>
A.2	- Consent to the use of the Prospectus	<p>[Not applicable; the Issuer does not consent to the use of the Prospectus by financial intermediaries.] <i>[insert in the case of a general consent:</i> The Issuer consents to the use of the Base Prospectus and these Final Terms by all financial intermediaries (general consent). General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to the Offer State(s) during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act [and/or the offer will be continued on the basis of a succeeding base prospectus which will be approved before the validity of the previous Base Prospectus expires].]</p> <p><i>[insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in all Offer States:</i> The Issuer consents to the use of the Base Prospectus and these Final Terms by the following financial intermediaries (individual consent): <i>[insert name and address of specific intermediary: ●]</i>. Individual consent for the subsequent resale or final placement of Securities by the specified financial intermediaries is given in relation to the Offer State(s) during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act [and/or the offer will be continued on the basis of a succeeding base prospectus which will be approved before the validity of the previous Base Prospectus expires]. Any new information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published</p>

		<p>on the website [www.gs.de/service/bekanntmachungen] [www.gsmarkets.nl/turbo/aankondigingen/] [www.gspip.info].]</p> <p><i>[insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in selected Offer States only: The Issuer consents to the use of the Base Prospectus and these Final Terms by the financial intermediaries set out in the table below (individual consent) for the subsequent resale or final placement of Securities in relation to such Offer State(s) as selected in the table below during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act [and/or the offer will be continued on the basis of a succeeding base prospectus which will be approved before the validity of the previous Base Prospectus expires].</i></p> <table><tr><td>Name and address of financial intermediary</td><td>Selected Offer State[s]</td></tr><tr><td>[•]</td><td>[•]</td></tr><tr><td>[•]</td><td>[•]</td></tr></table> <p>Any new information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [www.gs.de/service/bekanntmachungen] [www.gsmarkets.nl/turbo/aankondigingen/] [www.gspip.info].]</p> <p><b>"Offer State(s)"</b> mean(s) the following Member State(s): [Austria][,] [and] [Belgium][,] [and] [Bulgaria][,] [and] [the Czech Republic][,] [and] [Denmark][,] [and] [Finland][,] [and] [France][,] [and] [Germany][,] [and] [Hungary][,] [and] [Ireland][,] [and] [Italy][,] [and] [Liechtenstein][,] [and] [Luxembourg][,] [and] [The Netherlands][,] [and] [Norway][,] [and] [Poland][,] [and] [Portugal][,] [and] [Slovakia][,] [and] [Spain][,] [and] [Sweden] [and] [the United Kingdom].]</p>	Name and address of financial intermediary	Selected Offer State[s]	[•]	[•]	[•]	[•]
Name and address of financial intermediary	Selected Offer State[s]							
[•]	[•]							
[•]	[•]							
- Indication of the offer period		<p><b>"Offer Period"</b> means the period from [(including),] <i>[insert date: •]</i> [the start of the offer in the respective Offer State] [to [, (including),] <i>[insert date: •]</i> [the expiring of the validity of the Base Prospectus pursuant to Section 9 of the German Securities Prospectus Act]] [[and/or] [expectedly] [to a termination of the Products by the Issuer] <i>[insert other information related to the offering period: •].]</i></p> <p>[Not applicable; the Issuer does not consent to the use of the Prospectus by financial intermediaries.]</p>						
- Conditions attached to the consent		<p>[The consent to the use of the Base Prospectus does not release the authorized financial intermediaries from the compliance with the applicable selling restrictions and all relevant applicable legal regulations for each issue. Each financial intermediary is obliged to surrender the Base Prospectus only together with any supplements to potential investors.]</p> <p>[Further, such consent is subject to and given under the condition [•].]</p> <p>[Not applicable; the consent is not subject to further conditions.]</p> <p>[Not applicable; the Issuer does not consent to the use of the Prospectus by financial intermediaries.]</p>						
- Information on the terms and conditions of the offer		<p><b>[In the event that a financial intermediary makes an offer, that financial intermediary will inform investors at the time the offer is made of the terms and conditions of the offer as set out in the Final Terms.]</b></p> <p>[Not applicable; the Issuer does not consent to the use of the Prospectus by financial intermediaries.]</p>						
<b>Section B – Issuer and any guarantors</b>								
<b>1. Information relating to Goldman, Sachs &amp; Co. Wertpapier GmbH as Issuer</b>								
B.1	Legal and commercial name of the Issuer	Goldman, Sachs & Co. Wertpapier GmbH ("GSW").						

B.2	Domicile, legal form, legislation	GSW is a company with limited liability ( <i>Gesellschaft mit beschränkter Haftung</i> ) incorporated under the laws of Germany. It has its seat in Frankfurt am Main and has been registered under the number HRB 34439 in the commercial register of the local court of Frankfurt am Main since 27 November 1991.																																			
B.4b	Known trends affecting the Issuer and the industries in which it operates	The Issuer's objective in 2017 is a further increase in the issuance activity. This is due to increased client demand in warrants and structured products, particularly in the German market. Also further enhancements to the issuance process now allow the issuance of new warrants and certificates to be almost fully automated. Furthermore, it is expected that in a volatile market there will be a multitude of follow-up issuances in the area of turbo warrants and bonus certificates. In addition, it is planned to extend the product portfolio of warrants and other leveraged products. The issuance activity in the Netherlands is expected to remain at the current level as the securities issued into the Dutch market do not have a fixed maturity date and since a need for follow-up issuances in the field of low leverages is not expected. The Issuer is part of the firmwide considerations on the UK-Brexit, in particular focusing on potential impacts on the Issuer's business model.																																			
B.5	Organisational structure	<p>GSW is a wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("<b>GSG</b>" or the "<b>Guarantor</b>") and thus part of the Goldman Sachs group, i.e. GSG and its consolidated subsidiaries (together "<b>Goldman Sachs</b>" or the "<b>Goldman Sachs Group</b>").</p> <p>Through its offices in the USA and the leading financial centers of the world Goldman Sachs Group is active in the financial services industry, divided into the segments (i) Investment Banking which includes advice with respect to mergers and acquisitions, divestitures, restructurings and spin-offs as well as public offerings and private placements of a wide range of securities and other financial instruments, (ii) Institutional Client Services which includes client execution activities related to making markets in credit products, interest rate products, mortgages, currencies, commodities and shares, (iii) Investing and Lending which includes investments (directly and indirectly through funds) and loans in various asset classes as well as investments by GSG in consolidated investment entities and (iv) Investment Management.</p>																																			
B.9	Profit forecasts or estimates	Not applicable; the Issuer has not made any profit forecasts or estimates.																																			
B.10	Qualifications in the audit report	Not applicable; there are no qualifications in the audit report of the Issuer on its historical financial information.																																			
B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following table shows selected key historical financial information in relation to the Issuer which is derived from the unaudited interim financial statements as of 30 June 2017 for the six months ended 30 June 2017 and 30 June 2016 and from the audited financial statements as of 31 December 2016 and 31 December 2015 for each of the two years in the period ended 31 December 2016 and 31 December 2015:</p> <table><tr><th colspan="5">Information in relation to the Profit and Loss Account Statement</th></tr><tr><th></th><th colspan="2">Six months ended</th><th colspan="2">As of and for the Year ended</th></tr><tr><th></th><th>30 June 2017</th><th>30 June 2016</th><th>31 December 2016</th><th>31 December 2015</th></tr><tr><td></td><td colspan="4">(EUR)</td></tr><tr><td>Operating income</td><td>334,016.37</td><td>407,944.15</td><td>787,784.88</td><td>677,585.76</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Income taxes</td><td>-106,631.67</td><td>-130,231.95</td><td>-270,600.86</td><td>-216,316.24</td></tr></table>	Information in relation to the Profit and Loss Account Statement						Six months ended		As of and for the Year ended			30 June 2017	30 June 2016	31 December 2016	31 December 2015		(EUR)				Operating income	334,016.37	407,944.15	787,784.88	677,585.76						Income taxes	-106,631.67	-130,231.95	-270,600.86	-216,316.24
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		Net income	227,384.70	277,712.20	517,184.02	461,269.52
		<b>Balance sheet information</b>				
			<b>30 June 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>	
			<i>(EUR)</i>			
		Total assets	8,084,073,502.55	6,047,710,358.96	4,975,138,387.11	
		Total capital and reserves	4,079,347.86	3,851,963.16	3,334,779.14	
		There has been no material adverse change in the prospects of the Issuer since the date of the last published audited financial statements (31 December 2016). Not applicable. There has been no significant change in the financial or trading position of the Issuer since the date of the last interim financial information (30 June 2017).				
B.13	Recent developments	Not applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency.				
B.14	Dependence of the Issuer upon other entities within the group	See B.5. All shares of GSW are held by GSG whereby GSW is dependent on the strategic and operational decisions made by GSG.				
B.15	A description of the Issuer's principal activities	The purpose of GSW is to issue fungible securities as well as the conduct of financial transactions and auxiliary transactions for financial transactions. GSW is neither engaged in banking transactions as defined in Section 1 of the German Banking Act nor in business operations as defined by Section 34 c of the German Industrial Code. GSW makes contractual arrangements with Goldman Sachs International which enable GSW to fulfil its obligations under the securities issued by it.				
B.16	Major shareholders	GSW is a wholly-owned subsidiary of GSG. All shares of GSW are held by GSG.				
B.18	Nature and scope of the guarantee	The obligations of GSW to pay of the Settlement Amount and any other amounts payable pursuant to the Conditions are unconditionally and irrevocably guaranteed by the guarantee of GSG (the " <b>Guarantee</b> "). The Guarantee will rank pari passu with all other unsecured and unsubordinated indebtedness of GSG.				
B.19	Information about the Guarantor	For information on GSG as guarantor please see "2. Information relating to The Goldman Sachs Group, Inc. as Guarantor" below.				
<b>2. Information relating to The Goldman Sachs Group, Inc. as Guarantor</b>						
B.19 (B.1)	Legal and commercial name of the Guarantor	The Goldman Sachs Group, Inc. (" <b>GSG</b> ")				
B.19 (B.2)	Domicile, legal form, legislation	GSG is organised in the State of Delaware in the United States as a corporation pursuant to the Delaware General Corporation Law, having unlimited duration and registration number 2923466.				

B.19 (B.4b)	Known trends affecting the Guarantor and the industries in which it operates	The Guarantor's prospects for the remainder of 2017 will be affected, potentially adversely, by developments in global, regional and national economies, including in the U.S., movements and activity levels, in financial, commodities, currency and other markets, interest rate movements, political and military developments throughout the world, client activity levels and legal and regulatory developments in the United States and other countries where the Guarantor does business.																									
B.19 (B.5)	Organisational structure	<p>The Guarantor is a Bank Holding Company and a Financial Holding Company pursuant to US laws. The Guarantor is the parent company of the Goldman Sachs Group.</p> <p>The organisational structure of the Goldman Sachs Group is as follows:</p> <div><pre>graph TD     GSGI[The Goldman Sachs Group, Inc.] -- 100% --&gt; GSCW[Goldman, Sachs &amp; Co. Wertpapier GmbH]     GSGI -- 100% --&gt; GSUK[Goldman Sachs (UK) L.L.C.]     GSGI -- 100% --&gt; OGE[Other GS entities]     GSUK -- 97.20% --&gt; GSUKL[Goldman Sachs Group U.K. Limited]     OGE -- 2.80% --&gt; GSUKL     GSUKL -- 100% --&gt; GSUKHL[Goldman Sachs Group Holdings (U.K.) Limited]     GSUKHL -- 100% --&gt; GSUKH[Goldman Sachs Holdings (U.K.)]     GSUKH -- 99% --&gt; GSINT[Goldman Sachs International]     OGE -- 1% --&gt; GSINT</pre></div> <p>Note: The percentages given are for direct holdings of ordinary shares or equivalent. Minority shareholdings are held by other entities of Goldman Sachs Group which are themselves owned, directly or indirectly, by GSG.</p>																									
B.19 (B.9)	Profit forecasts or estimates	Not applicable; the Guarantor has not made any profit forecasts or estimates.																									
B.19 (B.10)	Qualifications in the audit report	Not applicable; there are no qualifications in the audit report of the Guarantor on its historical financial information.																									
B.19 (B.12)	Selected historical key financial information regarding the Guarantor, statement regarding trend information and significant changes in the financial or trading position of the Group	<p>The following table shows selected key historical financial information in relation to the Guarantor which is derived from the unaudited condensed consolidated financial statement as of 30 September 2017 for the nine months ended 30 September 2017 and 30 September 2016 and from the audited consolidated financial statements as of 31 December 2016 for each of the two years in the period ended 31 December 2016 and 31 December 2015:</p> <table><tr><th colspan="5">Earnings information</th></tr><tr><th></th><th colspan="2">Nine months ended</th><th colspan="2">As of and for the Year ended</th></tr><tr><th></th><th>30 September 2017</th><th>30 September 2016</th><th>31 December 2016</th><th>31 December 2015</th></tr><tr><td></td><td colspan="4">(in USD millions)</td></tr><tr><td>Total non-interest revenues</td><td>22,205</td><td>20,187</td><td>28,021</td><td>30,756</td></tr></table>	Earnings information						Nine months ended		As of and for the Year ended			30 September 2017	30 September 2016	31 December 2016	31 December 2015		(in USD millions)				Total non-interest revenues	22,205	20,187	28,021	30,756
Earnings information																											
	Nine months ended		As of and for the Year ended																								
	30 September 2017	30 September 2016	31 December 2016	31 December 2015																							
	(in USD millions)																										
Total non-interest revenues	22,205	20,187	28,021	30,756																							

		Net revenues, including net interest income	24,239	22,438	30,608	33,820
		Pre-tax earnings	8,024	6,907	10,304	8,778
		<b>Balance sheet information</b>				
			<b>30 September 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>	
			<i>(in USD millions)</i>			
		Total assets	930,132	860,165	861,395	
Total liabilities	843,840	773,272	774,667			
Total share-holders' equity	86,292	86,893	86,728			
There has been no material adverse change in the prospects (trend information) of the Guarantor since the date of the last published audited financial statements (31 December 2016) which would impair its capability to fulfill its obligations under the Guarantee.						
Not applicable. There has been no significant change in the financial or trading position of the Goldman Sachs Group since the date of the last interim financial information (30 September 2017).						
B.19 (B.13)	Recent developments	Not applicable, there are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.				
B.19 (B.14)	Dependence of the Guarantor upon other entities within the group	See B.5. The Guarantor is a holding company and, therefore, depends on dividends, distributions and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations.				
B.19 (B.15)	A description of the Guarantor's principal activities.	Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Goldman Sachs' activities are conducted in the following segments: 1) <i>Investment Banking</i> : <i>Investment Banking</i> is comprised of: <ul style="list-style-type: none"><li>○ <i>Financial Advisory</i>, which includes advisory assignments with respect to mergers and acquisitions, divestitures, corporate defence activities, risk management, restructurings and spin-offs; and</li><li>○ <i>Underwriting</i>, which includes public offerings and private placements of a wide range of securities, loans and other financial instruments, and derivative transactions directly related to these client underwriting activities.</li></ul> 2) <i>Institutional Client Services</i> : <i>Institutional Client Services</i> is comprised of:				

		<ul style="list-style-type: none"> <li>○ <i>Fixed Income, Currency and Commodities</i>, which includes client execution activities related to making markets in interest rate products, credit products, mortgages, currencies and commodities; and</li> <li>○ <i>Equities</i>, which includes client execution activities related to making markets in equity products and commissions and fees from executing and clearing institutional client transactions on major stock, options and futures exchanges worldwide, as well as over-the-counter transactions. Equities also includes Goldman Sachs' securities services business, which provides financing, securities lending and other prime brokerage services to institutional clients, including hedge funds, mutual funds, pension funds and foundations, and generates revenues primarily in the form of interest rate spreads or fees.</li> </ul> <p>3) <i>Investing &amp; Lending</i> which includes Goldman Sachs' investing activities and the origination of loans to provide financing to clients. These investments, some of which are consolidated, and loans are typically longer-term in nature. Goldman Sachs make investments, directly and indirectly through funds that Goldman Sachs manage, in debt securities, loans, public and private equity securities and real estate entities.</p> <p>4) <i>Investment Management</i> which includes provision of investment management services and offering investment products (primarily through separately managed accounts and commingled vehicles, such as mutual funds and private investment funds) across all major asset classes to a diverse set of institutional and individual clients. Investment Management also offers wealth advisory services, including portfolio management and financial counseling, and brokerage and other transaction services to high-net-worth individuals and families.</p>
B.19 (B.16)	Major shareholders	Not applicable; GSG is a publicly-held company listed on the New York Stock Exchange and not directly or indirectly owned or controlled by any shareholder or affiliated group of shareholders.

### Section C – Securities

C.1	Type and class of the securities being offered; security identification number	<p><b>Type/Form of Securities</b></p> <p>The present Securities have the characteristic such that the level of the Settlement Amount depends on the development of the Underlying.</p> <p>[insert in the case of German Securities: Securities issued by the Issuer are bearer notes [pursuant to Section 793 of the German Civil Code (BGB)] and will be represented by a permanent global bearer note (the "<b>Global Bearer Note</b>"). The Global Bearer Note is deposited with the Clearing System.][insert in the case of English Securities: The Securities issued by the Issuer are registered securities under English law (title to such securities depending on entry of the holder's name in a register kept by the issuer or on its behalf by a registrar). Such Securities will be represented by a registered global note deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream Luxembourg.]</p> <p>[insert in the case of Euroclear Finland Registered Securities: Securities issued by the Issuer will be registered with Euroclear Finland Oy, the Finnish Central Securities Depository Ltd. ("<b>Euroclear Finland</b>") in the Euroclear Finland system and issued in uncertificated and dematerialized book-entry form in accordance with applicable Finnish regulations.]</p> <p>[insert in the case of Euroclear Sweden Registered Securities: Euroclear Sweden Registered Securities issued by the Issuer will be registered with Euroclear Sweden AB, the Swedish Central Securities Depository ("<b>Euroclear Sweden</b>") and issued in uncertificated and dematerialized book-entry form in accordance with applicable Swedish legislation.]</p> <p>[insert in the case of VPS Registered Securities: VPS Registered Securities issued by the Issuer will be registered with Verdipapirsentralen ASA, the Norwegian Central Securities</p>
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		<p>Depository ("VPS") and issued in uncertificated and dematerialized book-entry form in accordance with applicable Norwegian legislation.]</p> <p><i>[insert in the case of Euroclear Netherlands Registered Securities: Euroclear Netherlands Registered Securities issued by the Issuer will be registered with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch Central Securities Depository ("Euroclear Netherlands") and issued in uncertificated and dematerialized book-entry form in accordance with the Euroclear Netherlands Rules.]</i></p> <p>[The Issuer gives notice that investors may hold indirect interests in the Securities through Euroclear UK &amp; Ireland Limited (formerly known as CREST Co Limited) ("CREST") through the issuance of dematerialised depository interests ("CDIs"). CDIs are independent securities constituted under English law, held and settled through CREST, which will be issued by CREST Depository Limited or any successor thereto (the "CREST Depository") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "CREST Deed Poll").]</p> <p>Securities in definitive form will not be issued to Security Holders.</p> <p><b>Securities Identification</b></p> <p>ISIN: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p> <p>[WKN: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i>]</p> <p>[Valor: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i>]</p> <p>[Common Code: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i>]</p> <p><i>[insert additional identifier for the Securities (if any): [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i>]</i></p>
C.2	Currency of the securities issue	The Settlement Currency of the Securities is [●].
C.5	Restrictions on free transferability	Not applicable; the Securities will be freely transferable.
C.8	Rights attached to the securities including ranking and including limitations to those rights	<p><b>Applicable law</b></p> <p>The form and content of the Securities and all rights and obligations of the Issuer and of the Security Holders will be governed by, and construed in all respects in accordance with the laws of <i>[insert in the case of German Securities: Germany]</i> <i>[insert in the case of English Securities: England and Wales]</i>.</p> <p>The form and content of the Guarantee and all rights and obligations arising out of or in connection with it are governed by the laws of the State of New York.</p> <p><b>Rights attached to the Securities</b></p> <p>Each Security grants the Security Holder a right to demand payment of the Settlement Amount on the Settlement Date as described in more detail under C.15 below. The Securities do not bear interest.</p> <p><b>Status of the Securities</b></p> <p>The Securities of each Series constitute direct, unsecured, and unsubordinated obligations of the Issuer, which rank equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those obligations that may be preferred by provisions of law that are mandatory and of general application.</p> <p><b>Limitations to the rights</b></p> <p>The Issuer has an ordinary termination right. Moreover, the Issuer is under certain conditions entitled to extraordinary termination of the Securities and to adjustments to the</p>

		Conditions.
C.11	Admission to trading	[Frankfurt Stock Exchange][,][and] [Stuttgart Stock Exchange][,][and] [Luxembourg Stock Exchange] <i>[insert other exchange: ●]</i> [An admission to trading or listing of the Securities is not intended.]
C.15	Description of how the value of the investment is affected by the value of the underlying instrument(s)	<p>There is a relationship between the economic value of the Securities and the economic value of the Underlying. The value of the Security will typically fall if the price of the Underlying falls.</p> <p><i>[insert in the case of Open End Factor Certificates with Nominal (Product No. 1):</i>  Open End Securities do not have a specified limited term. The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.</p> <p>The Settlement Amount (converted into the Settlement Currency, if applicable) equals the Nominal multiplied by the Performance of the Underlying and then multiplied by the [Management Factor] <i>[insert in the case of Open End Factor Certificates with a Quanto feature: Fee Factor]</i>.</p> <p>[Fee Factor: [●]]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p> <p>Initial Reference Price: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p> <p>[Management Factor: [●]]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i> [Term-dependent calculation of the Management Fee according to the following formula:</p> $\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$ <p>where the terms used in the formula have the following meanings:</p> <p>"<b>MG<sub>(i)</sub></b>" means the Management Fee (i), where "i" represents the sequence of natural numbers from 1 to M. The "<b>Management Fee</b>" for i=1 equals ● per cent. The Issuer has the right to adjust the Management Fee with effect on each Business Day up to the level of ● per cent.</p> <p>"<b>M</b>" means the number of different Management Fees (i) during the term of the Securities</p> <p>"<b>n</b>" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an adjustment of the Management Fee or, if there is no adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date. "<b>n</b>" for i+1 means, in each case, the number of calendar days from (and including) the effective date of the adjustment of the Management Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or, if there is no further adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date.</p> <p>"<b>k</b>" means [the number of actual calendar days in the calendar year (actual).] <i>[insert alternative definition: ●]</i></p> <p>Nominal: [●]<i>[insert if more than one Series: As specified in the table annexed to the</i></p>

		<p>Summary]</p> <p>Performance of the Underlying: [Reference Price (as defined under Element C.19 below) divided by the Initial Reference Price] [Initial Reference Price divided by the Reference Price (as defined under Element C.19 below)][●]</p> <p><i>[insert in the case of Open End Factor Certificates with Multiplier (Product No. 2):</i></p> <p>Open End Securities do not have a specified limited term. The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.</p> <p>The Settlement Amount (converted into the Settlement Currency, if applicable) equals the Reference Price (as defined under Element C.19 below) multiplied by the Multiplier and then multiplied by the [Management Factor] <i>[insert in the case of Open End Factor Certificates with a Quanto feature: Fee Factor]</i>.</p> <p>[Fee Factor: [●]]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p> <p>[Management Factor: [●]]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i> [Term-dependent calculation of the Management Fee according to the following formula:</p> $\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$ <p>where the terms used in the formula have the following meanings:</p> <p>"MG<sub>(i)</sub>" means the Management Fee (i), where "i" represents the sequence of natural numbers from 1 to M. The "<b>Management Fee</b>" for i=1 equals ● per cent. The Issuer has the right to adjust the Management Fee with effect on each Business Day up to the level of ● per cent.</p> <p>"M" means the number of different Management Fees (i) during the term of the Securities</p> <p>"n" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an adjustment of the Management Fee or, if there is no adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date. "n" for i+1 means, in each case, the number of calendar days from (and including) the effective date of the adjustment of the Management Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or, if there is no further adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date.</p> <p>"k" means [the number of actual calendar days in the calendar year (actual).] <i>[insert alternative definition: ●]</i></p> <p>[Multiplier: [●]]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p>
C.16	Settlement Date, Final Valuation Date	<p>Settlement Date: [●]</p> <p>Final Valuation Date: [●]<i>[insert if more than one Series: As specified in the table annexed to the Summary]</i></p>
C.17	Settlement	Any cash amounts payable by the Issuer pursuant to the Conditions shall be transferred to

	procedure	the relevant Clearing System for distribution to the Security Holders.
C.18	Description of how the return on derivative securities takes place.	The Issuer will be discharged of its payment by payment to, or to the order of, the relevant Clearing System (or a depository or nominee thereof) in respect of the amount so paid.
C.19	Reference price of the underlying	Reference Price: [Underlying Price on the Final Valuation Date][●][ <i>insert if more than one Series: As specified in the table annexed to the Summary</i> ]
C.20	Description of the type of the underlying and where the information on the underlying can be found.	<p>Type: [Basket of] [Index][Indices]</p> <p>[Name of [Underlying][Basket Component 1][●]: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[ISIN: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[WKN: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[Index Sponsor: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[Underlying Price: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[Reference Currency: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[Website: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]]</p> <p>[<i>if applicable, insert corresponding information for additional Basket Components: ●</i>]</p>

**Section D – Risks**

D.2	Key information on the key risks that are specific to the Issuer and the Guarantor	<p><b><u>Risk factors relating to the Issuer</u></b></p> <p>The Issuer could fail or otherwise be unable to make the payments owing under the Securities. If that happens, you will not have the protection of any deposit insurance scheme and your Securities will not be secured, and you may lose some or all of your money.</p> <p><b><u>Risk factors relating to the Guarantor</u></b></p> <p>As part of a global financial services group the Guarantor is subject to a number of key risks:</p> <ul style="list-style-type: none"> <li>• Goldman Sachs' businesses have been and may continue to be adversely affected by conditions in the global financial markets and economic conditions generally.</li> <li>• Goldman Sachs' businesses and those of its clients are subject to extensive and pervasive regulation around the world.</li> <li>• Goldman Sachs' businesses have been and may be adversely affected by declining asset values. This is particularly true for those businesses in which Goldman Sachs has net "long" positions, receives fees based on the value of assets managed, or receives or posts collateral.</li> <li>• Goldman Sachs' businesses have been and may be adversely affected by disruptions in the credit markets, including reduced access to credit and higher costs of obtaining credit.</li> <li>• Goldman Sachs' market-making activities have been and may be affected by changes in the levels of market volatility.</li> <li>• Goldman Sachs' investment banking, client execution and investment management businesses have been adversely affected and may in the future be adversely affected</li> </ul>
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		<p>by market uncertainty or lack of confidence among investors and CEOs due to general declines in economic activity and other unfavourable economic, geopolitical or market conditions.</p> <ul style="list-style-type: none"> <li>• Goldman Sachs' investment management business may be affected by the poor investment performance of its investment products or a client preference for products other than those which Goldman Sachs offers.</li> <li>• Goldman Sachs may incur losses as a result of ineffective risk management processes and strategies.</li> <li>• Goldman Sachs' liquidity, profitability and businesses may be adversely affected by an inability to access the debt capital markets or to sell assets or by a reduction in its credit ratings or by an increase in its credit spreads.</li> <li>• A failure to appropriately identify and address potential conflicts of interest could adversely affect Goldman Sachs' businesses.</li> <li>• A failure in Goldman Sachs' operational systems or infrastructure, or those of third parties, as well as human error, could impair Goldman Sachs' liquidity, disrupt Goldman Sachs' businesses, result in the disclosure of confidential information, damage Goldman Sachs' reputation and cause losses.</li> <li>• A failure to protect Goldman Sachs' computer systems, networks and information, and Goldman Sachs' clients' information, against cyber attacks and similar threats could impair Goldman Sachs' ability to conduct Goldman Sachs' businesses, result in the disclosure, theft or destruction of confidential information, damage Goldman Sachs' reputation and cause losses.</li> <li>• The Guarantor is a holding company and is dependent for liquidity on payments from its subsidiaries, many of which are subject to restrictions.</li> <li>• The application of regulatory strategies and requirements in the United States and non-U.S. jurisdictions to facilitate the orderly resolution of large financial institutions could create greater risk of loss for the Guarantor's security holders and the Securities guaranteed by the Guarantor.</li> <li>• The application of the Guarantor's proposed resolution strategy could result in greater losses for the Guarantor's security holders and the Securities guaranteed by the Guarantor, and failure to address shortcomings in its resolution plan could subject the Guarantor to increased regulatory requirements.</li> <li>• Goldman Sachs' businesses, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, third parties who owe Goldman Sachs money, securities or other assets or whose securities or obligations Goldman Sachs holds.</li> <li>• Concentration of risk increases the potential for significant losses in Goldman Sachs' market-making, underwriting, investing and lending activities.</li> <li>• The financial services industry is both highly competitive and interrelated. The intense competition may among others negatively affect the ability of Goldman Sachs to expand. The fact that a significant volume of transactions occurs among a limited number of members of the financial industry increases the risk that allegations are raised that such institutions have colluded in order to manipulate markets or market prices, including allegations that antitrust laws have been violated.</li> <li>• Goldman Sachs faces enhanced risks as new business initiatives lead it to transact with a broader array of clients and counterparties and exposes it to new asset classes and new markets.</li> <li>• Derivative transactions and delayed settlements may expose Goldman Sachs to unexpected risk and potential losses.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Goldman Sachs' businesses may be adversely affected if Goldman Sachs is unable to hire and retain qualified employees.</li> <li>• Goldman Sachs may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.</li> <li>• Substantial legal liability or significant regulatory action against Goldman Sachs could have material adverse financial effects or cause significant reputational harm to Goldman Sachs, which in turn could seriously harm its business prospects.</li> <li>• The growth of electronic trading and the introduction of new trading technology may adversely affect Goldman Sachs' business and may increase competition.</li> <li>• Goldman Sachs' commodities activities, particularly its physical commodities businesses, subject Goldman Sachs to extensive regulation and involve certain potential risks, including environmental, reputational and other risks that may expose it to significant liabilities and costs.</li> <li>• In conducting its businesses around the world, Goldman Sachs is subject to political, economic, legal, operational and other risks that are inherent in operating in many countries.</li> <li>• Goldman Sachs may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, extreme weather events or other natural disasters.</li> </ul>
D.3 D.6	Key information on the key risks that are specific to the securities	<p><b><u>1. Risk factors associated with all Securities</u></b></p> <ul style="list-style-type: none"> <li>• The Securities are risky investment instruments. Compared to other capital investments, the risk of loss – up to the total loss of the invested capital as well as the related transaction costs – is high; the Securities do not, unless expressly provided, yield any current income.</li> <li>• Due to the leverage effect the Securities may involve disproportionate risks of loss compared to a direct investment in the Underlying.</li> <li>• The Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the Security Holder to dispose of them.</li> <li>• Security Holders should consider that price movements of the Underlying and/or the Basket Components (or the non-occurrence of an expected price movement) may decrease the value of the Security disproportionately and even render it worthless. There is then the risk of partial or total loss of the invested capital including transaction costs.</li> <li>• The performance of the Securities may be linked to the performance of the Underlying and/or the Basket Components which may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities may adversely affect the value of the Securities.</li> <li>• Where payments under the Securities will be made in a currency which is different from the currency of the Underlying and/or the Basket Components and such Securities do not have a "quanto feature", i.e. no currency hedging feature, the Security Holders are exposed also to the performance of the currency of the Underlying and/or the Basket Components, which cannot be predicted. Furthermore, the Security Holder bears a currency risk if the account of the Security Holder to which the Settlement Amount or other amounts is paid is held in a currency other than the currency of the Security.</li> <li>• Security Holders should be aware that they may not be able to hedge their exposure from the Securities.</li> <li>• A credit financing of the acquisition of Securities significantly increases the risk of</li> </ul>

	<p>loss to Security Holders.</p> <ul style="list-style-type: none"> <li>• Hedging transactions of the Issuer, the Guarantor or companies affiliated with them may have a significant effect on the price performance of the Underlying and/or a Basket Component and may thus cause a violation of certain thresholds.</li> <li>• Fees and other transactions costs reduce the chances of the Security Holder generating a profit from the purchase of the Security.</li> <li>• Security Holders are exposed to the risk of wrong assessment of the Securities' liquidity due to the issue size mentioned in the Final Terms.</li> <li>• Market disruptions, adjustment measures and termination rights may negatively affect the rights of the Security Holders.</li> <li>• Corrections, supplements or modifications of the Conditions may be detrimental for Security Holders. Security Holders should consider that right to terminate the Securities may be excluded if the correction, supplement or modification was foreseeable or is not disadvantageous for them.</li> <li>• If the Issuer redeems the Securities, a Security Holder is exposed to the risk that due to early redemption his investment will have a lower than expected yield.</li> <li>• Changes in tax law could adversely affect the value and/or the market value of the Securities or may change the tax treatment of the relevant Securities.</li> <li>• Security Holders should note that in the case of a subscription period the Issuer reserves the right to end the subscription period early or to extend it and that the Issuer is not obliged to accept subscription applications or to issue subscribed Securities.</li> </ul>
	<p><b><u>2. Risk factors associated with certain types of Securities</u></b></p> <p><i>[insert in the case of Open End Factor Certificates with Nominal (Product No. 1):</i></p> <p><b><u>Risk factors related to the unlimited term of the Securities and/or to the Issuer's ability to terminate</u></b></p> <p>The Securities do not have a specified limited term (<i>Open End</i>). The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.</p> <p>The Securities may be exercised by the Security Holder on certain Exercise Dates during their term by submitting an Exercise Notice. The Settlement Amount for exercised Securities is calculated based on the Reference Price of the Underlying on the relevant Exercise Date.</p> <p>The Securities may be terminated on notice by the Issuer by way of ordinary termination in accordance with a Termination Notice Time Span. The Issuer has no further obligations in relation to the exercise of its termination right.</p> <p>The Issuer is furthermore entitled to extraordinary termination of the Securities by notice if an adjustment is no longer possible or in the case of an Additional Disruption Event. The Issuer exercises its termination right at its reasonable discretion and has no further obligations in relation to its termination right. The exercise of the right to extraordinary termination may occur at short notice, so that, in certain circumstances, the Security Holder may no longer be able to sell his or her Security on the secondary market.</p> <p>The exercise of the termination right by the Issuer is generally more likely, the greater the volatility of the Underlying or the more illiquid the market in financial instruments related to the Underlying (including the forward and loan markets). Owing to the Issuer's termination right, Security Holders may not assume that the Securities will have an unlimited term. Security Holders should therefore not rely on being able to maintain a position in the Securities over a long period. Furthermore, Security Holders may not rely on the timely movement of the Underlying in a favorable direction before a Termination Date.</p> <p><b><u>Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer</u></b></p>

Security Holders should note that the principally unlimited term of the Securities may be ended by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Security Holder bears the risk that his expectations with respect to an increase in the value of the Securities may no longer be satisfied due to the ending of the term. In the case of a termination, it must also be considered that the Security Holder bears the reinvestment risk.

*Risk of total loss*

Open End Securities are comparable with a direct investment in the Underlying (irrespective of dividend payments and management [or quanto] fees), with the result that the Security Holder is also exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term.

*Risk factors related to Securities with Management Fee [or Quanto Fee]*

A certain Management Fee [or Quanto Fee] may be deducted from the Settlement Amount payable.

It should be noted that a Management Fee [or Quanto Fee] not only reduces the Settlement Amount payable by the Issuer, whereby the Reference Price is multiplied by a [Management Factor][Fee Factor] (consisting of the Management Fee [and Quanto Fee]) pursuant to the Issue Specific Terms, but also reduces the value of the Securities on the secondary market during their term. Such a Management Fee [or Quanto Fee] is incorporated in the calculation of the bid and ask prices for Securities on the secondary market according to the portion of the term of the Securities that has already expired.

*Particular features of the Management Fee*

The Issuer is entitled to adjust the level of the Management Fee during the term of the Securities. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Securities.

*[Particular features of the Quanto Fee]*

Exchange rate hedging costs may vary considerably according to market conditions and may have either a positive or negative value. This will be reflected in the current Quanto Fee. Should the exchange rate hedging costs be positive, the Quanto Fee will increase and lead to a lower Settlement Amount. Should the exchange rate hedging costs be negative, the Quanto Fee will be smaller and the Settlement Amount will be higher. As the term increases, it is relatively unlikely that a negative Quanto Fee will offset the Management Fee and that the Fee Factor will have a positive effect for the Security Holder.]]

*[insert in the case of Open End Factor Certificates with Multiplier (Product No. 2):*

*Risk factors related to the unlimited term of the Securities and/or to the Issuer's ability to terminate*

The Securities do not have a specified limited term (*Open End*). The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.

The Securities may be exercised by the Security Holder on certain Exercise Dates during their term by submitting an Exercise Notice. The Settlement Amount for exercised Securities is calculated based on the Reference Price of the Underlying on the relevant Exercise Date.

The Securities may be terminated on notice by the Issuer by way of ordinary termination in accordance with a Termination Notice Time Span. The Issuer has no further obligations in relation to the exercise of its termination right.

The Issuer is furthermore entitled to extraordinary termination of the Securities by notice if an adjustment is no longer possible or in the case of an Additional Disruption Event. The Issuer exercises its termination right at its reasonable discretion and has no further

	<p>obligations in relation to its termination right. The exercise of the right to extraordinary termination may occur at short notice, so that, in certain circumstances, the Security Holder may no longer be able to sell his or her Security on the secondary market.</p> <p>The exercise of the termination right by the Issuer is generally more likely, the greater the volatility of the Underlying or the more illiquid the market in financial instruments related to the Underlying (including the forward and loan markets). Owing to the Issuer's termination right, Security Holders may not assume that the Securities will have an unlimited term. Security Holders should therefore not rely on being able to maintain a position in the Securities over a long period. Furthermore, Security Holders may not rely on the timely movement of the Underlying in a favorable direction before a Termination Date.</p> <p><u><i>Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer</i></u></p> <p>Security Holders should note that the principally unlimited term of the Securities may be ended by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Security Holder bears the risk that his expectations with respect to an increase in the value of the Securities may no longer be satisfied due to the ending of the term. In the case of a termination, it must also be considered that the Security Holder bears the reinvestment risk.</p> <p><u><i>Risk of total loss</i></u></p> <p>Open End Securities are comparable with a direct investment in the Underlying (irrespective of dividend payments and management [or quanto] fees), with the result that the Security Holder is also exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term.</p> <p><u><i>Risk factors related to Securities with Management Fee [or Quanto Fee]</i></u></p> <p>A certain Management Fee [or Quanto Fee] may be deducted from the Settlement Amount payable.</p> <p>It should be noted that a Management Fee [or Quanto Fee] not only reduces the Settlement Amount payable by the Issuer, whereby the Reference Price is multiplied by a [Management Factor][Fee Factor] (consisting of the Management Fee [and Quanto Fee]) pursuant to the Issue Specific Terms, but also reduces the value of the Securities on the secondary market during their term. Such a Management Fee [or Quanto Fee] is incorporated in the calculation of the bid and ask prices for Securities on the secondary market according to the portion of the term of the Securities that has already expired.</p> <p><u><i>Particular features of the Management Fee</i></u></p> <p>The Issuer is entitled to adjust the level of the Management Fee during the term of the Securities. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Securities.</p> <p><u><i>[Particular features of the Quanto Fee]</i></u></p> <p>Exchange rate hedging costs may vary considerably according to market conditions and may have either a positive or negative value. This will be reflected in the current Quanto Fee. Should the exchange rate hedging costs be positive, the Quanto Fee will increase and lead to a lower Settlement Amount. Should the exchange rate hedging costs be negative, the Quanto Fee will be smaller and the Settlement Amount will be higher. As the term increases, it is relatively unlikely that a negative Quanto Fee will offset the Management Fee and that the Fee Factor will have a positive effect for the Security Holder.]]</p> <p><b><u>3. Risk factors associated with certain types of Underlyings</u></b></p> <p>The investor must take into account the fact that the Factor Index is not a recognized financial index, but a strategy index designed and calculated by the Index Sponsor. The sole function of the respective Factor Index is to serve as Underlying for the relevant</p>
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Open End Factor Certificates. The Factor Index tracks the leveraged investment in the asset underlying the Factor Index. Accordingly, the value of the Factor Index depends on the development of the Component. Security Holders should only invest in Securities if they are familiar with the Underlying and/or relevant Basket Components and have a comprehensive understanding of the type of Underlying and/or Basket Components itself, the market and other rules of the relevant Underlying and/or Basket Components.

#### **4. Risk factors associated with conflicts of interest between Goldman Sachs and Security Holders**

##### **Conflicts of interest relating to the Underlying**

The Issuer and other companies of Goldman Sachs deal in the Underlyings or in components of the Underlying or in option or futures contracts relating thereto in their ordinary course of business and from time to time participate in transactions connected to the Securities for their own account or for the account of others. These activities may have negative effects on the value of the Underlying and thus on the price of the Securities and the amount of a potential Settlement Amount. The Issuer may use part or all of the proceeds from the sale of the Securities for hedging transactions. These hedging transactions may affect the price of the Underlyings or of the components of the Underlying that is formed on the market.

The Issuer and other companies of Goldman Sachs may receive non-public information in relation to the Underlying or components of the Underlying, but are not obligated to pass on such information to the Security Holders. Furthermore, companies of Goldman Sachs may publish research reports in relation to the Underlying or components of the Underlying. Activities of the aforementioned nature may entail conflicts of interest and have an effect on the price of the Securities.

##### **Conflicts of interest in connection with the determination of purchase prices**

The purchase price of the Securities may, where appropriate in addition to fixed issue surcharges, management fees or other fees, contain surcharges that are not transparent to the Security Holder on the initial mathematical "fair" price of the Securities.

##### **Conflicts of interest in connection with commission payments**

It must be noted that the selling price of the Securities may contain commissions charged by the Market Maker for the issue or which may be passed on by the Market Maker to distribution partners in whole or in part as consideration for distribution activities.

##### **Conflicts of interest in connection with the Market Making by Goldman Sachs International**

Goldman Sachs will in its function as Market Maker take the directly opposite economic position to the Security Holder immediately with or immediately after the trade and will either offset, hedge, or hold this position.

The prices quoted by the Market Maker may differ significantly at the relevant time from the fair price or the price of the Securities to be expected economically. Furthermore, the Market Maker may change the method based on which it determines the quoted prices at any time. Any such deviation from the fair price of the Securities may cause the bid and ask prices quoted by other security traders for the Securities to differ significantly (both upwards and downward) from the bid and ask prices quoted by the Market Maker.

##### **Conflicts of interest relating to the various functions of Goldman Sachs in connection with the Issue**

The Issuer and other companies of Goldman Sachs may where appropriate carry out various functions in connection with the offer and the sale of the Securities, for example as issue agent, Calculation Agent, Paying and/or Administration Agent. Due to the various functions and the obligations resulting from them in each case, conflicts of interest may arise both among the relevant companies of Goldman Sachs and between them and the Security Holders.

		<p><u><i>Interests of third parties involved in the Issue</i></u></p> <p>The Issuer can involve cooperation partners and external advisors in the issuance of Securities. It is possible that these cooperation partners and advisors may also pursue their own interests in the course of their activity and act not only in the interest of Security Holders.</p>
<b>Section E – Offer</b>		
E.2b	Reasons for the offer and use of proceeds when different from making profit	Not applicable; the proceeds from the Securities are used to hedge the payment obligations arising from the issuance of the Securities pursuant with agreement with Goldman Sachs International and for purposes of the Issuer's ordinary business activities (in any case the Issuer is free in the use of the proceeds of an issue of Securities).
E.3	Description of the terms and conditions of the offer	<p>Issue Price [for subscriptions during the subscription period] [on the Issue Date]: [●][<i>insert if more than one Series: As specified in the table annexed to the Summary</i>]</p> <p>[The Securities are offered for subscription during the subscription period, i.e. from [●] to including [●]. The Issuer reserves the right to end the subscription period early [or to extend it. [The Issuer is not obliged to accept subscription applications. Partial allocations are possible (in particular in the event of oversubscription). The Issuer is not obliged to issue subscribed Securities.]] [<i>insert, where required, further information to describe the conditions of the offer: ●</i>]</p>
E.4	Any interest that is material to the issue/offer including conflicting interests	<p>The Issuer and other companies of Goldman Sachs as well as third parties involved in the issue of the Securities may have conflicting interests that are detrimental to the investor.</p> <p><b><i>Conflicts of interest in relation to the Underlying</i></b></p> <p>The Issuer and other companies of Goldman Sachs deal in the Underlyings or in components of the Underlying or in option or futures contracts relating thereto in their ordinary course of business and from time to time participate in transactions connected to the Securities for their own account or for the account of others. These activities may have negative effects on the value of the Underlying and thus on the price of the Securities and the amount of a potential Settlement Amount.</p> <p>The Issuer may use part or all of the proceeds from the sale of the Securities for hedging transactions. These hedging transactions may affect the price of the Underlyings or of the components of the Underlying that is formed on the market.</p> <p>The Issuer and other companies of Goldman Sachs may receive non-public information in relation to the Underlying or components of the Underlying, but are not obligated to pass on such information to the Security Holders. Furthermore, companies of Goldman Sachs may publish research reports in relation to the Underlying or components of the Underlying. Activities of the aforementioned nature may entail conflicts of interest and have an effect on the price of the Securities.</p> <p><b><i>Conflicts of interest in connection with the determination of purchase prices</i></b></p> <p>The purchase price of the Securities may, where appropriate in addition to fixed issue surcharges, management fees or other fees, contain surcharges that are not transparent to the Security Holder on the initial mathematical "fair" price of the Securities.</p> <p><b><i>Conflicts of interest in connection with commission payments</i></b></p> <p>It must be noted that the selling price of the Securities may contain commissions charged by the Market Maker for the issue or which may be passed on by the Market Maker to distribution partners in whole or in part as consideration for distribution activities. It must be considered that the payment of these commissions to distribution partners may lead to conflicts of interest for the detriment of the Security Holder.</p> <p><b><i>Conflicts of interest in connection with the Market Making by Goldman Sachs International</i></b></p> <p>If Goldman Sachs International as market maker (the "<b>Market Maker</b>") does make a market for the Securities, Security Holders should note that delays may occur during the</p>

		<p>price determination, which may for example result from Market Disruptions or system problems. Goldman Sachs will in its function as Market Maker take the directly opposite economic position to the Security Holder immediately with or immediately after the trade and will either offset, hedge, or hold this position. The prices quoted by the Market Maker may differ significantly at the relevant time from the fair price or the price of the Securities to be expected economically. Furthermore, the Market Maker may change the method based on which it determines the quoted prices at any time. Any such deviation from the fair price of the Securities may cause the bid and ask prices quoted by other security traders for the Securities to differ significantly (both upwards and downward) from the bid and ask prices quoted by the Market Maker.</p> <p><b><i>Conflicts of interest relating to the various functions of Goldman Sachs in connection with the issue</i></b></p> <p>The Issuer and other companies of Goldman Sachs may where appropriate carry out various functions in connection with the offer and the sale of the Securities, for example as issue agent, Calculation Agent, Paying and/or Administration Agent. It is furthermore also possible that companies of Goldman Sachs act as counterparty in hedging transactions in connection with the obligations of the Issuer under the Securities or as Market Maker. Due to the various functions and the obligations resulting from them in each case, conflicts of interest may arise both among the relevant companies of Goldman Sachs and between them and the Security Holders. It must be considered in particular in connection with the function as Calculation Agent that conflicts of interest may occur, since the Calculation Agent has the right in certain cases that are specified in the Conditions to make certain determinations, which are binding for the Issuer and Security Holders. Such determinations may have a negative effect on the price of the Securities and be correspondingly disadvantageous for the Security Holder.</p> <p><b><i>Interests of third parties involved in the Issue</i></b></p> <p>The Issuer can involve cooperation partners and external advisors in the issuance of Securities, for example for the composition and adjustment of a basket or Index. It is possible that these cooperation partners and advisors may also pursue their own interests in the course of their activity and act not only in the interest of Security Holders.</p> <p><i>[insert information regarding conflicts of interest, if any, not known at the date of the Base Prospectus: ●]</i></p>
E.7	Estimated expenses charged to the investor by the Issuer or the offeror	<p>The investor may subscribe or purchase the Securities at the Issue Price or the purchase price. Information on any transaction costs may be obtained from the relevant distributor. Neither the Issuer nor the Offeror will charge the subscriber or purchaser any costs over and above the Issue Price or the purchase price.</p>



*[insert if more than one Series: **Annex to the Summary***

Information relating to Element C.1	Information relating to Element C.15]	Information relating to Element C.16]	Information relating to Element C.19]	Information relating to Element C.20]	Information relating to Element E.3
[ISIN] [WKN] [Valor] [Common Code] <i>[insert additional identifier for the Securities (if any): •]</i>	[Initial Reference Price] [Multiplier] [Nominal] [Fee Factor] [Manangement Factor]	[Final Valuation Date]	[Reference Price]	[Name of [Underlying] [Basket Component 1][•]] [ISIN] [WKN] [Index Sponsor] [Un- derlying Price] [Refer- ence Currency] [Web- site]	[Issue Price]
[•]	[•]	[•]	[•]	[•]	[•]

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**Deutsche Übersetzung der Zusammenfassung**

**Zusammenfassungen bestehen aus bestimmten Offenlegungspflichten, den sogenannten "Punkten". Diese Punkte sind in den nachfolgenden Abschnitten A – E gegliedert und nummeriert (A.1 – E.7).**

**Diese Zusammenfassung enthält alle Punkte, die in eine Zusammenfassung für diese Art von Wertpapieren und für Emittenten dieses Typs aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, ist die Nummerierung zum Teil nicht durchgängig und es kann zu Lücken kommen.**

**Auch wenn ein Punkt aufgrund der Art des Wertpapiers bzw. für Emittenten dieses Typs in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punkts keine relevante Information zu geben ist. In diesem Fall enthält die Zusammenfassung an der entsprechenden Stelle eine kurze Beschreibung der Schlüsselinformation und den Hinweis "Nicht anwendbar".**

<b>Abschnitt A - Einleitung und Warnhinweise</b>		
A.1	Warnhinweise	<p>Die Zusammenfassung ist als Einführung zum Basisprospekt vom 14. November 2017 ([wie nachgetragen durch <i>[gegebenenfalls Nachträge einfügen: •]</i>] einschließlich etwaiger [zukünftiger] Nachträge) der Goldman, Sachs &amp; Co. Wertpapier GmbH (die "<b>Emittentin</b>") zu verstehen.</p> <p>Der Anleger sollte jede Entscheidung zur Anlage in die Wertpapiere auf die Prüfung des gesamten Basisprospekts, einschließlich der durch Verweis einbezogenen Informationen, etwaiger Nachträge und der Endgültigen Bedingungen stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in einem Basisprospekt, durch Verweis einbezogenen Informationen, etwaigen Nachträgen sowie den in den jeweiligen Endgültigen Bedingungen enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften von Staaten des Europäischen Wirtschaftsraums die Kosten für eine Übersetzung des Basisprospekts, der durch Verweis einbezogenen Informationen, etwaiger Nachträge und der Endgültigen Bedingungen vor Prozessbeginn zu tragen haben.</p> <p>Die Emittentin und die Goldman Sachs International, Zweigniederlassung Frankfurt als Anbieterin haben für diese Zusammenfassung einschließlich etwaiger Übersetzungen die Verantwortung übernommen.</p> <p>Diese Personen, die die Verantwortung für diese Zusammenfassung einschließlich etwaiger Übersetzungen übernommen haben, oder Personen, von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p>
A.2	- Zustimmung zur Verwendung des Prospekts	<p>[Nicht anwendbar; eine Zustimmung zur Verwendung des Prospekts wurde den Finanzintermediären nicht erteilt.][<i>im Fall eines Generalkonsens einfügen:</i> Die Emittentin stimmt der Nutzung des Basisprospekts und dieser Endgültigen Bedingungen durch alle Finanzintermediäre (Generalkonsens) zu. Die allgemeine Zustimmung für die anschließende Weiterveräußerung oder endgültige Platzierung der Wertpapiere ist durch die Finanzintermediäre in Bezug auf den/die Angebotsstaat(en) und für die Dauer der Angebotsfrist, während der die Wertpapiere weiterverkauft oder endgültig platziert werden können, gegeben, vorausgesetzt der Basisprospekt ist weiterhin gemäß § 9 WpPG gültig [bzw. das Angebot wird auf Basis eines nachfolgenden Basisprospekts fortgesetzt, dessen Billigung vor Ablauf der Gültigkeit des vorangegangenen Basisprospekts erfolgt].]</p> <p>[<i>im Fall eines Individualkonsens zur Nutzung des Prospekts durch bestimmte Finanzintermediäre in allen Angebotsstaaten, einfügen:</i> Die Emittentin stimmt der Nutzung des</p>

	<p>Basisprospekts und dieser Endgültigen Bedingungen für Angebote durch die folgenden Finanzintermediäre (Individualkonsens) zu: <i>[Name und Adresse des bestimmten Finanzintermediärs einfügen: •]</i>. Die individuelle Zustimmung für die anschließende Weiterveräußerung oder endgültige Platzierung der Wertpapiere ist durch die festgelegten Finanzintermediäre in Bezug auf den/die Angebotsstaat(en) und für die Dauer der Angebotsfrist, während der die Wertpapiere weiterverkauft oder endgültig platziert werden können, gegeben, vorausgesetzt der Basisprospekt ist weiterhin gemäß § 9 WpPG gültig [bzw. das Angebot wird auf Basis eines nachfolgenden Basisprospekts fortgesetzt, dessen Billigung vor Ablauf der Gültigkeit des vorangegangenen Basisprospekts erfolgt]. Jede neue Information bezüglich der Finanzintermediäre die zum Zeitpunkt der Billigung des Basisprospekts oder der Hinterlegung der Endgültigen Bedingungen unbekannt ist, wird auf der Webseite <a href="http://www.gs.de/service/bekanntmachungen">[www.gs.de/service/bekanntmachungen]</a> <a href="http://www.gsmarkets.nl/turbo/aankondigingen/">[www.gsmarkets.nl/turbo/aankondigingen/]</a> <a href="http://www.gspip.info">[www.gspip.info]</a> veröffentlicht.]</p> <p><i>[im Fall eines Individualkonsens zur Nutzung des Prospekts durch bestimmte Finanzintermediäre nur in ausgewählten Angebotsländern einfügen:</i> Die Emittentin stimmt der Nutzung des Basisprospekts und dieser Endgültigen Bedingungen für die anschließende Weiterveräußerung oder endgültige Platzierung der Wertpapiere durch die in untenstehender Tabelle aufgeführten Finanzintermediäre (Individualkonsens) bezüglich des (jeweils) in untenstehender Tabelle ausgewählten Angebotsstaats für die Dauer der Angebotsfrist, während der die Wertpapiere weiterverkauft oder endgültig platziert werden können, zu, vorausgesetzt der Basisprospekt ist weiterhin gemäß § 9 WpPG gültig [bzw. das Angebot wird auf Basis eines nachfolgenden Basisprospekts fortgesetzt, dessen Billigung vor Ablauf der Gültigkeit des vorangegangenen Basisprospekts erfolgt].</p> <p>Name und Adresse des Finanzintermediärs      Ausgewählte[r] Angebotsstaat[en]  [•]      [•]  [•]      [•]</p> <p>Jede neue Information bezüglich der Finanzintermediäre die zum Zeitpunkt der Billigung des Basisprospekts oder der Hinterlegung der Endgültigen Bedingungen unbekannt ist, wird auf der Webseite <a href="http://www.gs.de/service/bekanntmachungen">[www.gs.de/service/bekanntmachungen]</a> <a href="http://www.gsmarkets.nl/turbo/aankondigingen/">[www.gsmarkets.nl/turbo/aankondigingen/]</a> <a href="http://www.gspip.info">[www.gspip.info]</a> veröffentlicht.]</p> <p><b>["Angebotsstaat(en)"]</b> bezeichnet den/die folgenden Mitgliedstaat(en): [Österreich][,] [und] [Belgien][,] [und] [Bulgarien][,] [und] [der Tschechischen Republik][,] [und] [Dänemark][,] [und] [Finnland][,] [und] [Frankreich][,] [und] [Deutschland][,] [und] [Ungarn][,] [und] [Irland][,] [und] [Italien][,] [und] [Liechtenstein][,] [und] [Luxemburg][,] [und] [die Niederlande][,] [und] [Norwegen][,] [und] [Polen][,] [und] [Portugal][,] [und] [die Slowakei][,] [und] [Spanien][,] [und] [Schweden] [und] [das Vereinigte Königreich].]</p>
- Angabe der Angebotsfrist	<p><b>["Angebotsfrist"]</b> bezeichnet den Zeitraum ab <i>[Datum einfügen: •]</i> [dem für den jeweiligen Angebotsstaat maßgeblichen Angebotsbeginn] [(einschließlich)] [bis <i>[Datum einfügen: •]</i>] [zum Ablauf der Gültigkeit des Basisprospekts gemäß § 9 WpPG] [(einschließlich)] [[bzw.] [voraussichtlich] bis zur Kündigung der Produkte durch die Emittentin] <i>[weitere Angaben zur Angebotsfrist einfügen: •]</i>.]</p> <p>[Nicht anwendbar; eine Zustimmung zur Verwendung des Prospekts wurde den Finanzintermediären nicht erteilt.]</p>
- Sonstige Bedingungen, an die die Zustimmung gebunden ist	<p>[Die Zustimmung zur Verwendung des Basisprospekts entbindet die berechtigten Finanzintermediäre nicht von der Einhaltung der für die jeweilige Emission geltenden Verkaufsbeschränkungen und aller jeweils anwendbaren gesetzlichen Vorschriften. Jeder Finanzintermediär ist verpflichtet, den Basisprospekt potenziellen Anlegern nur zusammen mit etwaigen Nachträgen auszuhändigen.]</p> <p>[Des Weiteren wird die Zustimmung vorbehaltlich und unter der Voraussetzung erteilt, dass [•].]</p>

		<p>[Nicht anwendbar; die Zustimmung ist an keine weiteren Bedingungen gebunden.]</p> <p>[Nicht anwendbar; eine Zustimmung zur Verwendung des Prospekts wurde den Finanzintermediären nicht erteilt.]</p>
	- Zurverfügungstellung der Angebotsbedingungen durch Finanzintermediäre	<p><b>[Anlegern sind im Falle eines Angebots durch einen Finanzintermediär von diesem zum Zeitpunkt der Vorlage des Angebots die Angebotsbedingungen zur Verfügung zu stellen.]</b></p> <p>[Nicht anwendbar; eine Zustimmung zur Verwendung des Prospekts den Finanzintermediären wurde nicht erteilt.]</p>
<b>Abschnitt B - Emittent und etwaige Garantiegeber</b>		
<b>1. Informationen bezüglich der Goldman, Sachs &amp; Co. Wertpapier GmbH als Emittentin</b>		
B.1	Juristische und kommerzielle Bezeichnung des Emittenten	Goldman, Sachs & Co. Wertpapier GmbH (" <b>GSW</b> ")
B.2	Sitz, Rechtsform, Rechtsordnung	Die GSW ist eine Gesellschaft mit beschränkter Haftung unter deutschem Recht. Sie hat ihren Sitz in Frankfurt am Main und ist seit dem 27. November 1991 unter der Nummer HRB 34439 im Handelsregister des Amtsgerichts Frankfurt am Main eingetragen.
B.4b	Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die Emittentin geht von einem weiteren Anstieg der Emissionstätigkeit im Geschäftsjahr 2017 aus. Die erwartete Steigerung der Aktivität, die insbesondere den deutschen Markt betrifft, ist dem weiterhin großen Kundeninteresse an Optionsscheinen und strukturierten Produkten geschuldet. Zusätzliche Automatisierungen im Emissionsprozess sind durchgeführt worden und erlauben die weitgehend vollautomatische Emission neuer Optionsscheine und Zertifikate. Weiterhin wird in einem volatilen Marktumfeld mit einer Vielzahl von Nachemissionen im Turbo-Optionsschein- und Bonus-Zertifikat-Bereich in Folge von Barrierebrüchen gerechnet. Zusätzlich ist die Erweiterung des Produktportfolios von Optionsscheinen und anderen Hebelprodukten geplant. Die Emissionstätigkeit in den Niederlanden wird dagegen eher auf dem aktuellen Niveau erwartet, da hier eine Grundausstattung von Wertpapieren ausschließlich ohne vorbestimmten Fälligkeitstermin erstellt wurde, und hier nicht mit der Notwendigkeit der Nachemission im niedriggehebelten Bereich gerechnet wird. Die Emittentin ist Teil einer firmenweiten Erörterung des UK-Brexits, insbesondere hinsichtlich der eventuellen Auswirkungen auf das Geschäftsmodell der Emittentin.
B.5	Konzernstruktur	<p>Die GSW ist eine 100-prozentige Tochtergesellschaft von The Goldman Sachs Group, Inc. ("<b>GSG</b>" oder die "<b>Garantin</b>") und damit Teil der Goldman Sachs Gruppe, d.h. der GSG und ihrer konsolidierten Tochtergesellschaften (zusammen "<b>Goldman Sachs</b>" oder die "<b>Goldman Sachs Gruppe</b>").</p> <p>Durch ihre Büros in den Vereinigten Staaten und den führenden Finanzzentren der Welt ist die Goldman Sachs Gruppe im Finanzdienstleistungsbereich tätig, aufgeteilt in die Bereiche (i) Investment Banking, was die Beratung im Hinblick auf Fusionen und Übernahmen, Veräußerungen von Vermögenswerten, Restrukturierungen und Abspaltungen sowie öffentliche Angebote und Privatplatzierungen einer Vielzahl von Wertpapieren und anderen Finanzinstrumenten umfasst, (ii) Institutional Client Services, was die Ausführung von Kundengeschäften im Zusammenhang mit dem Market Making für Kreditprodukte, Zinsprodukte, Hypothekendarlehen, Währungen, Rohstoffe und Aktien umfasst, (iii) Investing and Lending, was Investitionen (direkt und indirekt über Fonds) und Darlehen in einer Vielzahl von Anlageklassen sowie Investitionen von GSG in konsolidierte Anlagegesellschaften umfasst sowie (iv) Investment Management.</p>

B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar; die Emittentin hat keine Gewinnprognose oder -schätzung abgegeben.																																																																					
B.10	Beschränkungen im Bestätigungsvermerk	Nicht anwendbar; es gibt keine Beschränkungen im Bestätigungsvermerk der Emittentin zu ihren historischen Finanzinformationen.																																																																					
B.12	Ausgewählte wesentliche historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen bezüglich der Emittentin, die dem ungeprüften Zwischenabschluss vom 30. Juni 2017 jeweils für die am 30. Juni 2017 bzw. 30. Juni 2016 geendeten sechs Monate sowie den geprüften Abschlüssen vom 31. Dezember 2016 bzw. 31. Dezember 2015 jeweils für das am 31. Dezember 2016 bzw. 31. Dezember 2015 geendete Geschäftsjahr entnommen sind:</p> <table><tr><th colspan="5">Informationen zur Gewinn-und Verlustrechnung</th></tr><tr><th></th><th colspan="2">Für die sechs Monate endend am</th><th colspan="2">Für das Geschäftsjahr endend am</th></tr><tr><th></th><th>30. Juni 2017</th><th>30. Juni 2016</th><th>31. Dezember 2016</th><th>31. Dezember 2015</th></tr><tr><th></th><th colspan="4">(EUR)</th></tr><tr><td>Ergebnis der gewöhnlichen Geschäftstätigkeit</td><td>334.016,37</td><td>407.944,15</td><td>787.784,88</td><td>677.585,76</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Steuern vom Einkommen</td><td>-106.631,67</td><td>-130.231,95</td><td>-270.600,86</td><td>-216.316,24</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Jahresüberschuss</td><td>227.384,70</td><td>277.712,20</td><td>517.184,02</td><td>461.269,52</td></tr></table> <table><tr><th colspan="4">Bilanzinformationen</th></tr><tr><th></th><th>30. Juni 2017</th><th>31. Dezember 2016</th><th>31. Dezember 2015</th></tr><tr><th></th><th colspan="3">(EUR)</th></tr><tr><td>Summe der Aktiva</td><td>8.084.073.502,55</td><td>6.047.710.358,96</td><td>4.975.138.387,11</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>Summe Eigenkapital</td><td>4.079.347,86</td><td>3.851.963,16</td><td>3.334.779,14</td></tr></table> <p>Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2016) hat es</p>	Informationen zur Gewinn-und Verlustrechnung						Für die sechs Monate endend am		Für das Geschäftsjahr endend am			30. Juni 2017	30. Juni 2016	31. Dezember 2016	31. Dezember 2015		(EUR)				Ergebnis der gewöhnlichen Geschäftstätigkeit	334.016,37	407.944,15	787.784,88	677.585,76						Steuern vom Einkommen	-106.631,67	-130.231,95	-270.600,86	-216.316,24						Jahresüberschuss	227.384,70	277.712,20	517.184,02	461.269,52	Bilanzinformationen					30. Juni 2017	31. Dezember 2016	31. Dezember 2015		(EUR)			Summe der Aktiva	8.084.073.502,55	6.047.710.358,96	4.975.138.387,11					Summe Eigenkapital	4.079.347,86	3.851.963,16	3.334.779,14
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		keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.  Nicht anwendbar. Seit dem Stichtag der letzten Zwischenfinanzinformationen (30. Juni 2017) sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten.
B.13	Aktuelle Entwicklungen	Nicht anwendbar; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.
B.14	Abhängigkeit des Emittenten von anderen Konzerngesellschaften	Siehe B.5.  Sämtliche Geschäftsanteile der GSW werden von der GSG gehalten, wodurch die GSW von den strategischen sowie operativen Entscheidungen der GSG abhängig ist.
B.15	Beschreibung der Haupttätigkeiten des Emittenten	Gegenstand der GSW ist die Ausgabe von vertretbaren Wertpapieren und die Durchführung von Finanzgeschäften und Hilfsgeschäften für Finanzgeschäfte. Die Gesellschaft betreibt keine Bankgeschäfte im Sinne von § 1 Kreditwesengesetz und keine Geschäfte im Sinne von § 34 c Gewerbeordnung.  Die GSW trifft vertragliche Vorkehrungen, die sie in die Lage versetzen, ihre Verpflichtungen gemäß den von ihr ausgegebenen Wertpapieren zu erfüllen.
B.16	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse	Die GSW ist eine 100-prozentige Tochtergesellschaft der GSG. Sämtliche Geschäftsanteile werden von der GSG gehalten.
B.18	Art und Umfang der Garantie	Die Verpflichtungen der GSW zur Auszahlung des Tilgungsbetrags und anderer Zahlungen gemäß den Bedingungen sind unwiderruflich und bedingungslos durch die Garantie der GSG (die " <b>Garantie</b> ") garantiert. Die Garantie ist gleichrangig mit allen anderen unbesicherten, nicht-nachrangigen Verpflichtungen der Garantin.
B.19	Angaben zur Garantin	Für Informationen über die GSG als Garantin siehe unten "2. Informationen bezüglich der The Goldman Sachs Group, Inc. als Garantin".
<b>2. Informationen bezüglich der The Goldman Sachs Group, Inc. als Garantin</b>		
B.19 (B.1)	Juristische und kommerzielle Bezeichnung der Garantin	The Goldman Sachs Group, Inc. (" <b>GSG</b> ")
B.19 (B.2)	Sitz, Rechtsform, Rechtsordnung	Die GSG ist im Bundesstaat Delaware in den Vereinigten Staaten von Amerika als Gesellschaft nach dem allgemeinen Körperschaftsgesetz von Delaware ( <i>Delaware General Corporation Law</i> ) auf unbestimmte Dauer und unter der Registrierungsnummer 2923466 organisiert.
B.19 (B.4b)	Trends, die sich auf die Garantin und die Branchen, in denen sie tätig ist, auswirken	Die Geschäftsaussichten der Garantin für das restliche Jahr 2017 werden, möglicherweise nachteilig, von Entwicklungen der globalen, regionalen und nationalen Wirtschaft – einschließlich der Vereinigten Staaten – sowie von Kursentwicklungen und Aktivitäten in Finanz-, Rohstoff-, Devisen- und anderen Märkten, Zinsschwankungen, politischen und militärischen Entwicklungen in der ganzen Welt, Kundenaktivitäten und rechtlichen sowie regulatorischen Entwicklungen in den Vereinigten Staaten und anderen Ländern, in denen die Garantin geschäftlich tätig ist, beeinflusst werden.
B.19 (B.5)	Konzernstruktur	Die Garantin ist eine Bankholdinggesellschaft ( <i>Bank Holding Company</i> ) und eine Finanzholdinggesellschaft ( <i>Financial Holding Company</i> ) nach U.S.-amerikanischem

		<p>Recht. Die Garantin ist die Muttergesellschaft der Goldman Sachs Gruppe.</p> <p>Im Folgenden ist die Organisationsstruktur der Goldman Sachs Gruppe dargestellt:</p> <div></div> <p>Hinweis: Die genannten Anteile gelten für direkte Beteiligungen durch Stammaktien oder entsprechende Instrumente. Minderheitenbeteiligungen werden von anderen Unternehmen der Goldman Sachs Group gehalten, die selbst direkt oder indirekt von GSG gehalten werden.</p>																																			
B.19 (B.9)	Gewinnprognosen oder -schätzungen	Nicht anwendbar; die Garantin hat keine Gewinnprognose oder -schätzung abgegeben.																																			
B.19 (B.10)	Beschränkungen im Bestätigungsvermerk	Nicht anwendbar; es gibt keine Beschränkungen im Bestätigungsvermerk der Garantin zu ihren historischen Finanzinformationen.																																			
B.19 (B.12)	Ausgewählte wesentliche historische Finanzinformationen, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Gruppe	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen bezüglich der Garantin, die dem ungeprüften, verkürzten und konsolidierten Konzernzwischenabschluss vom 30. September 2017 jeweils für die am 30. September 2017 bzw. 30. September 2016 geendeten neun Monate sowie dem geprüften Konzernabschluss vom 31. Dezember 2016 jeweils für das am 31. Dezember 2016 bzw. 31. Dezember 2015 geendete Geschäftsjahr entnommen sind:</p> <table><tr><th colspan="5">Informationen zur Ertragslage</th></tr><tr><th></th><th colspan="2">Für die neun Monate endend am</th><th colspan="2">Für das Geschäftsjahr endend am</th></tr><tr><th></th><th>30. September 2017</th><th>30. September 2016</th><th>31. Dezember 2016</th><th>31. Dezember 2015</th></tr><tr><td></td><td colspan="4">(in Mio. USD)</td></tr><tr><td>Gesamtumsatz (ohne Zinserträge)</td><td>22.205</td><td>20.187</td><td>28.021</td><td>30.756</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>	Informationen zur Ertragslage						Für die neun Monate endend am		Für das Geschäftsjahr endend am			30. September 2017	30. September 2016	31. Dezember 2016	31. Dezember 2015		(in Mio. USD)				Gesamtumsatz (ohne Zinserträge)	22.205	20.187	28.021	30.756										
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B.19 (B.13)	Aktuelle Entwicklungen	Nicht anwendbar; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Garantin, die für die Bewertung der Zahlungsfähigkeit der Garantin in hohem Maße relevant sind.																																
B.19 (B.14)	Abhängigkeit der Garantin von anderen Konzerngesellschaften	Siehe B.5. Die Garantin ist eine Holdinggesellschaft und ist daher von Dividenden, Ausschüttungen und anderen Zahlungen ihrer Tochtergesellschaften abhängig, um Dividendenzahlungen und alle Zahlungen auf ihre Verbindlichkeiten, einschließlich Schuldverschreibungen, zu finanzieren.																																
B.19 (B.15)	Beschreibung der Haupttätigkeiten der Garantin	Goldman Sachs ist eine globale Investment Banking, Wertpapier- und Anlageverwaltungsgesellschaft, die ihrem bedeutenden und breit gestreuten Kundenstamm, zu dem Unternehmen, Finanzinstitutionen, Regierungen und vermögende Kunden gehören, eine breite Spanne an Finanzdienstleistungen bietet. Goldman Sachs betreibt Geschäft in den folgenden Segmenten: 2) <i>Investment Banking</i> : Der Bereich <i>Investment Banking</i> beinhaltet: <ul style="list-style-type: none"><li>○ <i>Financial Advisory</i>, was strategische Beratungsaufträge im Hinblick auf Fusionen und Übernahmen, Veräußerungen von Vermögenswerten, gesellschaftsrechtliche Abwehrmaßnahmen, Risikomanagement sowie Restrukturierungen</li></ul>																																



		<p>und Abspaltungen umfasst; und</p> <ul style="list-style-type: none"> <li>○ <i>Underwriting</i>, was öffentliche Angebote und Privatplatzierungen einer Vielzahl von Wertpapieren, Darlehen und anderen Finanzinstrumenten sowie derivative Transaktionen, die im direkten Zusammenhang mit solchen Übernahmefunktionen für Kunden stehen, umfasst.</li> </ul> <p>3) <i>Institutional Client Services</i>: Der Bereich <i>Institutional Client Services</i> beinhaltet:</p> <ul style="list-style-type: none"> <li>○ <i>Fixed Income, Currencies and Commodities Client Execution</i>, was die Ausführung von Kundengeschäften im Zusammenhang mit dem Market Making für Zinsprodukte, Kreditprodukte, Hypothekendarlehen, Währungen und Rohstoffe umfasst; sowie</li> <li>○ <i>Equities</i>, was die Ausführung von Kundengeschäften im Zusammenhang mit dem Market Making für Aktienprodukte umfasst und Kommissionen und Provisionen aus der Abwicklung von Transaktionen institutioneller Kunden an den wichtigsten Wertpapier-, Options- und Futuresbörsen weltweit, sowie außerbörslichen Transaktionen. <i>Equities</i> umfasst auch das Wertpapierdienstleistungsgeschäft, welches Finanzierungen, Wertpapierdarlehen sowie andere Prime Brokerage-Dienstleistungen für institutionelle Kunden, einschließlich Hedge Fonds, Publikumsfonds (<i>Mutual Funds</i>), Pensionsfonds und Stiftungen bietet. Der Bereich <i>Equities</i> generiert seinen Umsatz hauptsächlich aus den erhaltenen Zinsen oder Gebühren.</li> </ul> <p>4) <i>Investing &amp; Lending</i>: <i>Investing and Lending</i> beinhaltet Investitionen und Darlehensgewährungen an Kunden für Finanzierungen. Diese – teils konsolidierten – Investitionen und Darlehen sind typischerweise längerfristig. Goldman Sachs investiert – direkt und indirekt über Fonds, welche von ihr verwaltet werden – in Schuldverschreibungen, Darlehen, Staatspapiere und Private Equity Wertpapiere und Immobiliengesellschaften.</p> <p>5) <i>Investment Management</i>: <i>Investment Management</i> beinhaltet Dienstleistungen im Bereich der Anlageverwaltung und das Angebot von Anlageprodukten (hauptsächlich durch separat verwaltete Konten und gemischte Vehikel (<i>commingled vehicles</i>), wie Publikumsfonds (<i>Mutual Funds</i>) und private Anlagefonds) in allen gängigen Anlageklassen für eine Vielzahl von institutionellen und privaten Kunden. Ferner bietet Goldman Sachs Vermögensberatungsdienstleistungen, einschließlich Portfolio Management Finanzberatung, sowie Brokerage- und andere Transaktionsdienstleistungen für vermögende Einzelpersonen und Familien an.</p>
B.19 (B.16)	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse	Nicht anwendbar; GSG ist eine an der New Yorker Wertpapierbörse notierte Publikumsgesellschaft und weder direkt noch indirekt in Besitz von oder unter Kontrolle von Aktionären oder einer zusammengeschlossenen Gruppe von Aktionären.
<b>Abschnitt C – Wertpapiere</b>		
C.1	Art und Gattung der Wertpapiere, einschließlich Wertpapierkennung	<p><b>Art/Form der Wertpapiere</b></p> <p>Die vorliegenden Wertpapiere sind dadurch gekennzeichnet, dass die Höhe des Tilgungsbetrags von der Entwicklung des Basiswerts abhängig ist.</p> <p><i>[im Fall von Deutschen Wertpapieren einfügen:]</i> Die von der Emittentin begebenen Wertpapiere stellen Inhaberschuldverschreibungen [gemäß § 793 BGB] dar und werden durch eine Inhaber-Dauerglobalurkunde (die "<b>Inhaber-Globalurkunde</b>") verbrieft. Die Inhaber-Globalurkunde wird bei dem Clearingsystem hinterlegt. <i>[im Fall von Englischen Wertpapieren einfügen:]</i> Die von der Emittentin begebenen Wertpapiere sind registrierte Wertpapiere nach englischem Recht (das Eigentumsrecht an solchen Wertpapieren hängt</p>

		<p>von der Eintragung des Namens des Wertpapierinhabers in ein Register ab, das von der Emittentin oder stellvertretend von einer Registerstelle gehalten wird). Die Wertpapiere werden durch eine registrierte Globalurkunde verbrieft, die bei einem gemeinsamen Verwahrer für Euroclear und Clearstream Luxemburg hinterlegt und auf dessen Namen eingetragen wird.]</p> <p><i>[im Fall von bei Euroclear Finnland Registrierten Wertpapieren einfügen:</i> Die von der Emittentin begebenen Euroclear Finnland Registrierten Wertpapiere werden bei Euroclear Finland Oy, dem finnischen Zentralverwahrer für Wertpapiere (<i>Finnish Central Securities Depository Ltd.</i>, "<b>Euroclear Finnland</b>"), im System der Euroclear Finnland registriert und gemäß den hierfür geltenden finnischen Bestimmungen in unverbriefter und dematerialisierter für die Übertragung durch Bucheinträge geeigneter Form ausgegeben.]</p> <p><i>[im Fall von Euroclear Schweden Registrierten Wertpapieren einfügen:</i> Die von der Emittentin begebenen Euroclear Schweden Registrierten Wertpapiere werden bei Euroclear Sweden AB, dem schwedischen Zentralverwahrer für Wertpapiere ("<b>Euroclear Schweden</b>"), registriert und gemäß den hierfür geltenden schwedischen Bestimmungen in unverbriefter und dematerialisierter für die Übertragung durch Bucheinträge geeigneter Form ausgegeben.]</p> <p><i>[im Fall von VPS Registrierten Wertpapieren einfügen:</i> Die von der Emittentin begebenen VPS Registrierten Wertpapiere werden bei Verdipapirsentralen ASA, dem norwegischen Zentralverwahrer für Wertpapiere ("<b>VPS</b>"), registriert und gemäß den hierfür geltenden norwegischen Bestimmungen in unverbriefter und dematerialisierter für die Übertragung durch Bucheinträge geeigneter Form ausgegeben.]</p> <p><i>[im Fall von Euroclear Niederlande Registrierten Wertpapieren einfügen:</i> Die von der Emittentin begebenen Euroclear Niederlande Registrierten Wertpapiere werden bei der Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., dem niederländischen Zentralverwahrer für Wertpapiere ("<b>Euroclear Niederlande</b>") registriert und in Übereinstimmung mit den Euroclear Niederlande Regeln in unverbriefter und dematerialisierter für die Übertragung durch Bucheinträge geeigneter Form ausgegeben.]</p> <p>[Die Emittentin erklärt, dass Anleger direkte oder indirekte Beteiligungen an den Wertpapieren über Euroclear UK &amp; Ireland Limited (früher CREST Co Limited) ("<b>CREST</b>") durch die Ausgabe von dematerialisierten Wertpapierrechten ("<b>CDIs</b>") halten. CDIs sind selbständige Wertpapiere nach englischem Recht, die durch die CREST gehalten und abgewickelt werden und durch CREST Depository Limited oder einen Rechtsnachfolger gemäß dem einseitigen Rechtsgeschäft (die "<b>CREST Deed Poll</b>") vom 25. Juni 2001 (wie nachträglich geändert oder ergänzt) begeben werden.]</p> <p>Effektive Wertpapiere werden an Wertpapierinhaber nicht ausgegeben.</p> <p><b>Wertpapierkennung</b></p> <p>ISIN: [●]<i>[falls mehr als eine Serie, einfügen:</i> Wie in der Tabelle im Anhang der Zusammenfassung angegeben]</p> <p>[WKN: [●]<i>[falls mehr als eine Serie, einfügen:</i> Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Valor: [●]<i>[falls mehr als eine Serie, einfügen:</i> Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Common Code: [●]<i>[falls mehr als eine Serie, einfügen:</i> Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p><i>[gegebenenfalls weitere Wertpapierkennung einfügen:</i> [●]<i>[falls mehr als eine Serie, einfügen:</i> Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p>
C.2	Währung der Wertpapier-emission	Die Abwicklungswährung der Wertpapiere ist [●].

C.5	Beschränkung der freien Übertragbarkeit	Nicht anwendbar; die Wertpapiere sind frei übertragbar.
C.8	Rechte, die mit den Wertpapieren verbunden sind, einschließlich der Rangordnung und der Beschränkungen dieser Rechte	<p><b>Anwendbares Recht</b></p> <p>Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten der Emittentin und der Wertpapierinhaber bestimmen sich nach <i>[im Fall von Deutschen Wertpapieren einfügen: dem Recht der Bundesrepublik Deutschland]</i> <i>[im Fall von Englischen Wertpapieren einfügen: dem Recht von England und Wales]</i>.</p> <p>Form und Inhalt der Garantie und alle Rechte und Pflichten hieraus bestimmen sich nach dem Recht des Staates New York.</p> <p><b>Mit den Wertpapieren verbundene Rechte</b></p> <p>Jedes Wertpapier gewährt dem Wertpapierinhaber einen Anspruch auf Zahlung des Tilgungsbetrags am Fälligkeitstag wie unter C.15 ausführlicher beschrieben. Die Wertpapiere werden nicht verzinst.</p> <p><b>Status der Wertpapiere</b></p> <p>Die jeweilige Serie von Wertpapieren begründet direkte, unbesicherte, nicht-nachrangige Verpflichtungen der Emittentin, die untereinander und gegenüber sämtlichen anderen aktuellen sowie zukünftigen unbesicherten, nicht-nachrangigen Verpflichtungen der Emittentin gleichrangig sind, wobei dies nicht für Verpflichtungen gilt, die auf Grund zwingender und allgemein anwendbarer Regelungen vorrangig sind.</p> <p><b>Beschränkungen der Rechte</b></p> <p>Die Emittentin hat ein ordentliches Kündigungsrecht. Darüber hinaus ist die Emittentin unter bestimmten Voraussetzungen zur außerordentlichen Kündigung der Wertpapiere und zu Anpassungen der Bedingungen berechtigt.</p>
C.11	Zulassung zum Handel	[[Frankfurter Wertpapierbörse][,][und] [Börse Stuttgart][,][und] [Luxemburger Wertpapierbörse] <i>[andere Börse einfügen: ●]</i> ] [Eine Zulassung zum Handel oder eine Börsennotierung der Wertpapiere ist nicht beabsichtigt.]
C.15	Beeinflussung des Wertes der Wertpapiere durch den Basiswert	<p>Zwischen dem wirtschaftlichen Wert der Wertpapiere und dem wirtschaftlichen Wert des Basiswerts besteht ein Zusammenhang. Ein Wertpapier verliert regelmäßig dann an Wert, wenn der Kurs des Basiswerts fällt.</p>
		<p><i>[im Fall von Open End Faktor Zertifikaten mit Nominalbetrag (Produkt Nr. 1) einfügen: Open End Wertpapiere sind nicht mit einer festgelegten Laufzeitbegrenzung ausgestattet. Die Laufzeit der Wertpapiere endet entweder (i) durch Ausübung der Wertpapiere durch die Wertpapierinhaber oder (ii) durch ordentliche Kündigung durch die Emittentin oder (iii) durch außerordentliche Kündigung durch die Emittentin.</i></p> <p>Der Tilgungsbetrag, gegebenenfalls umgerechnet in die Abwicklungswährung, entspricht dem Nominalbetrag multipliziert mit der Performance des Basiswerts und ferner multipliziert mit dem [Management Faktor] <i>[im Fall von Open End Faktor Zertifikaten mit einem Quanto Ausstattungsmerkmal einfügen: Gebühren Faktor]</i>.</p> <p>[Gebühren Faktor: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>Anfänglicher Referenzpreis: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]</p> <p>[Management Faktor: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben] [Laufzeitabhängige Umrechnung der Managementgebühr entsprechend folgender Formel:</p>

$$\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$$

wobei die in der Formel verwendeten Zeichen die folgende Bedeutung haben:

"**MG<sub>(i)</sub>**" entspricht der Management Gebühr (i), wobei "i" die Reihe der natürlichen Zahlen von 1 bis M durchläuft. Die "**Management Gebühr**" für i=1 entspricht • %. Die Emittentin ist berechtigt, die Management Gebühr mit Wirkung zu jedem Geschäftstag bis zur Höhe von • % anzupassen.

"**M**" entspricht der Anzahl der verschiedenen Management Gebühren (i) während der Laufzeit der Wertpapiere

"**n**" für i=1 entspricht der Anzahl der Kalendertage vom Anfänglichen Bewertungstag (einschließlich) bis zum Kalendertag (einschließlich), der dem Tag des Wirksamwerdens einer Anpassung der Management Gebühr vorangeht bzw., sofern keine Anpassung der Management Gebühr während der Laufzeit der Wertpapiere erfolgt, bis zum Finalen Bewertungstag (einschließlich). "**n**" für i+1 entspricht jeweils der Anzahl der Kalendertage vom Tag des Wirksamwerdens der Anpassung der Management Gebühr gemäß (einschließlich) bis zum Kalendertag (einschließlich), der dem Tag des Wirksamwerdens der nächstfolgenden Anpassung der Management Gebühr vorangeht bzw., sofern keine weitere Anpassung der Management Gebühr während der Laufzeit der Wertpapiere erfolgt, bis zum Finalen Bewertungstag (einschließlich).

"**k**" entspricht [der Anzahl tatsächlicher Kalendertage im Kalenderjahr (actual).] [*andere Definition einfügen: •*]

Nominalbetrag: [•][*falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben*]

Performance des Basiswerts: [Referenzpreis (wie untenstehend unter Punkt C.19 definiert) geteilt durch den Anfänglichen Referenzpreis] [Anfänglicher Referenzpreis geteilt durch den Referenzpreis (wie untenstehend unter Punkt C.19 definiert)][•]

[*im Fall von Open End Faktor Zertifikaten mit Bezugsverhältnis (Produkt Nr. 2) einfügen:*

Open End Wertpapiere sind nicht mit einer festgelegten Laufzeitbegrenzung ausgestattet. Die Laufzeit der Wertpapiere endet entweder (i) durch Ausübung der Wertpapiere durch die Wertpapierinhaber oder (ii) durch ordentliche Kündigung durch die Emittentin oder (iii) durch außerordentliche Kündigung durch die Emittentin.

Der Tilgungsbetrag, gegebenenfalls umgerechnet in die Abwicklungswährung, entspricht dem Referenzpreis (wie untenstehend unter Punkt C.19 definiert) multipliziert mit dem Bezugsverhältnis und ferner multipliziert mit dem [Management Faktor] [*im Fall von Open End Faktor Zertifikaten mit einem Quanto Ausstattungsmerkmal einfügen: Gebühren Faktor*].

[Gebühren Faktor: [•][*falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben*]]

[Management Faktor: [•][*falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben*]] [Laufzeitabhängige Umrechnung der Manage-

		<p>mentgebühr entsprechend folgender Formel:</p> $\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$ <p>wobei die in der Formel verwendeten Zeichen die folgende Bedeutung haben:</p> <p>"<b>MG<sub>(i)</sub></b>" entspricht der Management Gebühr (i), wobei "i" die Reihe der natürlichen Zahlen von 1 bis M durchläuft. Die "<b>Management Gebühr</b>" für i=1 entspricht • %. Die Emittentin ist berechtigt, die Management Gebühr mit Wirkung zu jedem Geschäftstag bis zur Höhe von • % anzupassen.</p> <p>"<b>M</b>" entspricht der Anzahl der verschiedenen Management Gebühren (i) während der Laufzeit der Wertpapiere</p> <p>"<b>n</b>" für i=1 entspricht der Anzahl der Kalendertage vom Anfänglichen Bewertungstag (einschließlich) bis zum Kalendertag (einschließlich), der dem Tag des Wirksamwerdens einer Anpassung der Management Gebühr vorangeht bzw., sofern keine Anpassung der Management Gebühr während der Laufzeit der Wertpapiere erfolgt, bis zum Finalen Bewertungstag (einschließlich). "<b>n</b>" für i+1 entspricht jeweils der Anzahl der Kalendertage vom Tag des Wirksamwerdens der Anpassung der Management Gebühr gemäß (einschließlich) bis zum Kalendertag (einschließlich), der dem Tag des Wirksamwerdens der nächstfolgenden Anpassung der Management Gebühr vorangeht bzw., sofern keine weitere Anpassung der Management Gebühr während der Laufzeit der Wertpapiere erfolgt, bis zum Finalen Bewertungstag (einschließlich).</p> <p>"<b>k</b>" entspricht [der Anzahl tatsächlicher Kalendertage im Kalenderjahr (actual).] [<i>andere Definition einfügen: •</i>]</p> <p>Bezugsverhältnis: [•][<i>falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben</i>]</p>
C.16	Bewertungstag, Fälligkeitstag	<p>Fälligkeitstag: [•]</p> <p>Finaler Bewertungstag: [•][<i>falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben</i>]</p>
C.17	Abrechnungsverfahren (Settlement)	Die gemäß den Bedingungen von der Emittentin zahlbaren Beträge werden an das maßgebliche Clearingsystem geleistet zur Weiterleitung an die Wertpapierinhaber.
C.18	Rückzahlungsmodalitäten	Die Emittentin wird von ihren Zahlungsverpflichtungen durch Zahlung an das, oder an die Order des, maßgeblichen Clearingsystems (oder an dessen Verwahrer bzw. Bevollmächtigten) hinsichtlich des gezahlten Betrags frei werden.]
C.19	Referenzpreis des Basiswerts	Referenzpreis: [Kursreferenz am Finalen Bewertungstag][•][ <i>falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben</i> ]
C.20	Art des Basiswerts und Angabe des Ortes, an dem Informationen	<p>Typ: [Korb von] [Index][Indizes]</p> <p>[Name des [Basiswerts][Korbbestandteils 1][•]: [•][<i>falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben</i>]</p> <p>[ISIN: [•][<i>falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben</i>]</p>

über den Basiswert erhältlich sind	<p>[WKN: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Index-Sponsor: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Kursreferenz: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Preiswährung: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[Internetseite: [●]][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]]</p> <p>[gegebenenfalls entsprechende Informationen für weitere Korbbestandteile einfügen: ●]</p>
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**Abschnitt D – Risiken**

D.2	<p>Zentrale Angaben zu den zentralen Risiken, die dem Emittenten und der Garantin eigen sind</p>	<p><b><u>Mit der Emittentin verbundene Risikofaktoren</u></b></p> <p>Die Emittentin könnte insolvent werden oder anderweitig nicht in der Lage sein, die unter den Wertpapieren geschuldeten Zahlungen vorzunehmen. In diesem Fall erhalten Sie keinen Schutz durch ein Einlagensicherungssystem und Ihre Wertpapiere sind nicht besichert und Sie können Teile von Ihrem Geld oder Ihr gesamtes Geld verlieren.</p> <p><b><u>Mit der Garantin verbundene Risikofaktoren</u></b></p> <p>Als Teil eines globalen Finanzdienstleistungskonzerns ist die Garantin den folgenden Risiken ausgesetzt:</p> <ul style="list-style-type: none"> <li>• Das Geschäft von Goldman Sachs wurde und kann auch weiterhin durch Ereignisse auf den globalen Finanzmärkten und durch die allgemeinen wirtschaftlichen Bedingungen negativ beeinflusst werden.</li> <li>• Die Geschäftstätigkeit von Goldman Sachs und ihrer Kunden sind weltweit Gegenstand weitreichender und einschneidender Regulierungen.</li> <li>• Das Geschäft von Goldman Sachs wurde und kann von fallenden Anlagewerten negativ beeinflusst werden. Dies trifft insbesondere auf Geschäfte zu, in denen sie netto "Long" Positionen hält oder Gebühren erhält, welche auf dem Wert der verwalteten Vermögenswerte basieren, oder im Fall von Geschäften, bei denen sie Sicherheiten erhält oder stellt.</li> <li>• Das Geschäft von Goldman Sachs wurde und kann von Störungen an den Kreditmärkten, einschließlich des eingeschränkten Zugangs zu Krediten sowie von erhöhten Kosten für den Erhalt eines Kredits, negativ beeinflusst werden.</li> <li>• Die Market Making-Aktivitäten von Goldman Sachs wurden und können durch Veränderungen in der Höhe der Marktvolatilität beeinflusst werden.</li> <li>• Die Geschäftsbereiche Investment Banking (<i>Investment Banking</i>), Ausführung von Kundengeschäften (<i>Client Execution</i>) und Anlageverwaltung (<i>Investment Management</i>) von Goldman Sachs wurden negativ beeinflusst und können auch in Zukunft aufgrund von Marktunsicherheit und mangelndem Vertrauen unter Investoren und Unternehmensleitern aufgrund des allgemeinen Rückgangs geschäftlicher Aktivitäten und anderer unvorteilhafter wirtschaftlicher bzw. geopolitischer Bedingungen oder unvorteilhafter Marktbedingungen negativ beeinflusst werden.</li> <li>• Der Geschäftsbereich Anlageverwaltung (<i>Investment Management</i>) von Goldman Sachs kann durch das schlechte Anlageergebnis ihrer Anlageprodukte oder einer Kundenpräferenz für andere Produkte als solche, die Goldman Sachs anbietet, negativ beeinflusst werden.</li> <li>• Bei Goldman Sachs können Verluste aufgrund von ineffektiven</li> </ul>
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		<p>Risikomanagementverfahren und -strategien entstehen.</p> <ul style="list-style-type: none"> <li>• Die Liquidität, die Profitabilität und allgemein die Geschäftstätigkeit von Goldman Sachs können negativ beeinflusst werden, falls Goldman Sachs der Zugang zu Fremdkapitalmärkten oder der Verkauf von Vermögen nicht möglich sein sollte oder falls das Credit Rating von Goldman Sachs herabgestuft werden sollte oder falls die Credit Spreads von Goldman Sachs erhöht werden.</li> <li>• Falls die Identifizierung und eine Adressierung von möglichen Interessenkonflikten nicht angemessen erfolgt, kann das Geschäft von Goldman Sachs negativ beeinflusst werden.</li> <li>• Ein Ausfall in den operationellen Systemen oder der Infrastruktur dieser Systeme von Goldman Sachs, oder denen von dritten Parteien, als auch menschliches Versagen, können die Liquidität von Goldman Sachs beeinträchtigen, die Geschäftstätigkeit stören, zur Offenlegung vertraulicher Informationen führen, die Reputation von Goldman Sachs schädigen oder zu Verlusten führen.</li> <li>• Ein Scheitern beim Schutz der Computersysteme, der Netzwerke und von Informationen von Goldman Sachs sowie von Kundeninformationen gegen Internetangriffe und ähnliche Bedrohungen, können die Fähigkeit von Goldman Sachs beeinträchtigen, die Geschäfte zu betreiben, zur Enthüllung, Entwendung oder Vernichtung vertraulicher Informationen führen, die Reputation von Goldman Sachs schädigen oder zu Verlusten führen.</li> <li>• Die Garantin ist eine Holdinggesellschaft und ist im Hinblick auf ihre Liquidität von Zahlungen ihrer Tochtergesellschaften, die zahlreichen Beschränkungen unterliegen, abhängig.</li> <li>• Die Anwendung von Regulierungsstrategien und Anforderungen im Zusammenhang mit der Abwicklung von großen Finanzinstituten in den Vereinigten Staaten und Nicht-US-Rechtsordnungen können zu einem erhöhten Verlustrisiko für Inhaber von Wertpapieren der Garantin sowie von Wertpapieren, die durch die Garantin garantiert werden, führen.</li> <li>• Die Anwendung der Abwicklungsstrategien der Garantin können zu einem erhöhten Verlustrisiko für Inhaber von Wertpapieren der Garantin sowie von Wertpapieren, die durch die Garantin garantiert werden, führen, darüber hinaus kann die Nichtbehebung von Mängeln in ihrem Abwicklungsplan die Garantin erhöhten regulatorischen Anforderungen unterwerfen.</li> <li>• Das Geschäft, die Profitabilität und die Liquidität von Goldman Sachs könnte durch eine Verschlechterung der Kreditqualität oder den Ausfall von Geschäftspartnern von Goldman Sachs, die Goldman Sachs Geld, Wertpapiere oder andere Vermögenswerte schulden oder deren Wertpapiere und Verpflichtungen Goldman Sachs als Gläubiger hält, negativ beeinflusst werden.</li> <li>• Die Konzentration von Risiken erhöht die Wahrscheinlichkeit von erheblichen Verlusten in den Tätigkeitsbereichen Market Making, Übernahmen (<i>Underwriting</i>), Investitionen und Darlehensgewährung von Goldman Sachs.</li> <li>• Die Finanzdienstleistungsindustrie ist einem intensiven Wettbewerb unterworfen und steht auch in Wechselbeziehungen zueinander. Der intensive Wettbewerb untereinander kann sich negativ auf die Möglichkeit der Geschäftsentwicklung von Goldman Sachs auswirken. Der Umstand, dass ein signifikantes Transaktionsvolumen zwischen einer begrenzten Anzahl von Mitgliedern der Finanzindustrie stattfindet, erhöht das Risiko von Vorwürfen, dass diese Unternehmen unerlaubt zusammengewirkt haben, um Märkte oder Marktpreise zu manipulieren, einschließlich Vorwürfen, dass kartellrechtliche Bestimmungen verletzt worden sind.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Goldman Sachs ist erhöhten Risiken ausgesetzt, da neue Geschäftsinitiativen dazu führen, dass Transaktionen mit einer größeren Anzahl von Kunden und Gegenparteien, neuen Anlageklassen und in neuen Märkten durchgeführt werden.</li> <li>• Derivative Transaktionen und Verzögerungen bei der Abwicklung können bei Goldman Sachs zu unerwartetem Risiko und potenziellen Verlusten führen.</li> <li>• Das Geschäft von Goldman Sachs kann negativ beeinflusst werden, wenn es Goldman Sachs nicht gelingt, qualifizierte Mitarbeiter einzustellen und zu halten.</li> <li>• Goldman Sachs kann durch zunehmende staatliche und regulatorische Überwachung oder durch Negativschlagzeilen negativ beeinflusst werden.</li> <li>• Eine wesentliche rechtliche Haftung von Goldman Sachs oder signifikante regulatorische Maßnahmen gegen Goldman Sachs könnten wesentliche negative finanzielle Auswirkungen auf Goldman Sachs haben oder signifikante Reputationsschäden verursachen, welche die Geschäftsaussichten von Goldman Sachs erheblich beeinträchtigen könnten.</li> <li>• Das Wachstum des elektronischen Handels und die Einführung von neuen Handelstechnologien können eine negative Auswirkung auf das Geschäft von Goldman Sachs haben und den Wettbewerb verstärken.</li> <li>• Die Aktivitäten von Goldman Sachs im Rohstoffbereich, insbesondere die Geschäftstätigkeiten im Bereich der physischen Rohstoffe, unterwerfen Goldman Sachs umfangreicher Regulierung und bringen bestimmte Risiken einschließlich Umwelt-, Reputations- und andere Risiken mit sich, die Goldman Sachs erheblichen Verpflichtungen und Kosten aussetzen können.</li> <li>• Im Rahmen ihrer weltweiten Geschäftstätigkeit ist Goldman Sachs politischen, wirtschaftlichen, rechtlichen, operationellen und sonstigen Risiken ausgesetzt, die mit der Tätigkeit in einer Vielzahl von Ländern verbunden sind.</li> </ul> <p>Aufgrund von unvorhersehbaren Ereignissen oder Katastrophen (einschließlich des Ausbreitens einer Epidemie, Terroranschlägen, extremen Wetterbedingungen oder anderen Naturkatastrophen) kann es zu Verlusten bei Goldman Sachs kommen.</p>
D.3 D.6	Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind	<p><b><u>1. Risikofaktoren im Hinblick auf sämtliche Wertpapiere</u></b></p> <ul style="list-style-type: none"> <li>• Die Wertpapiere sind risikoreiche Instrumente der Vermögensanlage. Im Vergleich zu anderen Kapitalanlagen ist bei ihnen das Risiko von Verlusten – bis hin zum Totalverlust des eingesetzten Kapitals einschließlich der aufgewendeten Transaktionskosten – hoch; die Wertpapiere werfen, soweit nicht ausdrücklich vorgesehen, keinen laufenden Ertrag ab.</li> <li>• Auf Grund des Hebeleffekts können die Wertpapiere, verglichen mit einem Direktinvestment in den Basiswert, mit einem überproportionalen Verlustrisiko verbunden sein.</li> <li>• Die Wertpapiere könnten keine Liquidität aufweisen oder der Markt für solche Wertpapiere könnte eingeschränkt sein, wodurch der Wert der Wertpapiere oder die Möglichkeit der Wertpapierinhaber, diese zu veräußern, negativ beeinflusst werden könnte.</li> <li>• Wertpapierinhaber sollten beachten, dass Kursänderungen (oder auch schon das Ausbleiben einer erwarteten Kursänderung) des Basiswerts bzw. der Korbbestandteile den Wert des Wertpapiers überproportional bis hin zur Wertlosigkeit mindern können. Es besteht dann das Risiko des teilweisen oder vollständigen Verlusts des eingesetzten Kapitals einschließlich der aufgewendeten Transaktionskosten.</li> <li>• Die Wertentwicklung der Wertpapiere kann an die Wertentwicklung des Basiswerts bzw. der Korbbestandteile gekoppelt sein, welche wiederum durch nationale und internationale finanzielle, politische, militärische oder wirtschaftliche Ereignisse, ein-</li> </ul>



		<p>schließlich staatlicher Maßnahmen, oder durch Aktivitäten der Teilnehmer der betroffenen Märkte, beeinflusst wird. Jedes dieser Ereignisse bzw. jede dieser Aktivitäten kann den Wert der Wertpapiere negativ beeinflussen.</p> <ul style="list-style-type: none"> <li>• Falls Auszahlungen auf die Wertpapiere in einer Währung vorgenommen werden, die sich von der Währung des Basiswerts bzw. der Korbbestandteile unterscheidet und solche Wertpapiere keine "Quanto" Funktion, d.h. keine Währungssicherungsfunktion aufweisen, hängt das Verlustrisiko der Wertpapierinhaber auch von der Entwicklung der Währung des Basiswerts bzw. der Korbbestandteile ab, welche nicht vorhersehbar ist. Ein Währungsrisiko für den Wertpapierinhaber besteht auch dann, wenn das Konto des Wertpapierinhabers, dem der Tilgungsbetrag oder andere Beträge gutgeschrieben werden, in einer von der Währung des Wertpapiers abweichenden Währung geführt wird.</li> <li>• Wertpapierinhabern sollte bewusst sein, dass sie eventuell nicht in der Lage sein werden, sich gegen Risiken aus den Wertpapieren abzusichern.</li> <li>• Eine Kreditfinanzierung des Erwerbs von Wertpapieren erhöht das Verlustrisiko der Wertpapierinhaber erheblich.</li> <li>• Absicherungsgeschäfte der Emittentin, der Garantin oder von mit ihnen verbundene Unternehmen können erheblichen Einfluss auf die Kursentwicklung des Basiswerts bzw. eines Korbbestandteils haben und eine Verletzung bestimmter Kursschwellen auslösen.</li> <li>• Gebühren und andere Transaktionskosten vermindern die Chancen der Wertpapierinhaber, mit dem Erwerb des Wertpapiers einen Gewinn zu erzielen.</li> <li>• Wertpapierinhaber sind dem Risiko einer falschen Einschätzung der Liquidität der Wertpapiere aufgrund des in den Endgültigen Bedingungen angegebenen Emissionsvolumens ausgesetzt.</li> <li>• Marktstörungen, Anpassungsmaßnahmen und Kündigungsrechte können negative Auswirkungen auf die Rechte der Wertpapierinhaber haben.</li> <li>• Berichtigungen, Änderungen oder Ergänzungen der Bedingungen können nachteilig für Wertpapierinhaber sein. Wertpapierinhaber sollten beachten, dass ein Kündigungsrecht ausgeschlossen ist, wenn die Berichtigung, Änderung oder Ergänzung für sie vorhersehbar oder nicht nachteilig ist.</li> <li>• Sofern die Emittentin die Wertpapiere kündigt, ist der Wertpapierinhaber dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird.</li> <li>• Änderungen im Steuerrecht können sich negativ auf den Wert bzw. den Marktpreis der Wertpapiere auswirken oder dazu führen, dass sich die steuerliche Beurteilung der betreffenden Wertpapiere ändert.</li> <li>• Wertpapierinhaber sollten beachten, dass sich die Emittentin im Fall einer Zeichnungsfrist die vorzeitige Beendigung bzw. Verlängerung der Zeichnungsfrist vorbehält und die Emittentin nicht verpflichtet ist, Zeichnungsaufträge anzunehmen oder gezeichnete Wertpapiere zu emittieren.</li> </ul>
		<p><b><u>2. Produktbezogene Risikofaktoren</u></b></p> <p><i>[im Fall von Open End Faktor Zertifikaten mit Nominalbetrag (Produkt Nr. 1) einfügen: <u>Risikofaktoren im Hinblick auf die unbestimmte Laufzeit der Wertpapiere bzw. im Hinblick auf die Kündigungsmöglichkeit der Emittentin</u></i></p> <p>Die Wertpapiere sind nicht mit einer festgelegten Laufzeitbegrenzung ausgestattet (<i>Open End</i>). Die Laufzeit der Wertpapiere endet entweder (i) durch Ausübung der Wertpapiere durch die Wertpapierinhaber oder (ii) durch ordentliche Kündigung durch die Emittentin oder (iii) durch außerordentliche Kündigung durch die Emittentin.</p>

Die Wertpapiere können während der Laufzeit durch den Wertpapierinhaber zu bestimmten Ausübungsterminen durch Abgabe einer Ausübungserklärung ausgeübt werden. Der Tilgungsbetrag bei ausgeübten Wertpapieren wird auf Grundlage des Referenzpreises des Basiswerts an dem betreffenden Ausübungstermin berechnet.

Die Emittentin ist berechtigt, die Wertpapiere unter Einhaltung einer bestimmten Kündigungsfrist durch Bekanntmachung ordentlich zu kündigen. Die Emittentin unterliegt hinsichtlich der Ausübung ihres Kündigungsrechts darüber hinaus keinen Bindungen.

Die Emittentin ist darüber hinaus berechtigt, die Wertpapiere außerordentlich durch Bekanntmachung zu kündigen, sofern eine Anpassung nicht möglich ist oder wenn gegebenenfalls ein Weiteres Störungsereignis vorliegt. Die Emittentin übt ihr Kündigungsrecht nach billigem Ermessen aus und unterliegt hinsichtlich der Ausübung ihres Kündigungsrechts keinen Bindungen. Die Ausübung des außerordentlichen Kündigungsrechts durch die Emittentin kann gegebenenfalls kurzfristig erfolgen, so dass der Wertpapierinhaber unter Umständen keine Möglichkeit mehr hat, sein Wertpapier am Sekundärmarkt zu verkaufen.

Die Ausübung des Kündigungsrechts durch die Emittentin ist in der Regel um so wahrscheinlicher, je höher die Volatilität im Basiswert bzw. je illiquider der Markt in auf den Basiswert bezogenen Finanzinstrumenten (einschließlich des Termin- und Leihemarkts) ist. Aufgrund des Kündigungsrechts der Emittentin können Wertpapierinhaber nicht darauf vertrauen, dass die Wertpapiere eine unbegrenzte Laufzeit haben. Wertpapierinhaber sollten daher nicht darauf vertrauen, eine Position in den Wertpapieren über einen längeren Zeitraum halten zu können. Wertpapierinhaber können weiterhin nicht darauf vertrauen, dass sich der Kurs des Basiswerts rechtzeitig vor einem Kündigungstermin in eine für sie positive Richtung entwickelt.

*Rendite- und Wiederanlagerisiko bei ordentlicher bzw. außerordentlicher Kündigung durch die Emittentin*

Wertpapierinhaber sollten beachten, dass die grundsätzlich unbegrenzte Laufzeit der Wertpapiere durch eine ordentliche oder eine außerordentliche Kündigung der Emittentin beendet werden kann. Im Fall einer Kündigung trägt der Wertpapierinhaber das Risiko, dass seine Erwartungen auf einen Wertzuwachs der Wertpapiere aufgrund der Laufzeitbeendigung nicht mehr erfüllt werden können. Zudem ist im Fall einer Kündigung zu berücksichtigen, dass der Wertpapierinhaber das Wiederanlagerisiko trägt.

*Risiko des Totalverlusts*

Open End Wertpapiere sind mit einem Direktinvestment in den Basiswert (ohne Berücksichtigung von Dividendenzahlungen und ohne Berücksichtigung einer Management[- oder Quanto]gebühr) vergleichbar, mit der Folge, dass der Wertpapierinhaber auch einem dem Direktinvestment vergleichbaren Verlustrisiko ausgesetzt ist. Aus diesem Grund besteht ein Totalverlustrisiko des eingesetzten Kapitals für den Fall, dass der Basiswert am Ende der Laufzeit wertlos ist.

*Risikofaktoren im Hinblick auf Wertpapiere mit Management Gebühr [bzw. Quanto Gebühr]*

Gegebenenfalls wird von dem zu zahlenden Tilgungsbetrag eine Management Gebühr [bzw. eine Quanto Gebühr] in einer bestimmten Höhe in Abzug gebracht.

Es ist zu beachten, dass eine Management Gebühr [bzw. Quanto Gebühr] nicht nur den gegebenenfalls von der Emittentin zu zahlenden Tilgungsbetrag mindert, indem der Referenzpreis mit einem gemäß den Emissionsspezifischen Bestimmungen berechneten [Management Faktor] [Gebühren Faktor] (in dem die Management Gebühr [bzw. die Quanto Gebühr] enthalten sind) multipliziert wird, sondern auch während der Laufzeit der Wertpapiere ihren Wert im Sekundärmarkt mindert. Bei den für die Wertpapiere im Sekundärmarkt gestellten An- und Verkaufspreisen wird eine solche Management Gebühr

	<p>[bzw. Quanto Gebühr] rechnerisch entsprechend der bereits abgelaufenen Laufzeit der Wertpapiere in die jeweiligen Preise mit einbezogen.</p> <p><i>Besonderheiten im Hinblick auf die Management Gebühr</i></p> <p>Die Emittentin ist zu einer Anpassung der Höhe der Management Gebühr während der Laufzeit der Wertpapiere berechtigt. Bei einer Management Gebühr größer als null (0) wird sich die Management Gebühr umso stärker auswirken, je länger die Management Gebühr während der Haltedauer der Wertpapiere berücksichtigt wird.</p> <p><i>[Besonderheiten im Hinblick auf die Quanto Gebühr</i></p> <p>Die Kosten der Währungssicherung können je nach Marktverhältnissen deutlichen Änderungen unterworfen sein und sowohl einen deutlich negativen als auch einen deutlichen positiven Wert annehmen. Dies wird sich in der aktuellen Quanto Gebühr widerspiegeln. Für den Fall, dass die Kosten der Währungssicherung einen deutlich positiven Wert annehmen, erhöht sich die Quanto Gebühr, was zu einem geringeren Tilgungsbetrag führt. Im Fall, dass die Kosten der Währungssicherung einen deutlich negativen Wert annehmen, ist die Quanto Gebühr geringer, was zu einem höheren Tilgungsbetrag führt. Das Szenario, dass eine negative Quanto Gebühr die Management Gebühr kompensiert und sich letztlich der Gebühren Faktor für den Wertpapierinhaber positiv auswirkt, ist mit zunehmender Laufzeit relativ unwahrscheinlich.]]</p> <p><i>[im Fall von Open End Faktor Zertifikaten mit Bezugsverhältnis (Produkt Nr. 2) einfügen:]</i></p> <p><u><i>Risikofaktoren im Hinblick auf die unbestimmte Laufzeit der Wertpapiere bzw. im Hinblick auf die Kündigungsmöglichkeit der Emittentin</i></u></p> <p>Die Wertpapiere sind nicht mit einer festgelegten Laufzeitbegrenzung ausgestattet (<i>Open End</i>). Die Laufzeit der Wertpapiere endet entweder (i) durch Ausübung der Wertpapiere durch die Wertpapierinhaber oder (ii) durch ordentliche Kündigung durch die Emittentin oder (iii) durch außerordentliche Kündigung durch die Emittentin.</p> <p>Die Wertpapiere können während der Laufzeit durch den Wertpapierinhaber zu bestimmten Ausübungsterminen durch Abgabe einer Ausübungserklärung ausgeübt werden. Der Tilgungsbetrag bei ausgeübten Wertpapieren wird auf Grundlage des Referenzpreises des Basiswerts an dem betreffenden Ausübungstermin berechnet.</p> <p>Die Emittentin ist berechtigt, die Wertpapiere unter Einhaltung einer bestimmten Kündigungsfrist durch Bekanntmachung ordentlich zu kündigen. Die Emittentin unterliegt hinsichtlich der Ausübung ihres Kündigungsrechts darüber hinaus keinen Bindungen.</p> <p>Die Emittentin ist darüber hinaus berechtigt, die Wertpapiere außerordentlich durch Bekanntmachung zu kündigen, sofern eine Anpassung nicht möglich ist oder wenn gegebenenfalls ein Weiteres Störungsereignis vorliegt. Die Emittentin übt ihr Kündigungsrecht nach billigem Ermessen aus und unterliegt hinsichtlich der Ausübung ihres Kündigungsrechts keinen Bindungen. Die Ausübung des außerordentlichen Kündigungsrechts durch die Emittentin kann gegebenenfalls kurzfristig erfolgen, so dass der Wertpapierinhaber unter Umständen keine Möglichkeit mehr hat, sein Wertpapier am Sekundärmarkt zu verkaufen.</p> <p>Die Ausübung des Kündigungsrechts durch die Emittentin ist in der Regel um so wahrscheinlicher, je höher die Volatilität im Basiswert bzw. je illiquider der Markt in auf den Basiswert bezogenen Finanzinstrumenten (einschließlich des Termin- und Leihemarkts) ist. Aufgrund des Kündigungsrechts der Emittentin können Wertpapierinhaber nicht darauf vertrauen, dass die Wertpapiere eine unbegrenzte Laufzeit haben. Wertpapierinhaber sollten daher nicht darauf vertrauen, eine Position in den Wertpapieren über einen längeren Zeitraum halten zu können. Wertpapierinhaber können weiterhin nicht darauf vertrauen, dass sich der Kurs des Basiswerts rechtzeitig vor einem Kündigungstermin in eine für sie positive Richtung entwickelt.</p>
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	<p><u><i>Rendite- und Wiederanlagerisiko bei ordentlicher bzw. außerordentlicher Kündigung durch die Emittentin</i></u></p> <p>Wertpapierinhaber sollten beachten, dass die grundsätzlich unbegrenzte Laufzeit der Wertpapiere durch eine ordentliche oder eine außerordentliche Kündigung der Emittentin beendet werden kann. Im Fall einer Kündigung trägt der Wertpapierinhaber das Risiko, dass seine Erwartungen auf einen Wertzuwachs der Wertpapiere aufgrund der Laufzeitbeendigung nicht mehr erfüllt werden können. Zudem ist im Fall einer Kündigung zu berücksichtigen, dass der Wertpapierinhaber das Wiederanlagerisiko trägt.</p> <p><u><i>Risiko des Totalverlusts</i></u></p> <p>Open End Wertpapiere sind mit einem Direktinvestment in den Basiswert (ohne Berücksichtigung von Dividendenzahlungen und ohne Berücksichtigung einer Management[- oder Quanto]gebühr) vergleichbar, mit der Folge, dass der Wertpapierinhaber auch einem dem Direktinvestment vergleichbaren Verlustrisiko ausgesetzt ist. Aus diesem Grund besteht ein Totalverlustrisiko des eingesetzten Kapitals für den Fall, dass der Basiswert am Ende der Laufzeit wertlos ist.</p> <p><u><i>Risikofaktoren im Hinblick auf Wertpapiere mit Management Gebühr [bzw. Quanto Gebühr]</i></u></p> <p>Gegebenenfalls wird von dem zu zahlenden Tilgungsbetrag eine Management Gebühr [bzw. eine Quanto Gebühr] in einer bestimmten Höhe in Abzug gebracht.</p> <p>Es ist zu beachten, dass eine Management Gebühr [bzw. Quanto Gebühr] nicht nur den gegebenenfalls von der Emittentin zu zahlenden Tilgungsbetrag mindert, indem der Referenzpreis mit einem gemäß den Emissionsspezifischen Bestimmungen berechneten [Management Faktor] [Gebühren Faktor] (in dem die Management Gebühr [bzw. die Quanto Gebühr] enthalten sind) multipliziert wird, sondern auch während der Laufzeit der Wertpapiere ihren Wert im Sekundärmarkt mindert. Bei den für die Wertpapiere im Sekundärmarkt gestellten An- und Verkaufspreisen wird eine solche Management Gebühr [bzw. Quanto Gebühr] rechnerisch entsprechend der bereits abgelaufenen Laufzeit der Wertpapiere in die jeweiligen Preise mit einbezogen.</p> <p><u><i>Besonderheiten im Hinblick auf die Management Gebühr</i></u></p> <p>Die Emittentin ist zu einer Anpassung der Höhe der Management Gebühr während der Laufzeit der Wertpapiere berechtigt. Bei einer Management Gebühr größer als null (0) wird sich die Management Gebühr umso stärker auswirken, je länger die Management Gebühr während der Haltedauer der Wertpapiere berücksichtigt wird.</p> <p><u><i>[Besonderheiten im Hinblick auf die Quanto Gebühr]</i></u></p> <p>Die Kosten der Währungssicherung können je nach Marktverhältnissen deutlichen Änderungen unterworfen sein und sowohl einen deutlich negativen als auch einen deutlichen positiven Wert annehmen. Dies wird sich in der aktuellen Quanto Gebühr widerspiegeln. Für den Fall, dass die Kosten der Währungssicherung einen deutlich positiven Wert annehmen, erhöht sich die Quanto Gebühr, was zu einem geringeren Tilgungsbetrag führt. Im Fall, dass die Kosten der Währungssicherung einen deutlich negativen Wert annehmen, ist die Quanto Gebühr geringer, was zu einem höheren Tilgungsbetrag führt. Das Szenario, dass eine negative Quanto Gebühr die Management Gebühr kompensiert und sich letztlich der Gebühren Faktor für den Wertpapierinhaber positiv auswirkt, ist mit zunehmender Laufzeit relativ unwahrscheinlich.]]</p>
	<p><b><u>3. Risikofaktoren im Hinblick auf den Basiswert</u></b></p> <p>Der Faktor Index ist kein anerkannter Finanzindex ist, sondern ein Strategie-Index, der von dem Index Sponsor bestimmt und berechnet wird. Die alleinige Funktion des jeweiligen Faktor Index liegt darin, als Referenzwert für die jeweiligen Open End Faktor Zertifikate zu dienen. Der Faktor Index bildet eine gehebelte Anlage in den Bestandteil ab, der dem Faktor Index zugrunde liegt. Dementsprechend hängt der Wert des Faktor Index von</p>

	<p>der Entwicklung des jeweiligen Bestandteils ab. Wertpapierinhaber sollten nur in die Wertpapiere investieren, sofern sie auch mit dem Basiswert bzw. den jeweiligen Korbbestandteilen vertraut sind und ein umfassendes Verständnis bezüglich der Art des Basiswerts bzw. der Korbbestandteile als solchem und der Markt- und anderweitigen Regeln des Basiswerts bzw. der Korbbestandteile haben.</p>
	<p><b><u>4. Risikofaktoren im Hinblick auf Interessenkonflikte zwischen Goldman Sachs und Käufern der Wertpapiere</u></b></p> <p><i>Interessenkonflikte in Bezug auf den Basiswert</i></p> <p>Die Emittentin und andere Gesellschaften von Goldman Sachs betreiben im Rahmen ihrer normalen Geschäftstätigkeit Handel in den Basiswerten bzw. Bestandteilen des Basiswerts bzw. in darauf bezogenen Options- oder Terminkontrakten und können sich von Zeit zu Zeit für eigene oder fremde Rechnung an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Aktivitäten können negative Auswirkungen auf den Wert des Basiswerts und damit auf den Kurs der Wertpapiere und die Höhe eines etwaigen Tilgungsbetrags haben.</p> <p>Die Emittentin kann einen Teil der oder die gesamten Erlöse aus dem Verkauf der Wertpapiere für Absicherungsgeschäfte verwenden. Diese Absicherungsgeschäfte können Einfluss auf den sich am Markt bildenden Kurs der Basiswerte oder der Bestandteile des Basiswerts haben.</p> <p>Die Emittentin und andere Gesellschaften von Goldman Sachs können nicht-öffentliche Informationen in Bezug auf den Basiswert bzw. Bestandteile des Basiswerts erhalten, sind jedoch nicht zur Weitergabe solcher Informationen an die Wertpapierinhaber verpflichtet. Zudem können Gesellschaften von Goldman Sachs Research-Berichte in Bezug auf den Basiswert oder Bestandteile des Basiswerts publizieren. Tätigkeiten der genannten Art können Interessenkonflikte mit sich bringen und sich auf den Wert der Wertpapiere auswirken.</p> <p><i>Interessenkonflikte in Zusammenhang mit der Festsetzung der Verkaufspreise</i></p> <p>In dem Verkaufspreis für die Wertpapiere kann, gegebenenfalls zusätzlich zu festgesetzten Ausgabeaufschlägen, Verwaltungs- oder anderen Entgelten, ein für den Wertpapierinhaber nicht erkennbarer Aufschlag auf den ursprünglichen mathematischen ("fairen") Wert der Wertpapiere enthalten sein.</p> <p><i>Interessenkonflikte in Zusammenhang mit Provisionszahlungen</i></p> <p>Zu beachten ist, dass der Verkaufspreis der Wertpapiere gegebenenfalls Provisionen enthalten kann, die der Market Maker für die Emission erhebt bzw. die von dem Market Maker ganz oder teilweise an Vertriebspartner als Entgelt für Vertriebstätigkeiten weitergegeben werden können.</p> <p><i>Interessenkonflikte in Zusammenhang mit dem Market Making durch Goldman Sachs International</i></p> <p>Goldman Sachs wird in seiner Funktion als Market Maker mit bzw. unmittelbar nach dem Handelsgeschäft die direkt gegenläufige wirtschaftliche Position zum Wertpapierinhaber einnehmen und diese Position entweder aufrechnen, absichern (sogenanntes "Hedgen") oder halten. Die von dem Market Maker gestellten Kurse können erheblich von dem fairen bzw. dem wirtschaftlich zu erwartenden Wert der Wertpapiere zum jeweiligen Zeitpunkt abweichen. Darüber hinaus kann der Market Maker die Methodik, nach der er die gestellten Kurse festsetzt, jederzeit abändern. Eine solche Abweichung vom fairen Wert der Wertpapiere kann dazu führen, dass die von anderen Wertpapierhändlern für die Wertpapiere gestellten Ankaufs- und Verkaufspreise signifikant (sowohl nach unten als auch nach oben) von den von dem Market Maker gestellten Ankaufs- und Verkaufspreisen abweichen.</p> <p><i>Interessenkonflikte in Zusammenhang mit den verschiedenen Funktionen von Goldman</i></p>

		<p><u><i>Sachs im Zusammenhang mit der Emission</i></u></p> <p>Die Emittentin und andere Gesellschaften von Goldman Sachs können im Zusammenhang mit dem Angebot und dem Verkauf der Wertpapiere gegebenenfalls verschiedene Funktionen ausüben, beispielsweise als Ausgabestelle, Berechnungsstelle, Zahl- bzw. Verwaltungsstelle. Aufgrund der verschiedenen Funktionen und den daraus jeweils resultierenden Verpflichtungen können sowohl unter den betreffenden Gesellschaften von Goldman Sachs als auch zwischen diesen und den Wertpapierinhabern Interessenkonflikte auftreten.</p> <p><u><i>Interessen an der Emission beteiligter Dritter</i></u></p> <p>Die Emittentin kann bei der Emission von Wertpapieren Kooperationspartner und externe Berater einschalten. Es ist möglich, dass diese Kooperationspartner und Berater im Rahmen ihrer Tätigkeit auch eigene Interessen verfolgen und nicht ausschließlich im Interesse der Wertpapierinhaber handeln.</p>
<b>Abschnitt E – Angebot</b>		
E.2b	Gründe für das Angebot und Verwendung der Erträge, sofern nicht zur Gewinnerzielung	Nicht anwendbar; die Erlöse aus den Wertpapieren werden zur Absicherung der aus der Begebung der Wertpapiere entstehenden Zahlungsverpflichtungen aufgrund von Vereinbarungen mit Goldman Sachs International und zu Zwecken der üblichen Geschäftstätigkeit der Emittentin verwendet (die Emittentin ist in jedem Fall in der Verwendung der Erlöse aus der Ausgabe der Wertpapiere frei).
E.3	Beschreibung der Angebotskonditionen	<p>Ausgabepreis [für Zeichnungen während der Zeichnungsfrist] [am Emissionstag]: [●][falls mehr als eine Serie, einfügen: Wie in der Tabelle im Anhang der Zusammenfassung angegeben]</p> <p>[Die Wertpapiere werden während der Zeichnungsfrist, d.h. vom [●] bis einschließlich zum [●], zur Zeichnung angeboten. Die Emittentin behält sich vor, die Zeichnungsfrist vorzeitig zu beenden [bzw. zu verlängern]. [Die Emittentin ist nicht verpflichtet, Zeichnungsaufträge anzunehmen. Teilzuteilungen sind möglich (insbesondere bei Überzeichnung). Die Emittentin ist nicht verpflichtet, gezeichnete Wertpapiere zu emittieren.]] [gegebenenfalls weitere Informationen zur Beschreibung der Angebotskonditionen einfügen: ●]</p>
E.4	Bestehende Interessen, einschließlich potentieller Interessenkonflikte	<p>Bei der Emittentin oder anderen Gesellschaften der Goldman Sachs Gruppe sowie an der Emission der Wertpapiere beteiligten Dritten können Interessenkonflikte zum Nachteil des Anlegers bestehen.</p> <p><b><i>Interessenkonflikte in Bezug auf den Basiswert</i></b></p> <p>Die Emittentin und andere Gesellschaften von Goldman Sachs betreiben im Rahmen ihrer normalen Geschäftstätigkeit Handel in den Basiswerten bzw. Bestandteilen des Basiswerts bzw. in darauf bezogenen Options- oder Terminkontrakten und können sich von Zeit zu Zeit für eigene oder fremde Rechnung an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Aktivitäten können negative Auswirkungen auf den Wert des Basiswerts und damit auf den Kurs der Wertpapiere und die Höhe eines etwaigen Tilgungsbetrags haben.</p> <p>Die Emittentin kann einen Teil der oder die gesamten Erlöse aus dem Verkauf der Wertpapiere für Absicherungsgeschäfte verwenden. Diese Absicherungsgeschäfte können Einfluss auf den sich am Markt bildenden Kurs der Basiswerte oder der Bestandteile des Basiswerts haben.</p> <p>Die Emittentin und andere Gesellschaften von Goldman Sachs können nicht-öffentliche Informationen in Bezug auf den Basiswert bzw. Bestandteile des Basiswerts erhalten, sind jedoch nicht zur Weitergabe solcher Informationen an die Wertpapierinhaber verpflichtet. Zudem können Gesellschaften von Goldman Sachs Research-Berichte in Bezug</p>

auf den Basiswert oder Bestandteile des Basiswerts publizieren. Tätigkeiten der genannten Art können Interessenkonflikte mit sich bringen und sich auf den Wert der Wertpapiere auswirken.

***Interessenkonflikte in Zusammenhang mit der Festsetzung der Verkaufspreise***

In dem Verkaufspreis für die Wertpapiere kann, gegebenenfalls zusätzlich zu festgesetzten Ausgabeaufschlägen, Verwaltungs- oder anderen Entgelten, ein für den Wertpapierinhaber nicht erkennbarer Aufschlag auf den ursprünglichen mathematischen ("fairen") Wert der Wertpapiere enthalten sein.

***Interessenkonflikte in Zusammenhang mit Provisionszahlungen***

Zu beachten ist, dass der Verkaufspreis der Wertpapiere gegebenenfalls Provisionen enthalten kann, die der Market Maker für die Emission erhebt bzw. die von dem Market Maker ganz oder teilweise an Vertriebspartner als Entgelt für Vertriebstätigkeiten weitergegeben werden können. Zu beachten ist, dass sich durch die Zahlung dieser Provisionen an Vertriebspartner Interessenkonflikte zu Lasten des Wertpapierinhabers ergeben können.

***Interessenkonflikte in Zusammenhang mit dem Market Making durch Goldman Sachs International***

Sofern der Market Maker Preise stellt, sollten Wertpapierinhaber beachten, dass es bei der Kursfeststellung gegebenenfalls zu Verzögerungen kommen kann, die sich beispielsweise aus Marktstörungen oder Systemproblemen ergeben können. Goldman Sachs wird in seiner Funktion als Market Maker mit bzw. unmittelbar nach dem Handelsgeschäft die direkt gegenläufige wirtschaftliche Position zum Wertpapierinhaber einnehmen und diese Position entweder aufrechnen, absichern (sogenanntes "Hedgen") oder halten. Etwaige von Goldman Sachs International als Market Maker (der "**Market Maker**") gestellten Kurse können erheblich von dem fairen bzw. dem wirtschaftlich zu erwartenden Wert der Wertpapiere zum jeweiligen Zeitpunkt abweichen. Darüber hinaus kann der Market Maker die Methodik, nach der er die gestellten Kurse festsetzt, jederzeit abändern. Eine solche Abweichung vom fairen Wert der Wertpapiere kann dazu führen, dass die von anderen Wertpapierhändlern für die Wertpapiere gestellten Ankaufs- und Verkaufspreise signifikant (sowohl nach unten als auch nach oben) von den von dem Market Maker gestellten Ankaufs- und Verkaufspreisen abweichen.

***Interessenkonflikte in Zusammenhang mit den verschiedenen Funktionen von Goldman Sachs im Zusammenhang mit der Emission***

Die Emittentin und andere Gesellschaften von Goldman Sachs können im Zusammenhang mit dem Angebot und dem Verkauf der Wertpapiere gegebenenfalls verschiedene Funktionen ausüben, beispielsweise als Ausgabestelle, Berechnungsstelle, Zahl- bzw. Verwaltungsstelle. Darüber hinaus ist es auch möglich, dass Gesellschaften von Goldman Sachs als Gegenpartei bei Absicherungsgeschäften im Zusammenhang mit den Verpflichtungen der Emittentin aus den Wertpapieren oder als Market Maker tätig werden. Aufgrund der verschiedenen Funktionen und den daraus jeweils resultierenden Verpflichtungen können sowohl unter den betreffenden Gesellschaften von Goldman Sachs als auch zwischen diesen und den Wertpapierinhabern Interessenkonflikte auftreten. Insbesondere im Zusammenhang mit der Wahrnehmung der Funktion als Berechnungsstelle ist zu berücksichtigen, dass Interessenkonflikte auftreten können, da die Berechnungsstelle in bestimmten, in den Bedingungen genannten Fällen, berechtigt ist, bestimmte Festlegungen zu treffen, die für die Emittentin und die Wertpapierinhaber verbindlich sind. Solche Festlegungen können den Wert der Wertpapiere negativ beeinflussen und dementsprechend für den Wertpapierinhaber nachteilig sein.

***Interessen an der Emission beteiligter Dritter***

Die Emittentin kann bei der Emission von Wertpapieren Kooperationspartner und externe Berater einschalten, z.B. für die Zusammenstellung und Anpassung eines Korbs oder

		<p>Index. Es ist möglich, dass diese Kooperationspartner und Berater im Rahmen ihrer Tätigkeit auch eigene Interessen verfolgen und nicht ausschließlich im Interesse der Wertpapierinhaber handeln.</p> <p><i>[Informationen zu Interessenkonflikten, falls vorhanden, einfügen, die zum Datum des Basisprospekts nicht bekannt sind: ●]</i></p>
E.7	Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden	<p>Der Anleger kann die Wertpapiere zum Ausgabepreis bzw. zum Verkaufspreis erwerben. Etwaige Transaktionskosten sind bei dem jeweiligen Vertriebspartner zu erfragen. Dem Zeichner oder Käufer werden über den Ausgabepreis bzw. den Verkaufspreis hinaus keine Beträge von der Emittentin oder Anbieterin in Rechnung gestellt.</p>



[sofern mehr als eine Serie, einfügen: **Anhang zur Zusammenfassung**

Angaben zu Punkt C.1	[Angaben zu Punkt C.15]	[Angaben zu Punkt C.16]	[Angaben zu Punkt C.19]	[Angaben zu Punkt C.20]	Angaben zu Punkt E.3
[ISIN] [WKN] [Valor] [Common Code] [gegebenenfalls weitere Wertpapierkennung einfügen: •]	[Anfänglicher Referenzpreis] [Bezugsverhältnis] [Nominalbetrag] [Gebühren Faktor] [Management Faktor]	[Finaler Bewertungstag]	[Referenzpreis]	[Name des Basiswerts] [Korbbestands 1][•] [ISIN] [WKN] [Index-Sponsor] [Kursreferenz] [Preiswährung] [Internetseite]	[Ausgabepreis]
[•]	[•]	[•]	[•]	[•]	[•]

]

## **II. RISK FACTORS**

*Security Holders of the Securities, which are the subject of the Base Prospectus or of the Final Terms, should consider the following risk factors, which are material to assess the risks associated with the Securities, when making their investment decision and should make such decision only on the basis of the Base Prospectus as a whole including the information incorporated by reference, any supplements and the applicable Final Terms.*

*No person should acquire Securities without a thorough understanding of the mechanism of the relevant Securities and without being aware of the potential risk of loss. Any prospective Security Holder should carefully examine whether an investment in the Securities is appropriate given his or her personal circumstances and financial situation.*

The risk factors herein are organised into the following sub-sections below:

### A. Risk Factors relating to the Issuer

1. Risks in connection with the legal form and organisation of the Issuer
2. Risks related to the commercial activity of the Issuer

### B. Risk Factors relating to the Guarantor

### C. Risk Factors relating to the Securities

1. Risk factors associated with all Securities
2. Risk factors associated with certain types of Securities
3. Risk factors associated with the Underlying
4. Risk factors associated with conflicts of interest between Goldman Sachs and Security Holders

## **A. Risk Factors relating to the Issuer**

### **1. Risks in connection with the legal form and organisation of Issuer**

The general risk exists that the Issuer may partially or wholly fail to meet its obligations under the Securities. Investors should therefore take the creditworthiness of the Issuer (as well as the creditworthiness of the Guarantor) into account in their investment decisions. Credit risk means the risk of insolvency or illiquidity of the Issuer, i.e. a potential, temporary or final inability to fulfill its interest and repayment obligations on time. An increased insolvency risk is typically involved with Issuers that have a low creditworthiness.

The creditworthiness of the Issuer may also change due to developments in the general economic or company-specific environment during the term of the Securities. This may be caused in particular by cyclical changes, which may have a lasting detrimental effect on the profitability and the solvency of the Issuer. In addition, changes may also be considered that are caused by individual companies, industries, or countries such as, for example, economic crises as well as political developments with strong economic effects.

Since, according to its articles of association, the Issuer was established only for the purpose of issuing fungible securities and does not carry out any further operating business activity besides that, the issued share capital of the Issuer amounts to only EUR 51,129.19 (DM 100,000.00). **The investor is therefore exposed to a significantly greater credit risk by purchasing the Securities compared to an Issuer equipped with significantly more capital.**

In an extreme case, i.e. in the case of an insolvency of the Issuer, an investment in a security issued by the Issuer may mean a complete loss of the invested amount, if the risk cannot be absorbed by the Guarantee from the Guarantor. In this context, investors should also note that the Issuer is not connected to a deposit protection fund or similar safety system, which would cover all or part of the claims of holders of Securities in the case of an insolvency of the Issuer.

To hedge its claims arising from the issued Securities, the Issuer enters into hedging transactions with Goldman Sachs International, in relation to which the Issuer also has to provide collateral as a result of new regulatory requirements relating to derivative transactions. In this context, there exists in particular the risk of insolvency of the parties with whom the Issuer concludes derivative transactions to hedge its obligations in respect of the issuance of the Securities. Since the Issuer enters into such hedging transactions primarily with Goldman Sachs International, the Issuer is exposed to a so-called cluster risk compared to other issuers with a more widely spread selection of contracting partners. Therefore, an illiquidity or insolvency of companies affiliated with the Issuer may directly result in an insolvency of the Issuer. Holders of Securities of the Issuer are not entitled to any claims in respect of any hedging transactions concluded in this manner.

There is no rating of the Issuer regarding its credit risk by renowned rating agencies such as Moody's or Standard and Poor's.

## **2. Risks related to the commercial activity of the Issuer**

The Issuer is primarily involved in the issuance of securities. The activity of the Issuer and its annual issuance volume is affected both by positive and by negative developments in the markets where it carries out its business activity. A difficult general economic situation may lead to a lower issuance volume and negatively affect the Issuer's earnings situation. The general market development of securities depends particularly on the development of the capital markets, which is in turn affected by the general situation of the world economy as well as the economic and political conditions in the respective countries (so-called market risk).

### **B. Risk Factors relating to the Guarantor**

The Goldman Sachs Group, Inc. (the "**Guarantor**") and affiliated companies (together "**Goldman Sachs**" or "**The Goldman Sachs Group**") face a variety of risks that are substantial and inherent in their businesses, including market, liquidity, credit, operational, legal, regulatory and reputational risks that may thus affect the financial condition.

- Goldman Sachs' businesses have been and may continue to be adversely affected by con-

ditions in the global financial markets and economic conditions generally.

- Goldman Sachs' businesses and those of its clients are subject to extensive and pervasive regulation around the world.
- Goldman Sachs' businesses have been and may be adversely affected by declining asset values. This is particularly true for those businesses in which Goldman Sachs has net "long" positions, receives fees based on the value of assets managed, or receives or posts collateral.
- Goldman Sachs' businesses have been and may be adversely affected by disruptions in the credit markets, including reduced access to credit and higher costs of obtaining credit.
- Goldman Sachs' market-making activities have been and may be affected by changes in the levels of market volatility.
- Goldman Sachs' investment banking, client execution and investment management businesses have been adversely affected and may in the future be adversely affected by market uncertainty or lack of confidence among investors and CEOs due to general declines in economic activity and other unfavourable economic, geopolitical or market conditions.
- Goldman Sachs' investment management business may be affected by the poor investment performance of its investment products or a client preference for products other than those which Goldman Sachs offers.
- Goldman Sachs may incur losses as a result of ineffective risk management processes and strategies.
- Goldman Sachs' liquidity, profitability and businesses may be adversely affected by an inability to access the debt capital markets or to sell assets or by a reduction in its credit ratings or by an increase in its credit spreads.
- A failure to appropriately identify and address potential conflicts of interest could adversely affect Goldman Sachs' businesses.
- A failure in Goldman Sachs' operational systems or infrastructure, or those of third parties, as well as human error, could impair Goldman Sachs' liquidity, disrupt Goldman Sachs' businesses, result in the disclosure of confidential information, damage Goldman Sachs' reputation and cause losses.
- A failure to protect Goldman Sachs' computer systems, networks and information, and Goldman Sachs' clients' information, against cyber attacks and similar threats could impair Goldman Sachs' ability to conduct Goldman Sachs' businesses, result in the disclosure, theft or destruction of confidential information, damage Goldman Sachs' reputation and cause losses.
- The Guarantor is a holding company and is dependent for liquidity on payments from its subsidiaries, many of which are subject to restrictions.
- The application of regulatory strategies and requirements in the United States and non-U.S. jurisdictions to facilitate the orderly resolution of large financial institutions could create greater risk of loss for the Guarantor's security holders and the Securities guaran-

ted by the Guarantor.

- The application of the Guarantor's proposed resolution strategy could result in greater losses for the Guarantor's security holders and the Securities guaranteed by the Guarantor, and failure to address shortcomings in its resolution plan could subject the Guarantor to increased regulatory requirements.
- Goldman Sachs' businesses, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, third parties who owe Goldman Sachs money, securities or other assets or whose securities or obligations Goldman Sachs holds.
- Concentration of risk increases the potential for significant losses in Goldman Sachs' market-making, underwriting, investing and lending activities.
- The financial services industry is both highly competitive and interrelated. The intense competition may among others negatively affect the ability of Goldman Sachs to expand. The fact that a significant volume of transactions occurs among a limited number of members of the financial industry increases the risk that allegations are raised that such institutions have colluded in order to manipulate markets or market prices, including allegations that antitrust laws have been violated.
- Goldman Sachs faces enhanced risks as new business initiatives lead it to transact with a broader array of clients and counterparties and exposes it to new asset classes and new markets.
- Derivative transactions and delayed settlements may expose Goldman Sachs to unexpected risk and potential losses.
- Goldman Sachs' businesses may be adversely affected if Goldman Sachs is unable to hire and retain qualified employees.
- Goldman Sachs may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.
- Substantial legal liability or significant regulatory action against Goldman Sachs could have material adverse financial effects or cause significant reputational harm to Goldman Sachs, which in turn could seriously harm its business prospects.
- The growth of electronic trading and the introduction of new trading technology may adversely affect Goldman Sachs' business and may increase competition.
- Goldman Sachs' commodities activities, particularly its physical commodities businesses, subject Goldman Sachs to extensive regulation and involve certain potential risks, including environmental, reputational and other risks that may expose it to significant liabilities and costs.
- In conducting its businesses around the world, Goldman Sachs is subject to political, economic, legal, operational and other risks that are inherent in operating in many countries.
- Goldman Sachs may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, extreme weather events or other natural disasters.

The Securities are not bank deposits and are not insured or guaranteed in the United States by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency. The Securities are guaranteed by the Guarantor and the Guarantee will rank pari passu with all other unsecured and unsubordinated indebtedness of the Guarantor.

### **C. Risk Factors relating to the Securities**

#### **1. Risk factors associated with all Securities**

*The Securities are risky investment instruments. Compared to other capital investments, the risk of loss – up to the total loss of the invested capital as well as the related transaction costs – is high; the Securities do not, unless expressly provided, yield any current income.*

The Securities are tradable securities that enable Security Holders to participate in the performance of a particular Underlying without having to purchase such Underlying.

The Securities grant holders the right to a Settlement Amount on maturity of the Securities. Claims for delivery of definitive securities are precluded.

The calculation of the Settlement Amount depends in principle on the performance (**Performance**) of an Underlying during the term of the Securities. The Securities can also relate to a comparison of the performances of multiple components contained in a basket.

Two methods are used to calculate the Performance of the Underlying.

In the case of a **European Performance Calculation**, the Performance of the Underlying and/or the Basket Components is observed between the Initial Valuation Date and a future Final Valuation Date. In the case of an **Asian Performance Calculation**, the performance is calculated as the average performance of the Underlying and/or the Basket Components at several recurrent Valuation Dates. In contrast with the European Performance Calculation, the price of the Underlying and/or the Basket Components at a particular Valuation Date is only considered on a proportional basis in the calculation of the Performance of the Underlying and/or the Basket Components.

Accordingly, there is a relationship between the economic value of the Securities and the economic value of the Underlying and/or the Basket Components. The value of the Security will typically fall (i.e. without taking into account other features and other factors that are determinative of the price of Securities) if the price of the Underlying and/or the Basket Components falls.

There are two different methods of calculating the Settlement Amount, depending on the structure of the Securities. If the Securities are issued at a **Nominal**, then the Settlement Amount is typically calculated on the basis of the Nominal, the Performance of the Underlying and/or the Basket Components and other factors, as the case may be. The Securities may be issued at a nominal amount (par = 100% of the Nominal) or below or above par value. Below or above par means that a new Security is issued at a discount ("Disagio") or premium ("Agio") to par value. It should be noted that the Nominal may not necessarily equal the fair market value of the Security. If the Securities do not have a Nominal, then the Settlement Amount is typically calculated on the basis of an initial reference price (or a Strike, as the case may be), the Multi-

plier, the price of the Underlying and/or the Basket Component on the Final Valuation Date and other factors, as the case may be. The Multiplier specifies how many units of the Underlying the Security corresponds to. The Multiplier is expressed as a decimal, so a Multiplier of e.g. 0.01 indicates that a Security corresponds to one-hundredth of a unit of the Underlying.

In the case of Securities with **American Exercise Style** or **Bermudan Exercise Style**, the Security Right may be exercised on the dates specified in the Final Terms during the term of the Securities. In this case, the Security Holder is able, by choosing an Exercise Date to select the Final Valuation Date and the date of maturity relevant for determining the Reference Price. **Security Holders should note in this context that, in accordance with the applicable Conditions, the exercise of the Securities may be restricted during certain periods or when certain conditions are fulfilled.** A Security is exercised by submitting a formal Exercise Notice as specified in more detail in the General Conditions, which is subject to specific requirements as to form and timing.

A Security does not confer a right to receipt of dividend payments and does not confer a right to an interest payment, so does not provide a current yield. This means that potential losses in value of the Security may not be compensated by income generated by the Security.

***Due to the leverage effect the Securities may involve disproportionate risks of loss compared to a direct investment in the Underlying.***

The Securities may feature a so-called leverage effect (the "**Leverage Effect**"), i.e. a change in the value of the Underlying leads to a disproportionate change in the price of the Securities. **Securities therefore may involve disproportionate risks of loss compared to a direct investment in the Underlying.** When purchasing specific Securities, it must therefore be considered that the greater the Leverage Effect of the Securities, the higher the risk of losses. It should also be noted that the Leverage Effect typically increases as the (remaining) term of the Securities decreases.

***The Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the Security Holder to dispose of them.***

Unless the rules of any stock exchange on which the Securities are listed and admitted to trading require the Issuer or any Goldman Sachs affiliate to provide liquidity in respect of such Securities, the Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the Security Holder to dispose of them.

A secondary market is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which Securities will trade in such secondary market. Neither the Issuer nor any Goldman Sachs affiliate does commit or is under any obligation legal or otherwise to quote bid and ask prices for the Securities. If any Issuer or any Goldman Sachs affiliate does quote bid and ask prices for the Securities, it may cease to do so at any time without notice. Security Holders should therefore not assume that the Securities can be sold at a specific time or at a specific price during their life.

Neither the Issuer nor any Goldman Sachs affiliate has any obligation to provide any quotation of bid or offer price(s) for the Securities which is favourable to any Security Holder. Although application may be made for the Securities issued under the Base Prospectus to be admitted to trading on a stock exchange, there can be no assurance that such application will be accepted, that any particular Securities will be so admitted or that an active trading market will develop. In case of a listing or admission to trading of the Securities there is no obligation of the Issuer or of any Goldman Sachs affiliate to maintain a listing or admission to trading of the Securities during the term of the Securities. Accordingly, there can be no assurance as to the development or liquidity in any trading market for any particular Securities. Neither the Issuer assumes any responsibility for, nor makes any commitment to, any potential Security Holder for such development or liquidity of any trading market in such Securities.

***Security Holders should consider that price movements of the Underlying and/or the Basket Components (or the non-occurrence of an expected price movement) may decrease the value of the Security disproportionately and even render it worthless. There is then the risk of partial or total loss of the invested capital including transaction costs.***

The pricing of the Securities is determined by several factors during their term. In addition to the term of the Securities and the level of the Settlement Amount, in particular the solvency of the Issuer and the Guarantor is relevant.

The Securities may be traded over the counter and, if stipulated in the applicable Final Terms, on a stock exchange throughout their term. In contrast to most other securities, the pricing of the Securities is not based on the principle of supply and demand, since the intention is for Goldman Sachs International as market maker to quote bid and ask prices for the Securities on a regular basis under normal market conditions. However Goldman Sachs International does not commit and is under no obligation legal or otherwise to quote bid and ask prices for the Securities.

The price calculation by the market maker will be based on internal price calculation models, so that the theoretical value of the Securities will be determined on the basis of the value of the Underlying and other variable parameters. These other variable parameters may include, among other things, derivative components, expected yields on the Underlying (e.g. dividends), interest rates, the volatility of the Underlying and the supply and demand for hedging instruments and the interest rate premium above the risk-free rate on notes issued by the Guarantor (*Credit Spread*) (on price setting, see also under "Conflicts of interest in connection with the determination of purchase prices" together with "Conflicts of interest in connection with commission payments" in section "4. Risk factors associated with conflicts of interest between Goldman Sachs and Security Holders"). Security Holders should note that the Credit Spread may also change if the solvency of the Guarantor remains unchanged.

It is to be noted that price movements of the Underlying and/or the Basket Components (or the non-occurrence of an expected price movement) may decrease the value of the Security disproportionately and even render it worthless. There is then the risk of **partial or total loss of the invested capital including transaction costs**. This risk is independent of the financial strength of the Issuer and the Guarantor.



***The performance of the Securities may be linked to the performance of the Underlying and/or the Basket Components which may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities may adversely affect the value of the Securities.***

The Securities may reference one Underlying and/or two or more Basket Components. Therefore, the Security Holders are exposed to the performance of such Underlying and/or the Basket Components. The rate or price of the Underlying and/or the Basket Components may be subject to unpredictable change over time and this degree of change is known as "volatility". The volatility of an Underlying and/or the Basket Components may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities. Volatility does not imply direction of the rate or price, although an Underlying and/or the Basket Components that is more volatile is likely to increase or decrease in value more often and/or to a greater extent than one that is less volatile.

The performance of an Underlying and/or the Basket Components in relation to any particular Security can be calculated on a "European basis" or an "Asian basis". Where the performance of the Underlying and/or the Basket Components in relation to any particular Security is calculated on a "European basis" a comparison is made between the Underlying's price on a start date and a future date to determine performance. Therefore, Security Holders will not benefit from any increase in the Underlying's and/or the Basket Components' price from the start date up to, but excluding, the specified date on which the Underlying's and/or the Basket Components' price will be determined for the purpose of the relevant Securities.

Where the performance of an Underlying and/or the Basket Components in relation to any particular Securities is calculated on an "Asian basis", i.e. the average of the Underlying's and/or the Basket Components' price on a number of reference dates is used to determine the performance, the average price will be lower than the highest price of the Underlying and/or the Basket Components determined on any such reference dates and therefore Security Holders will not benefit from the greatest increase in the price of the Underlying and/or the Basket Components from the start date.

For information on the risks associated with the Underlying and/or the Basket Components see also below in section "3. Risk factors associated with the Underlying".

***Where payments under the Securities will be made in a currency which is different from the currency of the Underlying and/or the Basket Components and such Securities do not have a "quanto feature", i.e. no currency hedging feature, the Security Holders are exposed also to the performance of the currency of the Underlying and/or the Basket Components, which cannot be predicted. Furthermore, the Security Holder bears a currency risk if the account***

*of the Security Holder to which the Settlement Amount or other amounts is paid is held in a currency other than the currency of the Security.*

Where payments under the Securities will be made in one currency (the so-called "**Settlement Currency**") which is different from the currency of the Underlying and/or the Basket Components (the so-called "**Reference Currency**"), and such Securities do not have a "quanto feature", the Security Holders may be exposed not only to the performance of the Underlying and/or the Basket Components but also to the performance of such Reference Currency, which cannot be predicted. Security Holders should be aware that foreign exchange rates are, and have been, highly volatile and determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Foreign exchange fluctuations between a Security Holder's home currency and the Settlement Currency, i.e. the relevant currency in which the Settlement Amount of the Securities is denominated, may affect Security Holders who intend to convert gains or losses from the exercise or sale of Securities into their home currency.

If any Underlying and/or the Basket Components is not denominated in the Settlement Currency and at the same time only the performance of the Underlying in the Reference Currency is relevant to the payout on the Securities, such Securities are referred to as currency-protected Securities or Securities with a "quanto" feature. Under such feature, the investment return of the Securities depends only on the performance of the Underlying and/or the Basket Components (in the relevant Reference Currency) and any movement in the exchange rate between the Reference Currency and the Settlement Currency is disregarded. Accordingly, the application of a "quanto" feature means that Security Holders will not have the benefit of any movements in the exchange rate between the Reference Currency and the Settlement Currency that would otherwise increase the price of the Securities or the Settlement Amount to be paid at maturity in the absence of such "quanto" feature. In addition, movements in the relevant exchange rate may indirectly influence the price of the relevant Underlying and/or the Basket Components which, in turn, could have a negative effect on the return on the Securities.

Furthermore, a currency risk exists if the account of the Security Holder to which the Settlement Amount or any other amount owed is paid is managed in a currency different from the Settlement Currency of the Security and the relevant amount is being converted into the respective currency of the account. In the case of an unfavourable movement of the applicable exchange rate, the amount paid is reduced accordingly.

*Security Holders should be aware that they may not be able to hedge their exposure from the Securities.*

Security Holders cannot rely on being able to enter into transactions during the term of the Securities through which they can exclude or limit their initial risk. This depends on the market situation and the respective underlying conditions. It may be possible that such transaction can

be concluded only at a market price that is disadvantageous for the Security Holder so that it suffers a corresponding loss.

***A credit financing of the acquisition of Securities significantly increases the risk of loss to Security Holders.***

If Security Holders finance the purchase of Securities by drawing a loan, they will not only have to accept the loss incurred if their expectations are not fulfilled, but will also pay interest on and repay the loan. This causes the risk of loss to Security Holders to increase significantly. Security Holders should therefore not rely on being able to pay interest on or repay the loan using income from a Security. Rather, they have to consider their economic situation in advance as to whether they are able to pay interest on and, if applicable, repay the loan at short notice, even if losses occur instead of the expected income.

***Hedging transactions of the Issuer, the Guarantor or companies affiliated with them may have a significant effect on the price performance of the Underlying and/or a Basket Component and may thus cause a violation of certain thresholds.***

Price movements in the Underlying and/or the Basket Components and thus in the Securities may also be caused by the Issuer, the Guarantor or companies affiliated with them engaging in hedging transactions or other larger transactions in the Underlying and/or the Basket Components or in relation to the Underlying. Security Holders should also note in this context that particularly in disadvantageous circumstances (e.g. in the case of low liquidity of the Underlying and/or the Basket Component), such a transaction may have a significant effect on the price performance of the Underlying and/or the Basket Components and may thus cause the price to exceed or to fall below certain thresholds provided for in the Conditions.

***Fees and other transactions costs reduce the chances of the Security Holder generating a profit from the purchase of the Security.***

Fees and other transactions costs that arise when purchasing or selling Securities reduce the chances of the Security Holder generating a profit on acquisition of the Security. Fixed costs have a greater effect in the case of a small invested amount. Security Holders should therefore obtain information about all costs arising during the purchase or sale of the Security before acquiring a Security.

***Security Holders are exposed to the risk of wrong assessment of the Securities' liquidity due to the issue size mentioned in the Final Terms.***

The issue size set out in the applicable Final Terms corresponds to the maximum amount of the offered Securities, but does not give any indication as to the volume of the respective effectively issued Securities deposited with a central depository. This volume is determined by the market situation and may change during the term of the Securities. Security Holders should there-

fore note that no conclusions regarding the liquidity of the Securities on the secondary market are possible based on the issue size set out in the applicable Final Terms.

***Market disruptions, adjustment measures and termination rights may negatively affect the rights of the Security Holders.***

The occurrence or existence of market disruptions is determined in accordance with the Conditions. Market disruptions may affect the price of the Securities and delay the repayment of Securities.

Adjustment measures are carried out in accordance with the Conditions. In the case of adjustment measures in respect to the Underlying and/or the Basket Components, it cannot be ruled out that the assessment, on which an adjustment measure is based subsequently turns out to be incorrect and the adjustment measure subsequently turns out to be disadvantageous for the Security Holder and the Security Holder may be placed in a worse economic situation through the adjustment measure than he was in prior to an adjustment measure or would be in through a different adjustment measure.

Under certain circumstances the Issuer furthermore may have an extraordinary termination right. If the termination right is exercised, the Issuer will repay the Securities at an adequate market price, unless otherwise defined in the Final Terms, determined in its reasonable discretion which can be even zero. In the case of an extraordinary termination, there is no claim to payment of an amount to be calculated based on a repayment formula determined in the Conditions nor is there a fixed unconditional minimum amount. A reinvestment risk exists in this case, i.e. a risk that the Security Holder may only be able to reinvest the returned funds on more unfavourable terms. If provided for in the Conditions, the Issuer has an ordinary termination right. The Security Holder also has a reinvestment risk in this case.

When determining the adequate market price in the case of an extraordinary termination, the Calculation Agent may take various market factors into account. These generally also include the probability of default by the Issuer or the Guarantor, calculated by using the credit spreads or the yields of sufficiently liquid traded bonds quoted on the market at the time of determination of the Termination Amount.

***Corrections, supplements or modifications of the Conditions may be detrimental for Security Holders. Security Holders should consider that right to terminate the Securities may be excluded if the correction, supplement or modification was foreseeable or is not disadvantageous for them.***

Security Holders should note that the Issuer has the right in certain cases specified in more detail in the Conditions to correct, supplement or modify provisions in the Issue Specific Terms and/or the Conditions, and the correction, supplement or modification of a provision in the Conditions may, if applicable, be detrimental for the Security Holder compared to the original provision, i.e. that information or provisions may be affected by the correction, change, or amendment, which are part of the factors determining the price of the Securities.

If due to the correction, supplement or modification of the provision the content or scope of the Issuer's performance obligations is changed in an unforeseeable and detrimental manner that is not foreseeable to the Security Holder, the Security Holder has the right to terminate the Securities within a period specified in more detail in the Conditions. The Security Holder does not have a termination right, if the correction, supplement or modification was foreseeable or is not disadvantageous for it.

If a correction, supplement or modification is not possible, the Issuer has in the case of German Securities the right to terminate the Securities without undue delay, if the preconditions for rescission in the sense of Sections 119 *et seq.* of the German Civil Code (BGB) exist vis-à-vis the Security Holders. Individual Security Holders are also entitled to terminate the Securities under these conditions. The Termination Amount to be paid in the case of a termination generally corresponds to the market price of a Security and the Conditions contain detailed rules for its determination. In order to reduce the effects of any price fluctuations immediately prior to the Termination Date on the determination of the Termination Amount, the market price generally corresponds to the arithmetic mean of the spot prices (*Kassakurse*) which were published at the Securities Exchange specified in the applicable Final Terms, provided that the Securities are listed. Calculating the average is disadvantageous for the Security Holder, if the spot price on the Business Day prior to the Termination Date is higher than the arithmetic mean. The Security Holder may furthermore demand from the Issuer, subject to the conditions specified in the Conditions, the difference between the purchase price paid by the Security Holder when acquiring the Securities and a lower market price, to the extent that the Security Holder produces evidence thereof to the Principal Programme Agent. The reimbursement of transaction costs or of other fees, including any offering premium paid, may only be considered, however, in connection with a potential claim by the Security Holder for compensation of the negative interest (corresponding to Section 122 BGB). Security Holders should furthermore note that they bear the reinvestment risk in the case of a termination.

***If the Issuer redeems the Securities, a Security Holder is exposed to the risk that due to early redemption his investment will have a lower than expected yield.***

If the Issuer redeems the Securities, a Security Holder is exposed to the risk that due to early redemption its investment will have a lower than expected yield. The amount the Security Holder will receive in the case of an ordinary termination may be below the market value of the Securities and the amount invested. It should also be taken into account in the case of an early redemption the Security Holder bears the reinvestment risk. This means that it may only be able to reinvest the amount to be paid by the Issuer in the case of an early redemption on less favourable market terms than those existing when the Security was acquired.

***Changes in tax law could adversely affect the value and/or the market value of the Securities or may change the tax treatment of the relevant Securities.***

Tax law and practice is subject to change, possibly with retrospective effect, and this could adversely affect the value of the Securities to the Security Holder and/or the market value of

the Securities. Any such change may (i) cause the tax treatment of the relevant Securities to change from what the Security Holder understood the position to be at the time of purchase; or (ii) render the statements in this Base Prospectus concerning relevant tax law and practice in relation to Securities issued under the Base Prospectus inaccurate or inapplicable in some or all respects to certain Securities or have the effect that the Base Prospectus does not include material tax considerations in relation to certain Securities. Security Holders should consult their own tax advisers in relevant jurisdictions about the tax implications of holding any Security and of any transaction involving any Security.

#### Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common Financial Transaction Tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia ("**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, the tax would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between member states of the European Union. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional member states of the European Union may decide to participate.

Prospective Holders of the Securities should consult their own tax advisers in relation to the consequences of the FTT.

#### Payments on Securities that reference United States equities may be subject to United States withholding tax

Securities that directly or indirectly reference the performance of United States equities (including an index or basket that includes United States equities) may be subject to withholding tax under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended.

***Security Holders should note that in the case of a subscription period the Issuer reserves the right to end the subscription period early or to extend it and that the Issuer is not obliged to accept subscription applications or to issue subscribed Securities.***

The applicable Final Terms may provide for the Securities to be offered during a particular subscription period. Security Holders should note in this case that the Issuer reserves the right

to end the subscription period early or to extend it. In the case of an early ending or an extension of the subscription period, the Initial Valuation Date, as the case may be, which determines certain characteristics of the Securities, may be postponed along with the Issue Date. The Issuer is not obliged to accept subscription applications. Partial allocations are possible (in particular in the event of oversubscription). The Issuer is not obliged to issue subscribed Securities.

## **2. Risk factors associated with certain types of Securities**

### ***Product No. 1. Risk factors applicable to Open End Factor Certificates with Nominal***

#### **Risk factors related to the unlimited term of the Securities and/or to the Issuer's ability to terminate**

The Securities do not have a specified limited term (*Open End*). The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.

The Securities may be exercised by the Security Holder on certain Exercise Dates during their term by submitting an Exercise Notice. The Settlement Amount for exercised Securities is calculated based on the Reference Price of the Underlying on the relevant Exercise Date.

The Securities may be terminated on notice by the Issuer by way of ordinary termination in accordance with the Termination Notice Time Span specified in the Final Terms. It is to be noted that the Issuer has no further obligations in relation to the exercise of its termination right.

The Issuer is furthermore entitled to extraordinary termination of the Securities by notice if an adjustment is no longer possible or in the case of an Additional Disruption Event. It is to be noted that the Issuer exercises its termination right at its reasonable discretion and has no further obligations in relation to its termination right. The exercise of the right to extraordinary termination may occur at short notice, so that, in certain circumstances, the Security Holder may no longer be able to sell his or her Security on the secondary market.

The exercise of the termination right by the Issuer is generally more likely, the greater the volatility of the Underlying or the more illiquid the market in financial instruments related to the Underlying (including the forward and loan markets). Owing to the Issuer's termination right, Security Holders may not assume that the Securities will have an unlimited term. Security Holders should therefore not rely on being able to maintain a position in the Securities over a long period. Furthermore, Security Holders may not rely on the timely movement of the Underlying in a favourable direction before a Termination Date.

#### **Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer**

Security Holders should note that the fundamentally unlimited term of the Securities may be ended by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Security Holder bears the risk that his expectations with respect to an increase in the value of the Securities may no longer be satisfied due to the ending of the term. In the case of a ter-

mination, it must also be considered that the Security Holder bears the reinvestment risk. This means that he or she may only be able to reinvest the amount paid by the Issuer in the event of a termination on more unfavourable market terms compared with those existing when the Security was purchased.

#### *Risk of total loss*

Open End Securities are comparable with a direct investment in the Underlying (irrespective of dividend payments and management or Quanto fees), with the result that the Security Holder is also exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term (e.g. in the case of a termination by the Issuer).

#### *Risk factors related to Securities with Management Fee or Quanto Fee*

To the extent provided in the applicable Final Terms, a certain Management Fee or Quanto Fee is deducted from the Settlement Amount payable.

The Management Fee compensates the Issuer or entities associated with the Issuer for costs incurred by it (in the absence of foreign exchange hedging) in entering into transactions related to the Underlying on the capital markets, which serve to hedge the fulfilment risks associated with the issuance of the Securities ("**Hedging Transactions**"). The Quanto Fee is charged in order to compensate the Issuer for hedging costs in hedging foreign exchange risk.

It should be noted that a Management Fee or Quanto Fee not only reduces the Settlement Amount payable by the Issuer, whereby the Reference Price is multiplied by a Management Factor or Fee Factor (consisting of the Management Fee and Quanto Fee) calculated pursuant to the Issue Specific Terms, but also reduces the value of the Securities on the secondary market during their term. Such a Management Fee or Quanto Fee is incorporated in the calculation of the bid and ask prices for Securities on the secondary market according to the portion of the term of the Securities that has already expired.

#### *Particular features of the Management Fee*

The Issuer is entitled to adjust the level of the Management Fee during the term of the Securities. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Securities.

#### *Particular features of the Quanto Fee*

Exchange rate hedging costs may vary considerably according to market conditions and may have either a significant negative or a significant positive value. This will be reflected in the current Quanto Fee. Should the exchange rate hedging costs be significantly positive, the Quanto Fee will increase and lead to a lower Settlement Amount. Should the exchange rate hedging costs be significantly negative, the Quanto Fee will be smaller and the Settlement Amount will be higher. As the term increases, it is relatively unlikely that a negative Quanto Fee will offset the Management Fee and that the Fee Factor will have a positive effect for the Security Holder.

The level of the Quanto Fee is set by the Issuer on the basis of the current market parameters. Five factors in particular are influential in determining these costs: the interest rate of the Ref-



erence Currency, the interest rate of the Base Currency that is being hedged, the volatility of the Underlying, the volatility of the exchange rate between the Reference Currency and the Base Currency, and the correlation between the price of the Underlying and the performance of the exchange rate.

The costs may be increased as a result of an increasing interest rate in the Reference Currency, a falling interest rate in the Base Currency, as well as increasing volatilities and an increasing correlation. This may lead to a higher Quanto Fee and consequently to a lower investment yield, all other conditions remaining the same.

***Product No. 2. Risk factors applicable to Open End Factor Certificates with Multiplier***

***Risk factors related to the unlimited term of the Securities and/or to the Issuer's ability to terminate***

The Securities do not have a specified limited term (*Open End*). The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.

The Securities may be exercised by the Security Holder on certain Exercise Dates during their term by submitting an Exercise Notice. The Settlement Amount for exercised Securities is calculated based on the Reference Price of the Underlying on the relevant Exercise Date.

The Securities may be terminated on notice by the Issuer by way of ordinary termination in accordance with the Termination Notice Time Span specified in the Final Terms. It is to be noted that the Issuer has no further obligations in relation to the exercise of its termination right.

The Issuer is furthermore entitled to extraordinary termination of the Securities by notice if an adjustment is no longer possible or in the case of an Additional Disruption Event. It is to be noted that the Issuer exercises its termination right at its reasonable discretion and has no further obligations in relation to its termination right. The exercise of the right to extraordinary termination may occur at short notice, so that, in certain circumstances, the Security Holder may no longer be able to sell his or her Security on the secondary market.

The exercise of the termination right by the Issuer is generally more likely, the greater the volatility of the Underlying or the more illiquid the market in financial instruments related to the Underlying (including the forward and loan markets). Owing to the Issuer's termination right, Security Holders may not assume that the Securities will have an unlimited term. Security Holders should therefore not rely on being able to maintain a position in the Securities over a long period. Furthermore, Security Holders may not rely on the timely movement of the Underlying in a favourable direction before a Termination Date.

***Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer***

Security Holders should note that the fundamentally unlimited term of the Securities may be ended by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Security Holder bears the risk that his expectations with respect to an increase in the value

of the Securities may no longer be satisfied due to the ending of the term. In the case of a termination, it must also be considered that the Security Holder bears the reinvestment risk. This means that he or she may only be able to reinvest the amount paid by the Issuer in the event of a termination on more unfavourable market terms compared with those existing when the Security was purchased.

*Risk of total loss*

Open End Securities are comparable with a direct investment in the Underlying (irrespective of dividend payments and management or Quanto fees), with the result that the Security Holder is also exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term (e.g. in the case of a termination by the Issuer).

*Risk factors related to Securities with Management Fee or Quanto Fee*

To the extent provided in the applicable Final Terms, a certain Management Fee or Quanto Fee is deducted from the Settlement Amount payable.

The Management Fee compensates the Issuer or entities associated with the Issuer for costs incurred by it (in the absence of foreign exchange hedging) in entering into transactions related to the Underlying on the capital markets, which serve to hedge the fulfilment risks associated with the issuance of the Securities ("**Hedging Transactions**"). The Quanto Fee is charged in order to compensate the Issuer for hedging costs in hedging foreign exchange risk.

It should be noted that a Management Fee or Quanto Fee not only reduces the Settlement Amount payable by the Issuer, whereby the Reference Price is multiplied by a Management Factor or Fee Factor (consisting of the Management Fee and Quanto Fee) calculated pursuant to the Issue Specific Terms, but also reduces the value of the Securities on the secondary market during their term. Such a Management Fee or Quanto Fee is incorporated in the calculation of the bid and ask prices for Securities on the secondary market according to the portion of the term of the Securities that has already expired.

*Particular features of the Management Fee*

The Issuer is entitled to adjust the level of the Management Fee during the term of the Securities. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Securities.

*Particular features of the Quanto Fee*

Exchange rate hedging costs may vary considerably according to market conditions and may have either a significant negative or a significant positive value. This will be reflected in the current Quanto Fee. Should the exchange rate hedging costs be significantly positive, the Quanto Fee will increase and lead to a lower Settlement Amount. Should the exchange rate hedging costs be significantly negative, the Quanto Fee will be smaller and the Settlement Amount will be higher. As the term increases, it is relatively unlikely that a negative Quanto Fee will offset the Management Fee and that the Fee Factor will have a positive effect for the Security Holder.

The level of the Quanto Fee is set by the Issuer on the basis of the current market parameters. Five factors in particular are influential in determining these costs: the interest rate of the Reference Currency, the interest rate of the Base Currency that is being hedged, the volatility of the Underlying, the volatility of the exchange rate between the Reference Currency and the Base Currency, and the correlation between the price of the Underlying and the performance of the exchange rate.

The costs may be increased as a result of an increasing interest rate in the Reference Currency, a falling interest rate in the Base Currency, as well as increasing volatilities and an increasing correlation. This may lead to a higher Quanto Fee and consequently to a lower investment yield, all other conditions remaining the same.

### 3. Risk factors associated with the Underlying

#### *Risk Factors associated with Factor Indices as Underlying*

##### General risk factors associated with Factor Indices

In evaluating the Open End Factor Certificates and the relevant Factor Index, the investor must take into account the fact that the Factor Index is not a recognized financial index, but a strategy index designed and calculated by the Index Sponsor. The sole function of the respective Factor Index is to serve as Underlying for the relevant Open End Factor Certificates.

The Factor Index tracks the leveraged investment in the asset underlying the Factor Index (the "**Component**"). Accordingly, the value of the Factor Index depends on the development of the Component (see specific risks relating to the respective types of Components below).

The value of the Factor Index is calculated on the basis of (a) a leverage component and (b) a financing component:

##### *(a) Risk factors due to leverage component*

In the case of Long Factor Indices, the leverage component tracks an investment in the Component, whereby movements in the price of the Component are multiplied by the Leverage (Factor). This leverage effect occurs with either positive or negative movements in the price of the Component, having a disproportionate effect on the value of the Factor Index. This means that a negative movement in the price of the Component (which is unfavourable for the investor) will result in a disproportionately negative change in the value of the Security. Investors must consider that even sideways movements (the price of the Component rises and falls alternately) in the Component may result in price losses: In the course of the daily calculation of the Factor Index, the effect of the leverage component is that the daily movement in the price of the Component is magnified by the degree of leverage. The reference point for the calculation of the Factor Index is the closing price of the Factor Index on the preceding day, in accordance with the index description. A Long Factor Index will have lost value if the price of the Component falls on one day and returns to its initial value on the next day – and the loss will be greater the higher the leverage is. A Factor Index therefore "realises" the daily (leveraged) gains and losses as a result of the daily determination of a

new closing price of the Factor Index, which then serves as the basis for the subsequent calculation of the Factor Index. This effect of the leverage also means that a Factor Index can suffer a significant fall in value even though the price of the Component has not changed materially.

In the case of Short Factor Indices, the leverage component inversely tracks an investment in the Component, whereby movements in the price of the Component are multiplied by the Leverage (Factor). This leverage effect occurs with either positive or negative movements in the price of the Component, having a disproportionate effect on the value of the Factor Index. This means that a positive movement in the price of the Component (which is unfavourable for the investor) will result in a disproportionately negative change in the value of the Security. The investor must consider that even sideways movements (the price rises and falls alternately) in the Component may result in price losses: In the course of the daily calculation of the Factor Index, the effect of the leverage component is that the daily movement in the price of the Component is magnified by the degree of leverage. The reference point for the calculation of the Factor Index is the closing price of the Factor Index on the preceding day, in accordance with the index description. A Short Factor Index will have lost value if the price of the Component rises on one day and returns to its initial value on the next day – and the loss will be greater the higher the leverage is (the leverage factor is preceded by a negative sign in case of Short Factor Indices). A Factor Index therefore "realises" the daily (leveraged) gains and losses as a result of the daily determination of a new closing price of the Factor Index, which then serves as the basis for the subsequent calculation of the Factor Index. This effect of the leverage also means that a Factor Index can suffer a significant fall in value even though the price of the Component has not changed materially.

(b) *Risk factors due to financing component*

In the case of Long Factor Indices, the financing component tracks the capital costs that would be incurred to finance the corresponding investment in the Component. Additionally, a fee charged by the Index Sponsor for the calculation and administration of the Factor Index may be added (Index Fee). Therefore, the financing component reduces the value of the Factor Index.

In the case of Short Factor Indices, the financing component emulates the income and expenses that would arise from acquiring the Component, selling it and investing the proceeds at the risk-free rate. Additionally, a fee charged by the Index Sponsor for the calculation and administration of the Factor Index may be added (Index Fee which reduces the value of the index).

Holders should note that the Index Sponsor may determine some parameters for the purpose of calculating the financing component in its reasonable discretion. The exercise of such discretion may differ from the estimation of other market participants.

In connection with the financing component the following risks should be taken into account:

- *Risk factors due to consideration of index fee*

The investor must consider that, for the purposes of calculating the Factor Index, an ongoing fee for the administration and calculation of the Factor Index may be deducted from the level of the Factor Index, if provided for in the applicable methodology of the Factor Index. The deduction of such index fee generally results in a reduction in the value of the Factor Index and therefore also of the Open End Factor Certificates.

- *Risk factors due to consideration of volatility component*

The investor must consider that, for the purposes of calculating the Factor Index an ongoing volatility component (based on a long-term and short-term average of a corresponding implied volatility indicator (e.g. the VDAX)) may be deducted from the level of the Factor Index, if provided for in the applicable methodology of the Factor Index. The volatility component reflects the hedging costs in relation to unexpected market movements of the Component over night (so-called Gap Risk). The consideration of the volatility component generally results in a reduction in the value of the Factor Index and therefore also of the Open End Factor Certificates.

- *Consideration of dividend taxation in the course of the calculation of the Factor Index*

The Index Sponsor may take into account dividend payments or cash amounts equivalent to dividends (taking also into account the relevant dividend taxation) paid in relation to a constituent of the relevant Component in the course of the calculation of the Factor Index if provided for in the applicable methodology of the Factor Index. The consideration of dividend payments (or cash amount equivalent to dividends) may reduce the value of the Factor Index and therefore also of the Open End Factor Certificates. The effect will be greater the higher the dividend and/or the dividend taxation. A change in the tax treatment of dividends (from the point of view of the Index Sponsor) may mean that the Index Sponsor will no longer include dividends distributed on a constituent of the relevant Component in the same amounts as before.

*Risk Factors due to the intraday index adjustment*

Factor Indices provide for an intraday index adjustment if the losses in the Factor Index reach a certain barrier. This mechanism can only mitigate further losses in the Factor Index (and accordingly further losses in value of the respective Open End Factor Certificate), but the losses may nevertheless be substantial. Therefore, the barrier should not be regarded as a "safety buffer" and the amount of losses also depends on the level of the barrier. The intraday index adjustment results in an immediate realization of the losses accrued, since any recovery in value can only start from this index level which is now lower.

An intraday index adjustment can also result in losses in the Factor Index and therefore in the value of the Open End Factor Certificates in the event of significant intraday fluctuations in the

Component. This will be the case, for example, even if the Component returns to its initial level by the close of trading.

Investors should note that the Factor Index may not be disseminated by the Index Sponsor during a certain period (e.g. 10-minutes) following the time at which the losses in the Component and/or Factor Index reaches the relevant barrier. During this period no continuous bid and ask prices are quoted for the Open End Factor Certificates on the secondary market by Goldman Sachs.

### ***Risks associated with indices as Component of the Factor Index***

#### **Factors affecting the performance of indices**

In the case of Open End Factor Certificates linked to Factor Indices, the Settlement Amount depends on the development of the price of the Factor Index. Risks of the Factor Index are thus also risks of the Open End Factor Certificates. The development of the price of the Factor Index in turn depends on the development of the Component underlying the Factor Index (e.g. equity indices are comprised of a synthetic portfolio of shares, and as such, the performance of such a Component is dependent upon the macroeconomic factors relating to the shares that underlie such Component, such as interest rates and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy). During the term of the Open End Factor Certificates, the market price of the Open End Factor Certificates may deviate from the development of the price of the Factor Index or of the Component, since other factors, for example the correlations, volatilities and interest rate level, may influence the development of the price of the Open End Factor Certificates. In the case of performance indices as Component, the reinvestment of dividend payments relating to the constituents of the Component may also influence the development of the price of the Open End Factor Certificates.

#### **Change in composition or discontinuance of a Component**

It should be noted that the sponsor of any Component can add, delete or substitute the constituents of such Component or make other methodological changes that could change the level of one or more constituents. The changing of constituents of any Component may affect the level of such Component, as a newly added constituent may perform significantly worse or better than the constituent it replaces, which in turn may affect the value of the relevant Factor Index and payments made by the Issuer to the Security Holder. The sponsor of any such Component may also alter, discontinue or suspend calculation or dissemination of such Component. The sponsor of a Component will have no involvement in the offer and sale of the Securities and will have no obligation to any Security Holder. The sponsor of a Component may take any actions in respect of such Component without regard to the interests of the Security Holder, and any of these actions could adversely affect the market value of the Open End Factor Certificates.

*Loss of return of dividends in respect of Factor Indices linked to equity indices*

The rules governing the composition and calculation of the relevant Component underlying the Factor Index might stipulate that dividends distributed on its constituents do not lead to a rise in the level of the Component, for example, if it is a "price" index, which may lead to a decrease in the level of the Component if all other circumstances remain the same. As a result, in such cases Security Holders of Open End Factor Certificates in respect of which the Component of a Factor Index is such type of index will not participate in dividends or other distributions paid on the constituents comprising the Component. Even if the rules of the relevant Component underlying the Factor Index provide that distributed dividends or other distributions of the components are reinvested in the Component and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Component.

*Factors affecting the performance of Factor Indices linked to a dividend index*

Where the Factor Index references an index that is linked to the dividends of certain shares, the Security Holders are exposed to the declaration and payment of such dividends (if any) by the issuers of such shares, and such declaration and payment of dividends (if any) may be subject to unpredictable change over time.

***Risks associated with shares as Component of the Factor Index****Factors affecting the performance of shares*

Relevant for the development of the price of the Factor Index (and in turn the price of the Open End Factor Certificates) is the development of the share price of the share underlying of the Factor Index. The development of the share price cannot be predicted and is determined by macroeconomic factors, e.g. the interest rate and price level on capital markets, currency developments, political circumstances, as well as company-specific factors such as e.g. the earnings situation, market position, risk situation, shareholder structure and distribution policy.

*Actions by the issuer of a share may negatively affect the Open End Factor Certificates*

The issuer of a share will have no involvement in the offer and sale of the Open End Factor Certificates and will have no obligation to any Security Holders. The issuer of a share may take any actions in respect of such share without regard to the interests of the Security Holders, and any of these actions could have a negative effect on the market value and the return of the Open End Factor Certificates.

*Loss of return of dividends*

Security Holders of Open End Factor Certificates in respect of which a Component of the Factor Index is a share will not participate in dividends or other distributions paid on such share. Therefore, the return on such Open End Factor Certificates will not reflect the return a Security Holder would have realised had he or she actually owned such shares and received the dividends on them.

***Risks associated with Foreign Exchange Rates as Component of the Factor Index***

Foreign exchange rates reflect the value ratio of one specific currency to a different currency. In international foreign exchange trading, where a specific currency is traded against another, the currency being traded is referred to as the "**Base Currency**", while the currency which states the price for the Base Currency, is referred to as "**Reference Currency**". For example, the foreign exchange rate "EUR/USD 1.17552" indicates that USD 1.17552 (= Reference Currency) has to be paid to purchase one Euro (= Base Currency). An increase in this foreign exchange rate therefore means an increase of the Euro compared to the US-Dollar. Conversely, the foreign exchange rate "USD/EUR 0.85051" indicates that EUR 0.85051 has to be paid to purchase one US-Dollar. An increase in this foreign exchange rate therefore means an increase in the US-Dollar compared to the Euro.

The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency.

Values from various sources may be used as price for the foreign exchange rates. On the one hand, these may be foreign exchange rate prices, which are established in the so-called inter-bank trading, since the majority of international foreign exchange trading is settled between large banks. Such prices are published on screen pages of renowned financial information services (such as e.g. Reuters or Bloomberg). On the other hand, official foreign exchange rates determined by central banks (such as the European Central Bank) may be used as prices for foreign exchange rates. Furthermore, it may be possible that the price of certain foreign exchange rate pairs cannot be obtained in a suitable form at a reference market. For such a foreign exchange rate, the price is indirectly by using two foreign exchange rate pairs, each of which contains a currency of the foreign exchange rate pair underlying the Securities as well as a common reference currency. In this case, the price of the foreign exchange rate is determined by making a cross rate calculation of these two foreign exchange rates.

Investors should note that the fixing of foreign exchange rates was manipulated by agreements between market participants in the past. The Issuer cannot exclude the possibility that manipulations of the fixing of foreign exchange rates will arise in the future, which may have an adverse effect on the relevant foreign exchange rate and accordingly on the Factor Index and/or the Securities (see also under "Regulations and reform of benchmarks, including LIBOR, EURIBOR and other interest rate, equity, commodity and foreign exchange rate and other types of benchmarks").



***Risks associated with Commodities or Futures Contracts for Commodities as Component of the Factor Index***

***Factors affecting the performance of Commodities or Commodity Indices***

Raw materials or commodities are generally divided into three main categories: mineral commodities (such as oil, gas, aluminium and copper), agricultural products (such as e.g. wheat and corn), and precious metals (such as gold and silver). A majority of raw materials or commodities are traded on specialized exchanges or directly among market participants (inter-bank trading) worldwide in the form of OTC transactions ("over the counter") using mostly standardized contracts.

Price risks of raw materials or commodities are often complex. The prices are subject to greater fluctuations (volatility) than those of different investment categories. Commodity markets particularly have a lower liquidity than bond, foreign currency and stock markets. Changes in supply and demand therefore have a more drastic effect on prices and volatility, which is why investments in commodities are more risky and complex.

The factors influencing commodity prices are numerous and complex. The following are examples of some typical factors, which are reflected in commodity prices:

*(a) Supply and demand*

The planning and management of commodities supplies is very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of changed demand. Demand can also vary on a regional basis. Transport costs for commodities in regions where these are needed also affect their prices. The fact that some commodities follow a cyclical pattern, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations.

*(b) Direct investment costs*

Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The total returns from commodities investments are therefore influenced by these factors.

*(c) Liquidity*

Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants active in the commodities markets means that large speculative investments can have negative consequences and may distort prices.

*(d) Weather and natural catastrophes*

Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices for agricultural products.

(e) *Governmental programs and policies, national and international political, military and economic events and trading activities in commodities and related contracts*

Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is however far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can as a consequence affect commodity prices. Armed conflicts can also impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations or cartels in order to regulate supply and influence prices.

(f) *Taxes and duties*

Changes in tax rates and customs duties may have a positive or a negative impact on the profitability margins for commodities producers. If these costs are passed on to buyers, these changes will affect the prices of the relevant commodities.

Limit Prices

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular contract, which could adversely affect the value of the Component.

Legal and regulatory changes

Commodities are subject to legal and regulatory regimes that may change in ways that (i) could affect the ability of the Issuer and/or any entities acting on behalf of the Issuer engaged in any Component or hedging transactions in respect of the Issuer's obligations in relation to the Securities to hedge the Issuer's obligations under the Securities, and/or (ii) could lead to the early redemption of the Securities or to the adjustment to the Conditions of the Securities.

Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could negatively affect the value of the Securities.

*Risks associated with Futures Contracts as Component of the Factor Index*

Futures Contracts, also referred to as futures, are standardised futures transactions linked to (i) financial instruments (e.g. shares, indices, interest rates, dividends or foreign currencies) – so-called financial futures contracts – or (ii) to commodities (e.g. precious metals, wheat, or sugar) – so-called commodity futures contracts.

*Difference between spot and futures price*

A Futures Contract represents the contractual obligation to purchase or sell a certain quantity of the respective contract object on a fixed date at an agreed price. Futures Contracts are traded on futures exchanges and are standardised with respect to contract size, type and quality of the contract object, and potential places and dates of delivery. General, a close correlation exists between the price development of the financial instrument or commodity underlying the Futures Contract on a spot market and the corresponding futures market. However, Futures Contracts are generally traded with a premium or discount compared to the spot price of the underlying financial instrument or commodity. This difference between spot and futures price, which is referred to as "basis" in futures exchange terminology, results on the one hand from the inclusion of costs, which usually arise during spot transactions in the calculation (storage, delivery, insurance, etc.), or of income usually related to spot transactions (interest, dividends, etc.) and on the other hand from the differing valuation of general market factors on the spot and futures market. Furthermore, the liquidity may significantly differ between the spot and the corresponding futures market depending on the financial instrument or commodity.

Since the Factor Index underlying the Open End Factor Certificates is linked to the exchange price of the relevant Futures Contract, it is advisable that the Security Holder, in addition to knowledge about the market for the financial instrument underlying the relevant Futures Contract or the market for the commodity underlying the relevant Futures Contract, also has knowledge about the mechanisms and valuation factors of futures transactions, since an appropriate evaluation of the risks related to the purchase of the Open End Factor Certificates is possible only in this case.

*Rolling of Futures Contracts**(a) General*

Since any futures contract has a predetermined expiration date on which trading of the futures contract ceases, holding a futures contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. "**Rolling**" the futures contracts means that the futures contracts that are nearing expiration (the "**near-dated futures contracts**") are sold before they expire and futures contracts that have contract specifications identical to the near-dated futures contract except with an expiration date further in the future (the "**longer-dated futures contracts**") are bought. This would allow an actual purchaser to maintain an investment position without receiving delivery of physical commodities or making or receiving a cash settlement.

*(b) Backwardation*

When the price of the near-dated futures contract is greater than the price of the longer-dated futures contract, the market for such contracts is referred to as in "**backwardation**". If the rolling process occurs when the price of a futures contract is in backwardation, this results in a greater quantity of the longer-dated futures contract being acquired for the same value. Rolling contracts in a backwardated market can (putting aside other considerations) create a "roll yield".

*(c) Contango*

When the price of the near-dated futures contract is lower than the price of the longer-dated futures contract, the market for such contracts is referred to as in "**contango**". If the rolling process occurs when the price of a futures contract is in contango, this results in a smaller quantity of the longer-dated futures contract being acquired for the same value. Rolling contracts in a contango market can (putting aside other considerations) result in negative "roll yields".

*Risks associated with Dividend Futures Contracts*

Dividend Futures Contracts reflect the sum of the dividends distributed by all companies represented in the underlying equity index, taking into account the index divisor in index points. A Dividend Futures Contract reflects the stream of dividends in a calendar year, i.e. the relevant contract reflects only the dividends expected for the relevant calendar year.

*Not all disbursements of the companies included in an equity index are included*

When calculating the Dividend Futures Contract, all ordinary gross dividends of the companies included in the underlying equity index are included. Special dividends, capital repayments, or similar distributions are, however, not taken into account to the extent that the respective sponsor makes an adjustment in the underlying equity index. If the sponsor adjusts the underlying equity index only in respect to part of the gross dividend, the part that is not adjusted is included in the Final Settlement Price of the Dividend Futures Contract.

*The amount of the total dividends distributed depends on numerous factors*

The amount of the total dividends distributed, which are paid by the companies included in the underlying equity index, may be affected by numerous factors, particularly by the profits and dividend policy of the relevant company included in the equity index, as well as by company decisions, which are due to regulatory or tax considerations. In particular, regulatory and tax aspects have had significant negative effects on the payment of dividends in the past. Similar decisions in the future may therefore have a negative effect on the Dividend Futures Contract and thus a negative effect on the price of the Factor Index and/or the Securities. It is possible in the case of individual companies that dividends may be reduced significantly or not paid at all, and this will have a negative effect on the Dividend Futures Contract and thus the Factor Index and/or the Securities.

*There is a great dependency on changes in the regulatory and tax environment*

Regulatory and tax developments may – irrespective of company decisions – lead to a reduction in dividends paid by companies included in the underlying equity index. Such regulatory

and tax developments have had significant negative effects on the payment of dividends in the past. Similar decisions in the future may therefore have a negative effect on the Dividend Futures Contract and thus a negative effect on the price of Factor Index and/or the the Securities.

*Dividends paid in the past are no indicator for future dividend payments*

The actual price of the Dividend Futures Contract on the Final Valuation Date is largely unrelated to the amount of the dividends paid by the companies included in the underlying equity index during similar dividend periods in the past. Therefore, the future performance of the Dividend Futures Contract cannot be predicted on the basis of the dividends paid by the companies included in the equity index in the past.

*Changes to the index composition may have a negative effect on the Dividend Futures Contract*

Security Holders may not rely on the companies currently included in the equity index remaining in the underlying equity index in the future. The composition of the companies included in the equity index may change during the term of the Securities, which may have a negative effect on the Factor Index and the price of the Securities.

***Risks associated with Interest Rates as Component as Factor Index***

The performance of interest rates underlying the Factor Index is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as by speculation and other macroeconomic factors.

***Risks associated with Components related to emerging markets***

Investments in so-called emerging markets contain further risk factors in addition to the risks normally associated with the investment in the respective Component. These include the unstable economic situation, high inflation, increased currency risks as well as political and legal risks. The political and economic structures in emerging markets are sometimes subject to considerable change and rapid developments and these countries often lack social, political and economic stability in comparison with more industrialised nations. Of particular importance is the increased risk of currency fluctuations. Instability in these countries can also be caused by authoritarian governments or military interference in political and economic decision making. This also includes anti-constitutional (attempted) regime change, civil unrest relating to demands for improved political, economic and social conditions, hostile relations with neighbouring countries or conflicts based on ethnic, religious or racial grounds.

There is also the possibility of restrictions being imposed on foreign investors, expropriation of assets, confiscatory taxation, confiscation or nationalization of foreign bank deposits or other assets, the introduction of currency controls or other detrimental developments which may adversely affect the success of investments in such countries. Such adverse effects can, under certain circumstances, last for long periods of time, i.e. months or years. Each of these adverse

effects may cause a market disruption with the results that during this period no prices will be quoted for the Open End Factor Certificates affected by the market disruption.

The small size and lack of sophistication on the securities markets in certain countries as well as the limited trading volume of securities can cause a Component to be less liquid and/or considerably more volatile than values in more established markets. It is possible that very little financial information is available on local issuers, which can make it difficult to assess the value of and/or prospects of the Component.

In addition, if the Component underlying the Factor Index is quoted in local currency, i.e. is not hedged against the Settlement Currency, there is an increased foreign exchange risk. Experience shows that the foreign exchange rates in emerging markets are subject to particularly high fluctuations. This may result in a considerably negative performance of the Open End Factor Certificates, even though the performance of the Component during the term of the Open End Factor Certificates has essentially remained unchanged. This may mean that some or all of the total performance of the Component may be eroded by currency losses and that the performance of the Component (and in turn the Factor Index) may even become negative for the Security Holder.

### ***Risk factors specific to a Basket as Underlying***

#### **Exposure to performance of a Basket and its underlying Basket Components**

Where the Securities reference a basket of assets as Underlying, the Security Holders are exposed to the performance of such basket. The Security Holders will bear the risk that such performance cannot be predicted and is determined by macroeconomic factors relating to the components that comprise such basket.

Depending on the structure of the Security, a Basket Component or a type of Basket Component, the performance of which has developed very badly, may be decisive for determining the Settlement Amount or interest amounts. Security Holders must be aware that even in the case of a positive performance of one or more Basket Components, the performance of the basket as a whole may be negative if the negative performance of the other Basket Components outweighs such positive performance. Furthermore, the Securities may, for example, stipulate that the difference of the performances between two Basket Component is decisive for determining the Settlement Amount. In this case, the Security Holder may suffer a loss, if the performance of the one Basket Component to be deducted has developed better than the performance of the other Basket Component.

#### **Lesser number of Basket Components**

The performance of a basket that includes a lesser number of Basket Components will be more affected by changes in the value of any particular Basket Component included therein than a basket that includes a greater number of Basket Components.

*Unequal weighting of Basket Components*

The performance of a basket that gives greater weight to some Basket Components will be more affected by changes in the value of any such particular Basket Component included therein than a basket that gives relatively equal weight to each Basket Component.

*High correlation of Basket Components could have a significant effect on amounts payable*

The correlation of the Basket Component indicates the level of interdependence among the individual Basket Components with respect to their performance. Correlation has a value ranging from "−1" to "+1", whereby a correlation of "+1", i.e. a high positive correlation, means that the performance of the Basket Components always moves in the same direction. A correlation of "−1", i.e. a high negative correlation, means that the performance of the Basket Components is always diametrically opposed. A correlation of "0" indicates that it is not possible to make a statement on the relationship between the Basket Components. If, for example, all of the Basket Components originate from the same sector and the same country, a high positive correlation can generally be assumed. Correlation may fall however, for example when the company whose shares are included in the Basket are engaged in intense competition for market shares and the same markets. Where the Securities are subject to high correlation, any move in the performance of the Basket Components will exaggerate the performance of the Securities.

*Change in composition of Basket*

Where the Securities grant the Calculation Agent the right, in certain circumstances, to adjust the composition of the Basket after the Securities have been issued, the Security Holder may not assume that the composition of the Basket will remain constant during the term of the Securities. Security Holders should be aware that the replacement Basket Component may perform differently to the outgoing Basket Component, which may have an adverse effect on the performance of the Basket.

**Regulation and reform of benchmarks, including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks**

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange rate and other types of indices which are deemed to be "**Benchmarks**" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to such a Benchmark.

Key international reforms of Benchmarks include IOSCO's *Principles for Financial Market Benchmarks* (July 2013) (the "**IOSCO Benchmark principles**") and the EU Regulation 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of

investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**EU Benchmark Regulation**"), which will apply as from 1 January 2018 (with the exception of certain provisions).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, with widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

The EU Benchmark Regulation will apply to "contributors", "administrators" and "users" of Benchmarks in the EU, and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain "equivalence" conditions in its local jurisdiction, to be "recognised" by the authorities of a Member State pending an equivalence decision or to be "endorsed" for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of Benchmarks and (ii) ban the use of Benchmarks of unauthorised administrators. The scope of the EU Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, it will apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (securities or derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or "systematic internaliser"), certain financial contracts and investment funds. Different types of Benchmark are subject to more or less stringent requirements, and in particular a lighter touch regime will apply where a Benchmark is not based on interest rates or commodities and the total average value of financial instruments, financial contracts or investment funds referring to a benchmark over the past six months is less than EUR 50 billion, subject to further conditions, and consequently considered to be a so-called "non-significant benchmark".

The EU Benchmark Regulation could have a material impact on Securities linked to a Benchmark rate or index, including in any of the following circumstances:

- a rate or index which is a Benchmark could not be used or could only be used for a limited transitional period which may be permitted by the competent authority as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the EU Benchmark Regulation, and such changes could have the effect of



reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. The disappearance of a Benchmark or changes in the manner of administration of a Benchmark could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent or other consequence in relation to Securities linked to such Benchmark. Any such consequence could have a material adverse effect on the value of and return on any such Securities.

#### **4. Risk factors associated with conflicts of interest between Goldman Sachs and Security Holders**

##### ***Conflicts of interest relating to the Underlying***

The Issuer and other companies of Goldman Sachs deal in the Underlyings or in components of the Underlying or in option or futures contracts relating thereto in their ordinary course of business and from time to time participate in transactions connected to the Securities for their own account or for the account of others. These activities may have negative effects on the value of the Underlying and thus on the price of the Securities and the amount of a potential Settlement Amount. The Issuer and other companies of Goldman Sachs may furthermore hold interests in individual Underlyings or in companies contained therein, which may lead to conflicts of interest in connection with the Securities.

The Issuer and other companies of Goldman Sachs may act as a syndicate member, as financial adviser, or as commercial bank in connection with future offers of the Underlying or components of the Underlying; activities of this nature may entail conflicts of interest and have an effect on the price of the Securities.

The Issuer may use part or all of the proceeds from the sale of the Securities for hedging transactions. These hedging transactions may affect the price of the Underlyings or of the components of the Underlying that is formed on the market.

The Issuer and other companies of Goldman Sachs may issue additional derivative securities relating to the relevant Underlying or components of the Underlying including those, which have the same or similar features as the Securities. The introduction of such products competing with the Securities may have an effect on the price of the Underlying or of the components of the Underlying and thus on the price of the Securities. The Issuer and other companies of Goldman Sachs may receive non-public information in relation to the Underlying or components of the Underlying, but are not obligated to pass on such information to the Security Holders. Furthermore, companies of Goldman Sachs may publish research reports in relation

to the Underlying or components of the Underlying. Activities of the aforementioned nature may entail conflicts of interest and have an effect on the price of the Securities.

***Conflicts of interest in connection with the determination of purchase prices***

The purchase price of the Securities may, where appropriate in addition to fixed issue surcharges, management fees or other fees, contain surcharges that are not transparent to the Security Holder on the initial mathematical "fair" price of the Securities (the "**Margin**"). This Margin is determined by the Issuer at its reasonable discretion and may differ from the premiums charged by different issuers for comparable securities.

***Conflicts of interest in connection with commission payments***

It must be noted that the selling price of the Securities may contain commissions charged by the Market Maker for the issue or which may be passed on by the Market Maker to distribution partners in whole or in part as consideration for distribution activities. This may lead to a difference between the fair price of the Security and the bid and ask prices quoted by the Market Maker, which is usually higher at the beginning of trading in the Securities and is reduced over time. Commissions that may be contained therein have a negative effect on the Security Holder's ability to generate earnings. It must furthermore be considered that the payment of these commissions to distribution partners may lead to conflicts of interest for the detriment of the Security Holder, since this could provide an incentive for the distribution partner to prefer selling products with higher commissions to its clients. Security Holders should therefore inquire with their house bank or their financial advisor about the existence of such conflicts of interest. Information about the amount of commission payments by the Offeror are found under "Other Information" in the Final Terms, as the case may be.

***Conflicts of interest in connection with the Market Making by Goldman Sachs International***

Goldman Sachs International, a company of the Goldman Sachs Group, (the "**Market Maker**") intends to quote bid and ask prices for the Securities of an issue on a regular basis under normal market conditions, however Goldman Sachs International does not commit and is under no obligation legal or otherwise to quote bid and ask prices for the Securities of an issue. If the Market Maker does make a market for the Securities, Security Holders should note that delays may occur during the price determination, which may for example result from Market Disruptions or system problems. Goldman Sachs will in its function as Market Maker take the directly opposite economic position to the Security Holder immediately with or immediately after the trade and will either offset, hedge, or hold this position. This may also occur, for example, by entering short positions.

In detail, the procedures are as follows: if a trade is concluded at a bid or offer price quoted by the Market Maker, the Market Maker regularly incurs a risk position immediately after the trade that is directly opposite to the position taken by the Security Holder through the trade. The Goldman Sachs Group will bundle the risk positions resulting from these trades and, if appropriate, offset compensating trading positions against each other. For positions going beyond this, the Goldman Sachs Group will either hedge itself through suitable offsetting transactions on the market for the Underlying of the Security or different markets or decide to main-

tain the resulting risk position. Security Holders should note that the Goldman Sachs Group may also take positions in the Underlying of that Security and other markets and that these may lead to market movements (see also above in section "Conflicts of interest relating to the Underlying").

It must furthermore be considered that the bid and ask prices quoted by the Market Maker for the Securities are calculated based on customary price models, which are used by the Market Maker and other traders, and which determine the fair price of the Securities taking into account various factors affecting the price. The circumstances based on which the Market Maker determines the bid and ask prices quoted on the secondary market in particular include the fair price of the Securities, which depends, *inter alia*, on the price of the Underlying, as well as the spread between bid and ask prices aimed for by the Market Maker (the so-called "**Bid-Ask Spread**"), which the Market Maker determines depending on supply and demand for the Securities and based on revenue considerations. In addition, an originally charged offering premium and any fees or costs to be deducted from the Settlement Amount at the time of maturity of the Securities such as commissions, transaction fees, administration fees, or comparable fees are regularly taken into account. The pricing on the secondary market is furthermore affected by a Margin contained in the sale price of the Securities or by other income such as paid or expected dividends or other income from the Underlying or its components if the Issuer is entitled to it according to the structure of the Securities.

Certain costs such as charged administration costs are often not spread equally across the term of the Securities (*pro rata temporis*) and deducted during the pricing, but are deducted in full from the fair price of the Securities at an earlier date at the discretion of the Market Maker. This applies accordingly to any Margin contained in the sale price of the Securities as well as to dividends and other income from the Underlying, to which the Issuer is entitled according to the structure of the Securities. These are often not deducted reducing the price when the Underlying or its components are traded "ex dividend" but already at an earlier point in time during the term, based on the dividends expected for the entire term or for a specific period of time. The speed of the deduction depends, *inter alia*, on the amount of any net return from the Securities for the Market Maker.

The prices quoted by the Market Maker may accordingly differ significantly at the relevant time from the fair price or the price of the Securities to be expected economically due to the aforementioned factors. Furthermore, the Market Maker may change the method based on which it determines the quoted prices at any time, e.g. by taking into account the applicable interest rate premium for notes of the Guarantor compared to the risk free interest rate (*Credit Spread*) or by increasing or reducing the Bid-Ask Spread. Any such deviation from the fair price of the Securities may cause the bid and ask prices quoted by other security traders for the Securities to differ significantly (both upwards and downward) from the bid and ask prices quoted by the Market Maker.

***Conflicts of interest relating to the various functions of Goldman Sachs in connection with the issue***

The Issuer and other companies of Goldman Sachs may where appropriate carry out various functions in connection with the offer and the sale of the Securities, for example as issue agent,

Calculation Agent, Paying and/or Administration Agent. It is furthermore also possible that companies of Goldman Sachs act as counterparty in hedging transactions in connection with the obligations of the Issuer under the Securities (see also under "Conflicts of interest relating to the Underlying" or under "Other Information" in the Final Terms) or as Market Maker (see also under "Conflicts of interest in connection with the market making by Goldman Sachs International" or under "Other Information" in the Final Terms). Due to the various functions and the obligations resulting from them in each case, conflicts of interest may arise both among the relevant companies of Goldman Sachs and between them and the Security Holders. It must be considered in particular in connection with the function as Calculation Agent that conflicts of interest may occur, since the Calculation Agent has the right in certain cases that are specified in the Conditions to make certain determinations, which are binding for the Issuer and Security Holders. Such determinations may have a negative effect on the price of the Securities and be correspondingly disadvantageous for the Security Holder.

### ***Interests of third parties involved in the Issue***

The Issuer can involve cooperation partners and external advisors in the issuance of Securities, for example for the composition and adjustment of a basket or Index. It is possible that these cooperation partners and advisors may also pursue their own interests in the course of their activity and act not only in the interest of Security Holders.

**III. INFORMATION ABOUT THE SECURITIES**

*The following information relating to the Securities will be specified and/or completed by the information contained in the applicable Final Terms which are applicable to the respective issuance. The Base Prospectus provides for the preparation of Final Terms in the following scenarios: (i) start of a new offer of Securities and (ii) increase of issue size of Products already issued under this Base Prospectus.*

**1. General Information about the Securities****(a) Interests of individuals or legal entities involved in the issue**

For information about the interests of individuals or legal entities involved in the issue as well as potential conflicts of interests resulting from this, please see "Risk of conflicts of interest" under "II. Risk Factors relating to the Securities" in the Base Prospectus and for information about the interests of individuals or legal entities involved in the issue as well as potential conflicts of interests resulting from this and which are not known at the date of the Base Prospectus under "Interests of natural and legal persons involved in the issue/offer" under "Other information" in the applicable Final Terms.

**(b) Description of the Securities**

Each of the Open End Factor Certificates issued by Goldman, Sachs & Co. Wertpapier GmbH are linked to an Index as Underlying (each a "**Factor Index**" or an "**Index**") and/or a basket consisting of Indices. A Factor Index may be linked to a share, a security representing shares, an index, shares of an exchange traded fund, foreign exchange rates, commodities or futures contracts (each a "**Factor Index Component**" or a "**Component**"), as set out in the applicable Final Terms.

The Goldman Sachs Group, Inc. (the "**Guarantor**") assumes the unconditional and irrevocable guarantee for the payment of the Settlement Amount and any other amounts payable by the Issuer under the Securities.

The Exercise Style and the applicable securities identification number of the Securities are set out in the applicable Final Terms.

**(c) Applicable law**

The form and content of the Securities and all rights and obligations of the Issuer and of the Security Holders will be governed by, and construed in all respects in accordance with the laws of Germany and/or the laws of England and Wales, as set out for each series of Securities in the applicable Final Terms.

The form and content of the Guarantee and all rights and obligations arising out of or in connection with it are governed by the laws of the State of New York.

In the case of Securities governed by the laws of Germany (the "**German Securities**") pursuant to the Final Terms, Frankfurt am Main shall be the place of performance of the Securities governed by the laws of Germany. Frankfurt am Main will, in addition, be the place of jurisdiction for all lawsuits or other proceedings from or in connection with the German Securities for merchants, legal persons under public law, or special assets (*Sondervermögen*) under public

law, and person without a general place of jurisdiction in Germany. In the aforementioned cases, Frankfurt am Main is the exclusive place of jurisdiction for all lawsuits against the Issuer.

In the case of Securities governed by the laws of England and Wales (the "**English Securities**") pursuant to the Final Terms the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities).

Notwithstanding the foregoing, in respect of both German Securities and English Securities (a) Finnish law and jurisdiction will be applicable with regard to the registration of any such Securities in Euroclear Finland Oy, the Finnish Central Securities Depository Ltd. ("**Euroclear Finland**"), (b) Norwegian law and jurisdiction will be applicable with regard to the registration of any such Securities in Verdipapirsentralen ASA, the Norwegian Central Securities Depository ("**VPS**"), (c) Swedish law and jurisdiction will be applicable with regard to the registration of any such Securities in Euroclear Sweden AB, the Swedish Central Securities Depository ("**Euroclear Sweden**") and (d) Dutch law and jurisdiction will be applicable with regard to the registration of any such Securities in Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch Central Securities Depository ("**Euroclear Netherlands**").

#### (d) Currency of the Securities

The Securities will be offered for purchase (offer subject to change) in the Settlement Currency which is set out in the applicable Final Terms. Exchange and off-exchange trading in the Securities (if applicable) will likewise be conducted in the Settlement Currency. The disbursement of the Settlement Amount (if any) will be made in the Settlement Currency (following a conversion into the Settlement Currency, as the case may be). If a conversion of the Settlement Amount into the Settlement Currency is required, the conversion takes place either on the basis of a specific exchange rate or, in the case of Securities with a "quanto" feature, at an exchange rate of one unit of the Reference Currency to one unit of the Settlement Currency.

#### (e) Clearing Systems and form and delivery

Any investor will need to be able to hold the Securities (directly or indirectly through an intermediary).

The Securities are cleared either by (i) Clearstream Banking AG, Frankfurt am Main, Merzenthalerallee 61, 65760 Eschborn ("**Clearstream Frankfurt**"), (ii) Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg ("**Clearstream Luxembourg**"), (iii) Euroclear Finland Oy, the Finnish Central Securities Depository Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, Finland ("**Euroclear Finland**"), (iv) Euroclear Sweden AB, the Swedish Central Securities Depository, Klarabergsviadukten 63, Stockholm, 11164, Sweden ("**Euroclear Sweden**"), (v) Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch Central Securities Depository, Herengracht 459, 1017BS Amsterdam, the Netherlands ("**Euroclear Netherlands**"), (vi) Verdipapirsentralen ASA, the Norwegian Central Securities Depository, Biskop Gunnerus'gt 14A, Oslo, 0185, Norway ("**VPS**"), (vii) Euroclear UK & Ireland Limited (formerly known as CREST Co Limited), 33 Cannon

Street, London EC4M 5SB, UK ("**CREST**") or any other Clearing System set out in Part B (general terms) of the applicable Issue Specific Terms.

German Securities issued by the Issuer will, save as set out below, be represented by a permanent global bearer note (the "**Global Bearer Note**") which is deposited with the applicable Clearing System. Each Global Bearer Note representing the Securities (or any nominal amount thereof) of a relevant Series will set out therein the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions). If permitted under the law applicable in relation to the registration, each Global Bearer Note will only make reference to the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions) and as a consequence the applicable Issue Specific Terms and the General Conditions will not be replicated in therein. No German Securities will be issued in definitive form.

English Securities issued by the Issuer will, save as set out below, be represented by a registered global note (the "**Global ICSD Registered Note**") deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream Luxembourg (the "**ICSDs**" and each an "**ICSD**"). Each Global ICSD Registered Note representing the Securities (or any nominal amount thereof) of a relevant Series will set out therein the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions). If permitted under the law applicable in relation to the registration, each Global ICSD Registered Note will only make reference to the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions) and as a consequence the applicable Issue Specific Terms and the General Conditions will not be replicated in therein.

No English Securities will be issued in definitive form. The persons for the time being appearing in the books of any ICSD as the holder of a particular number or nominal amount of such Securities shall be treated as the holder thereof and as the person entitled to exercise the rights represented by the relevant Securities for all purposes other than with respect to the payment of the Settlement Amount or any interest in respect of such number or nominal amount, as the case may be, of such Securities, for which purpose the nominee for the common depositary shall be treated as the holder of such number or nominal amount, as the case may be, of such Securities in accordance with, and subject to the terms of the relevant registered global note.

Notwithstanding the foregoing, German Securities and English Securities may, in addition, also be issued by the Issuer and registered with:

- (i) Euroclear Finland in the Euroclear Finland System ("**Euroclear Finland Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with Finnish Regulations;
- (ii) Euroclear Sweden ("**Euroclear Sweden Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with the SFIA Act (as defined in Section 3 of the General Conditions);

- (iii) Euroclear Netherlands ("**Euroclear Netherlands Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with Euroclear Netherlands Rules (as defined in Section 3 of the General Conditions); and
- (iv) VPS ("**VPS Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with the NFIA Act (as defined in Section 3 of the General Conditions),

in each case, as specified in the applicable Final Terms.

Euroclear Finland Registered Securities will be registered with Euroclear Finland and issued in uncertificated and dematerialized book-entry form in accordance with applicable Finnish regulations. The person for the time being shown in the register of Euroclear Finland shall be treated for all purposes by the Issuer, the Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary.

Euroclear Sweden Registered Securities will be registered with Euroclear Sweden and issued in uncertificated and dematerialized book-entry form in accordance with applicable Swedish legislation. The person for the time being shown in the register of Euroclear Sweden shall be treated for all purposes by the Issuer, the Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary.

VPS Registered Securities will be registered with VPS and issued in uncertificated and dematerialized book-entry form in accordance with applicable Norwegian law. The person for the time being shown in the register of VPS shall, in accordance with the rules of VPS, be treated for all purposes by the Issuer, the Agents, VPS and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary.

Euroclear Netherlands Registered Securities will be registered with Euroclear Netherlands and issued in uncertificated and dematerialized book-entry form in accordance with applicable Dutch legislation. The person for the time being shown in the register of Euroclear Netherlands shall be treated for all purposes by the Issuer, the Agents, Euroclear Netherlands and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary.

If specified in Part B (general terms) of the applicable Issue Specific Terms, investors may hold indirect interests in the Securities (such Securities being "**Underlying Securities**") through CREST by holding CDIs. In the case of Securities cleared through CREST, investors will hold indirect interests in the Securities through CREST by holding dematerialised depository interests ("**CDIs**"). CDIs represent indirect interests in the Securities to which they relate and holders of CDIs will not be the legal owners of the Securities. CDIs are independent securities constituted under English law, held and settled through CREST, which will be issued by CREST Depository Limited or any successor thereto (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**").



Following the delivery of the Underlying Securities into a relevant Clearing System permitted in the CREST Manual, indirect interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing indirect interests in the relevant Underlying Securities. Interests in the Underlying Securities will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Transfers of interests in Underlying Securities by the CREST Nominee to a participant of the relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Underlying Securities to the account of the relevant participant with the relevant Clearing System. It is expected that the CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on a recognised stock exchange.

Additional general information with respect to CDIs can be found in the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +442078490000 or from the Euroclear UK & Ireland Limited website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).

#### **(f) Description of the rights attached to the Securities, exercise procedure and consequences of market disruptions**

The right to demand payment of the Settlement Amount under the Securities is specified in Section 1 of the General Conditions.

The exercise procedure for all types of Securities is described in Section 2 of the General Conditions. The exercise procedure applicable to the respective Securities will be set out in the applicable Final Terms.

A description of any market disruptions and any consequences of market disruptions are specified in the relevant Underlying Specific Provisions annexed to the General Conditions.

The adjustment rules with relation to events concerning the Underlying are specified in the relevant Underlying Specific Provisions annexed to the General Conditions.

The applicable Final Terms may provide for an ordinary termination right of the Issuer which is described in Section 5 of the General Conditions. In the case of a termination by the Issuer, the term of the Securities ends prior to maturity and the Security Holder will receive the Settlement Amount (whereby the Termination Date is regarded as the Final Valuation Date for the purposes of calculating the Settlement Amount) or, if provided for in the applicable Final Terms, the Termination Amount in the case of an ordinary termination as set out in the relevant Final Terms.

#### **(g) Information about the Underlying**

The Underlying and/or the Basket Components are specified in the Issue Specific Terms in the relevant Final Terms.

A description of the Underlying and/or of the Basket Components is contained under "Other Information" in the relevant Final Terms.

The source of information regarding information about the past and future performance and volatility of the Underlying and/or of the Basket Components is specified under "Other Information" in the relevant Final Terms.

If the Underlying is provided by a legal entity or a natural person acting in association with, or on behalf of, the Issuer, the Issuer makes the following statements:

- the complete set of rules of the index and information on the performance of the index are freely accessible on the Issuer's or the Index Sponsor's website; and
- the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

**(h) Classification and Ranking of the Securities**

The classification and ranking of the Securities is set out in Section 1 of the General Conditions.

**(i) Resolutions in respect of the issue of the Securities**

The establishment of the Base Prospectus as well as the issue of Securities thereunder have been authorised in the proper manner by the relevant bodies of the Issuer on 4 July 2013. No internal resolutions will be adopted by the Issuer in relation to single issues under the Base Prospectus.

**(j) Reasons for the offer and use of proceeds from the sale of the Securities**

The proceeds from the Securities are used to hedge the payment obligations arising from the issuance of the Securities pursuant with agreement with Goldman Sachs International and for purposes of the Issuer's ordinary business activities (in any case the Issuer is free in the use of the proceeds of an issue of Securities).

**(k) Conditions of the offer, Offeror and Issue Date of the Securities**

The offer of Securities under the Base Prospectus is not subject to any conditions. The Final Terms must be read in conjunction with the Base Prospectus and its supplement(s) (if any). The Securities will be offered initially either at the start of the direct selling or at the beginning of the subscription period.

The Securities issued by Goldman, Sachs & Co. Wertpapier GmbH may be underwritten by Goldman Sachs AG, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main based on a firm commitment and on sold to Goldman Sachs International, Frankfurt Branch (the "**Offeror**") at the same time. The valuation of the Securities occurs only after the Securities have been underwritten, which in turn depends on the number of orders received by the Offeror. It must be noted that no valuation occurs for as long as no Securities have been underwritten. The valuation and underwriting are limited to the issue size specified in the Final Terms. The specified issue size corresponds to the maximum amount of the offered Securities, but permits no conclusion about the volume of the respective effectively issued Securities deposited with a central depositary.

Details of all individual conditions of the offer, the Offeror, the issue date, the start of offer, the start of a subscription period, if any (including any minimum and/or maximum amount of the subscription amount or details on any conditions under which the Issuer will not issue the Securities), and the date of the underwriting agreement regarding a specific issue will be set out under "Conditions of the offer, Offeror and Issue Date of the Securities" under "Other Information" in the applicable Final Terms.

**(l) Pricing of the Securities and factors influencing the price of the Securities**

The Issue Price of the Securities is set by the Issuer by taking into account several price relevant factors, including the price of the Underlying, the current interest rate, anticipated dividends and other product-specific criteria.

Furthermore, the Issue Price may include an issue premium which is intended to cover commissions for the Issuer or other ancillary costs arising in connection with the issue and hedging of the respective Securities.

The Issue Price is set out in the applicable Final Terms, and any further prices of the Securities are determined at the Issuer's reasonable discretion according to market conditions.

Any costs and disbursements incurred by a Security Holder in connection with a secondary purchase of the Securities are beyond the control of the Issuer.

**(m) Listing and trading**

The Issuer may introduce or apply for admission of the Securities to one or more stock exchange(s) or multilateral trading system(s) or regulated or unregulated market(s), e.g. on the Frankfurt Stock Exchange, the Stuttgart Stock Exchange or the Luxembourg Stock Exchange. The Issuer may also issue Securities which are not admitted to trading or listed on any market.

Securities of the same class may have been admitted to trading on the same or another market already.

Information in relation to an intended listing will be set out in the applicable Final Terms. Furthermore, information concerning a public offer attaching to the issue of the Securities will be set out in the applicable Final Terms, if any.

In the case of admission to trading and/or listing, the applicable Final Terms will contain the Minimum Trading Number, if any.

Goldman Sachs International intends to quote bid and ask prices for the Securities of an issue on a regular basis under normal market conditions. However Goldman Sachs International does not commit and is under no obligation legal or otherwise to quote bid and ask prices for the Securities of an issue.

**(n) Issue Price, Fees and Commissions**

The applicable Final Terms will specify the Issue Price and, if applicable, the type and amount of fees and/or commissions paid by the Issuer to third parties.

Neither the Issuer nor Offeror will charge the subscriber or purchaser any costs over and above the Issue Price or the purchase price.

**(o) Rating**

No reputable rating agencies, such as Moody's or Standard and Poor's, have issued a rating in respect of the Issuer's credit risk.

**2. Explanation of mechanism of Securities*****Product No. 1. Explanation of mechanism of Open End Factor Certificates with Nominal***

Open End Factor Certificates with Nominal do not have a specified limited term. The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer. The Open End Factor Certificates with Nominal bear no coupon and pay no periodic amounts.

The Settlement Amount equals the Nominal multiplied by the Performance of the Underlying and then multiplied by the Management Factor or, in the case of Open End Factor Certificates with a Quanto feature, the Fee Factor.

The Open End Factor Certificates are linked to a Factor Index. Factor Indices replicate a leveraged investment in a specific Component:

- In the case of Long Factor Indices the respective Factor Index reflects price movements in the Component with a leverage factor specified in the applicable Final Terms. An increase in the price of the Component since the most recent calculation of the closing price of the Factor Index results in a positive change in the Factor Index as compared to the previous price of the Factor Index and vice-versa. The Factor Index therefore reflects a "long" strategy.
- In the case of Short Factor Indices the Factor Index reflects price movements in the Component with a leverage factor specified in the applicable Final Terms. A decrease in the price of the Component since the most recent calculation of an closing price of the Factor Index results in a positive change in the Factor Index as compared to the previous price of the Factor Index and vice versa. The Factor Index therefore replicates a "short" strategy.

The value of the Factor Index are calculated on the basis of (a) a leverage component and (b) a financing component.

***Product No. 2. Explanation of mechanism of Open End Factor Certificates with Multiplier***

Open End Factor Certificates with Multiplier do not have a specified limited term. The term of the Securities ends either (i) on the exercise of the Securities by the Security Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer. The Open End Factor Certificates with Multiplier bear no coupon and pay no periodic amounts.

The Settlement Amount equals the Reference Price multiplied by the Multiplier and then multiplied by the Management Factor or, in the case of Open End Factor Certificates with a Quanto feature, the Fee Factor.

The Open End Factor Certificates are linked to a Factor Index. Factor Indices replicate a leveraged investment in a specific Component:

- In the case of Long Factor Indices the respective Factor Index reflects price movements in the Component with a leverage factor specified in the applicable Final Terms. An increase in the price of the Component since the most recent calculation of the closing price of the Factor Index results in a positive change in the Factor Index as compared to the previous price of the Factor Index and vice-versa. The Factor Index therefore reflects a "long" strategy.
- In the case of Short Factor Indices the Factor Index reflects price movements in the Component with a leverage factor specified in the applicable Final Terms. A decrease in the price of the Component since the most recent calculation of an closing price of the Factor Index results in a positive change in the Factor Index as compared to the previous price of the Factor Index and vice versa. The Factor Index therefore replicates a "short" strategy.

The value of the Factor Index are calculated on the basis of (a) a leverage component and (b) a financing component.

## **IV. GENERAL CONDITIONS**

### **Introduction**

The following "**General Conditions**" of the Securities must be read in their entirety, together with the section entitled "Issue Specific Terms" of the applicable Final Terms (the "**Issue Specific Terms**") of the relevant Series of Securities which supplement the General Conditions.

The General Conditions will be completed by the additional provisions in relation to the relevant underlying (the "**Underlying Specific Provisions**") set out in the Annex to the General Conditions. The Issue Specific Terms will specify which set of Underlying Specific Provisions apply to the relevant Series of Securities.

Issue Specific Terms and General Conditions, including the applicable Underlying Specific Provisions together constitute the "**Conditions**" of the relevant Series of Securities. Terms not otherwise defined in these General Conditions shall have the meaning given in the applicable Issue Specific Terms or, as the case may be, the applicable Final Terms.

The applicable Final Terms for each Series of Securities will specify whether the governing law of the relevant Series is English law ("**English Securities**") or German law ("**German Securities**"). Certain of the provisions of these General Conditions apply only to English Securities or, as the case may be, German Securities which are bearer notes pursuant to Section 793 of the German Civil Code (BGB), in each case, as set out in these General Conditions below.

German Securities issued by the Issuer will, save as set out below, be represented by a permanent global bearer note (the "**Global Bearer Note**") which is deposited with the applicable Clearing System. Each Global Bearer Note representing the Securities (or any nominal amount thereof) of a relevant Series will indicate the number of Securities as specified in the applicable Final Terms and set out therein or incorporate by reference therein (subject to the law applicable in relation to the registration) the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions).

English Securities issued by the Issuer will, save as set out below, be represented by a registered global note (the "**Global ICSD Registered Note**") deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream Luxembourg (the "**ICSDs**" and each an "**ICSD**"). Each Global ICSD Registered Note representing the Securities (or any nominal amount thereof) of a relevant Series will indicate the number of Securities as specified in the applicable Final Terms and set out therein or incorporate by reference therein (subject to the law applicable in relation to the registration) the applicable Issue Specific Terms, as replicated in the applicable Final Terms, and the General Conditions (including the applicable Underlying Specific Provisions).

German Securities and English Securities may, in addition, also be issued by the Issuer and registered with:

- (i) Euroclear Finland in the Euroclear Finland System ("**Euroclear Finland Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with Finnish Regulations;

- (ii) Euroclear Sweden ("**Euroclear Sweden Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with the SFIA Act (as defined in Section 3 of these General Conditions); and
- (iii) VPS ("**VPS Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with the NFIA Act (as defined in Section 3 of these General Conditions),

in each case, as specified in the applicable Issue Specific Terms. "**Nordic Registered Securities**" means Euroclear Sweden Registered Securities, VPS Registered Securities and Euroclear Finland Registered Securities.

German Securities and English Securities may, in addition, also be issued by the Issuer and registered with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands Registered Securities**") and issued in uncertificated and dematerialized book-entry form in accordance with the Euroclear Netherlands Rules (as defined in Section 3 of these General Conditions).

No Securities will be issued to Security Holders in definitive form.

The English Securities are constituted by, and have the benefit of, a deed of covenant, the date of which will be set out in Part B (general terms) of the applicable Issue Specific Terms (as amended and restated or supplemented from time to time, the "**Deed of Covenant**"). German Securities which also constitute Nordic Registered Securities or Euroclear Netherlands Registered Securities and English Securities are issued pursuant to, and subject to the benefit of, a Programme Agreement, (as amended and restated or supplemented from time to time, the "**Programme Agreement**") or, as the case may be, an agency agreement (as amended and restated or supplemented from time to time, the "**Agency Agreement**"), in each case, as specified in Part B (general terms) of the applicable Issue Specific Terms.

In relation to German Securities which are specified in the applicable Issue Specific Terms to be listed and admitted to trading on an Italian regulated market or any Italian multilateral trading facility (the "**Italian Listed Securities**") (to the extent required by the rules of the relevant regulated market or multilateral trading facility), reference (if any) to "discretion" or "sole discretion" or "absolute discretion" shall be replaced by reference to "reasonable discretion as defined under § 315 or § 317 respectively of the German Civil Code (BGB)" and any determination by the Calculation Agent (or any other Agent(s)) shall be done with "reasonable discretion as defined under § 315 or § 317 respectively of the German Civil Code (BGB)".

## Section 1 (Security Right, Status, Guarantee, Definitions)

### (1) Security Right

Each security (each a "**Security**") of a series (each a "**Series**") of Securities identified by its WKN and/or ISIN (being the WKN and/or ISIN specified in the applicable Final Terms), entitles its holder (each a "**Security Holder**") to receive on the Settlement

Date from the Issuer, in the manner prescribed by the Conditions, the Settlement Amount as in the relevant Issue Specific Terms (the "**Settlement Amount**").

In relation to Italian Listed Securities the Settlement Amount (to the extent specified in the Conditions) shall not be adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including those relating to the unwinding of any underlying and/or related hedging and funding arrangements, as determined by the Calculation Agent.

(2) *Status of the Securities and the Guarantee*

(a) *Status of the Securities*

The Securities of each Series constitute direct, unsecured, and unsubordinated obligations of the Issuer, which rank equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those obligations that may be preferred by provisions of law that are mandatory and of general application.

(b) *Status of Guarantee*

The Goldman Sachs Group, Inc. (the "**Guarantor**") has assumed an unconditional and irrevocable guarantee (the "**Guarantee**") for the payment of the Settlement Amount and of any other amounts to be paid by the Issuer pursuant to the Conditions. The Guarantee constitutes a direct, unsubordinated obligation of the Guarantor.

(3) *Currency Conversion and Rounding*

If "**Currency Conversion**" is specified to apply pursuant to Part B (general terms) of the applicable Issue Specific Terms and an Exchange Rate is set out therein, the Settlement Amount will be converted from the Reference Currency into the Settlement Currency at the Exchange Rate. If "**Currency Conversion**" is specified to apply in Part B (general terms) of the applicable Issue Specific Terms, but no Exchange Rate is set out therein, the Settlement Amount will be converted from the Reference Currency into the Settlement Currency by the Calculation Agent at an exchange rate of one unit of the Reference Currency to one unit of the Settlement Currency ("**Quanto**").

The Settlement Amount will be rounded to the Settlement Amount Rounding.

(4) *Definitions*

"**Calculation Date**" is the date defined in the applicable Underlying Specific Provisions.

"**Exchange Rate**" is the exchange rate defined in Part B (general terms) of the applicable Issue Specific Terms, expressed in the Reference Currency for one unit of the Settlement Currency and which is published by the Exchange Rate Sponsor at the Relevant Exchange Date. If the conversion occurs at a time when an updated exchange rate is not yet published by the Exchange Rate Sponsor on the relevant date, the conversion will be carried out by the Calculation Agent based on the last exchange rate published



by the Exchange Rate Sponsor. If the Exchange Rate Sponsor does not publish any exchange rate on the relevant date, the exchange rate shall correspond to the exchange rate published by another financial information service selected by the Calculation Agent. If the exchange rate should no longer be published in any of the above ways, the Calculation Agent has the right to determine, in its reasonable discretion, an exchange rate having regard to existing market conditions (including, but not limited to, the prevailing exchange rate).

**"Exchange Rate Sponsor"** is the entity whose details are specified in Part B (general terms) of the applicable Issue Specific Terms.

**"Final Valuation Date"** means (subject to adjustment (as a Reference Date) in accordance with the applicable Underlying Specific Provisions):

- if "American Exercise Style" or "Bermudan Exercise Style" is the applicable exercise style pursuant to Section 2 of the General Conditions:

- (a) the Exercise Date (if the Underlying Price is customarily determined on a Calculation Date following the Exercise Time) or, if the Exercise Date is not a Calculation Date and unless otherwise specified within Part B (general terms) of the applicable Issue Specific Terms, the next following Calculation Date; or
- (b) unless otherwise specified within Part B (general terms) of the applicable Issue Specific Terms, the Calculation Date immediately following the Exercise Date (if the Underlying Price is customarily determined on a Calculation Date prior to the Exercise Time).

**"Initial Reference Price"** has the meaning given to it in Part A (product specific terms) of the applicable Issue Specific Terms and will be determined on the Initial Valuation Date (if not otherwise specified in the applicable Issue Specific Terms).

**"Initial Valuation Date"** means, subject to adjustment (as a Reference Date) in accordance with the applicable Underlying Specific Provisions, the Initial Valuation Date as set out in Part B (general terms) of the applicable Issue Specific Terms. If the Initial Valuation Date does not fall on a Calculation Date, the Initial Valuation Date shall be the next following Calculation Date.

**"Multiplier"** is set out in Part A (product specific terms) of the applicable Issue Specific Terms (if applicable).

**"Nominal"** is set out in Part A (product specific terms) of the applicable Issue Specific Terms (if applicable).

**"Reference Currency"** is set out in Part B (general terms) of the applicable Issue Specific Terms.

**"Reference Price"** has the meaning given to it in Part A (product specific terms) of the applicable Issue Specific Terms and will be determined on the basis of the Underlying

Price at the Final Valuation Date (if not otherwise provided for in the applicable Issue Specific Terms).

"**Relevant Exchange Date**" is set out in Part B (general terms) of the applicable Issue Specific Terms.

"**Settlement Amount Rounding**" is set out in Part B (general terms) of the applicable Issue Specific Terms.

"**Settlement Currency**" is set out in Part B (general terms) of the applicable Issue Specific Terms.

"**Settlement Date**" is set out in Part B (general terms) of the applicable Issue Specific Terms.

"**Valuation Date**" is, subject to adjustment (as a Reference Date) in accordance with the applicable Underlying Specific Provisions, the date(s) set out in Part B (general terms) of the applicable Issue Specific Terms.

## **Section 2** **(Exercise)**

### (1) General

The obligations in relation to the Settlement Amount described in Section 1 (1) of the General Conditions fall due on the Settlement Date when the Security is duly exercised.

### (2) Exercise of Securities by the Security Holder

#### (a) *Delivery of an Exercise Notice – Securities other than Nordic Registered Securities*

Each Security, unless previously redeemed or purchased and cancelled and subject as provided in the Conditions, is exercisable on any Business Day during the Exercise Period (in the case of Securities with American Exercise Style) or on any Bermuda Exercise Date (in the case of Securities with Bermudan Exercise Style) by delivery of an Exercise Notice at or before the Exercise Time to the Principal Programme Agent. An Exercise Notice delivered after the Exercise Time shall become effective on the next following Business Day (in the case of Securities with American Exercise Style) or the next following Bermuda Exercise Date (if any) (in the case of Securities with Bermudan Exercise Style).

In the case of Global ICSD Registered Notes the Exercise Notice has to be delivered to (i) the ICSDs by the ICSD Prescribed Time, (ii) the Principal Programme Agent by not later than 10.00 a.m. (Frankfurt time) and (iii) if a Local Exercise Time is specified in the applicable Issue Specific Terms, the Calculation Agent by not later than the Local Exercise Time.

This Section 2(2)(a) of the General Conditions is not applicable to Nordic Registered Securities.

(b) *Automatic Exercise*

If "**Automatic Exercise**" is specified to apply in Part B (general terms) of the applicable Issue Specific Terms, the Securities will, subject to the provisions of this Section 2 (2)(b) of the General Conditions be exercised automatically on the Final Valuation Date, and a Security Holder will not be required to complete an Exercise Notice. Such Automatic Exercise will only occur if the Settlement Amount is equal to an amount greater than zero. For the purposes of Nordic Registered Securities or Euroclear Netherlands Registered Securities, (i) Euroclear Sweden Registered Securities shall be deemed to have been exercised by 10.00 a.m. (Stockholm time) on the Final Valuation Date, (ii) VPS Registered Securities shall be deemed to have been exercised by 11.00 p.m. (Oslo time) on the Final Valuation Date, (iii) Euroclear Finland Registered Securities shall be deemed to have been exercised by 10.00 a.m. (Helsinki time) on the Final Valuation Date, and (iv) Euroclear Netherlands Registered Securities shall be deemed to have been exercised by 10.00 a.m. (Amsterdam time) on the Final Valuation Date.

However, if Automatic Exercise has not been specified to apply in Part B (general terms) of the applicable Issue Specific Terms, any exercisable Security not exercised by the Final Valuation Date shall expire worthless on such day and the Issuer shall have no further obligations in respect of any such Security. A declaration that neither the Security Holder nor the beneficial owner of the Securities is a U.S. person is deemed issued automatically.

(c) *Exercise Notice – Securities other than Nordic Registered Securities*

"**Exercise Notice**" is a notice of the Security Holder which declares the exercise of one or more Securities and which contains the following information:

- (i) the name, address, telephone and facsimile details of the Security Holder,
- (ii) the designation and the number of the Securities which are the subject of the applicable Exercise Notice,
- (iii) a suitable bank and/or securities account, to which any Settlement Amount is to be credited in the Settlement Currency,
- (iv) a declaration, that neither the Security Holder nor the beneficial owner of the Securities is a U.S. person or is located within the United States (within the meaning of Regulation S),
- (v) an irrevocable undertaking by the Security Holder to pay any taxes and capital, stamp, issue, registration and transfer taxes and duties ("**Taxes**") arising on the exercise of the relevant Securities and an instruction from the Security Holder to the relevant Clearing System to deduct an amount in respect thereof from any Settlement Amount due to such Security Holder or otherwise to debit (on or at any time after the Exercise Date) a specified account of the Security Hold-

er at the relevant Clearing System with an amount or amounts in respect thereof, and

- (vi) authorisation for the production of such declaration as described in Section 2(2)(c)(iv) in applicable administrative or legal proceedings.

The terms used in this sub-paragraph have the meaning ascribed to them in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time.

The Securities must, in the case of German Securities, have been received by the Principal Programme Agent through credit of the Securities to the account of the Principal Programme Agent at the Clearing System and, in the case of Securities of any Series represented by a Global ICSD Registered Note, through credit of the relevant Securities to the account of the Principal Programme Agent at the ICSDs.

This Section 2 (2)(c) of the General Conditions is not applicable to Nordic Registered Securities.

(d) *Minimum or Maximum Exercise Amount*

Where a "**Minimum Exercise Amount**" has been specified to apply in Part B (general terms) of the applicable Issue Specific Terms, the number of Securities exercised on any Exercise Date by a Security Holder, as determined by the Calculation Agent, must not be less than such Minimum Exercise Amount or, if the number of Securities exercised on the relevant Exercise Date is a number in excess of the Minimum Exercise Amount and an "**Integral Exercise Amount**" has been specified in Part B (general terms) of the applicable Issue Specific Terms, the number of Securities exercised on any Exercise Date must be, in all cases, an integral multiple of the Integral Exercise Amount. Any purported exercise of Securities in breach of this provision shall be void and of no effect.

Where a "**Maximum Exercise Amount**" has been specified in Part B (general terms) of the applicable Issue Specific Terms, if the Calculation Agent determines that the number of Securities being exercised on any Exercise Date by any Security Holder or any number of Security Holders (whether or not acting in concert) exceeds such Maximum Exercise Amount (a number of Securities equal to the Maximum Exercise Amount hereinafter referred to as the "**Quota**"), the Issuer may deem the Exercise Date for the first Quota, selected on the basis of the chronological order in which the relevant Exercise Notices have been delivered, to be such day and the Exercise Date for each additional Quota (and any remaining Securities thereof), selected in the same way as above, to be each of the succeeding Exercise Dates until all such relevant Securities have been duly exercised on an Exercise Date, provided, however, that for any such relevant Security for which the relevant Exercise Date would thereby fall after the final Exercise Date, such final Exercise Date shall be the Exercise Date of the relevant Security. In any case where more than a Quota is exercised on the same day by Security

Holder(s), the determination of the chronological order of settlement in respect of such Securities shall be at the reasonable discretion of the Issuer.

This Section 2 (2)(d) of the General Conditions is not applicable to Nordic Registered Securities.

(e) *Renouncement Notice for Italian Listed Securities*

In the case of Italian Listed Securities which will be listed and admitted to trading on an Italian regulated market or any Italian multilateral trading facility – including the SeDeX market managed and organised by Borsa Italiana S.p.A. (the "**Italian Stock Exchange**") – the Securities will be exercised automatically on the Exercise Date. However prior to the Renouncement Notice cut-off time specified in the Issue Specific Terms (the "**Renouncement Notice Cut-Off Time**"), each Security Holder may renounce Automatic Exercise of the relevant Italian Listed Security(ies) by the delivery or sending by fax of a duly completed renouncement notice substantially in the form set out in Annex to the General Conditions – Standard Form of Renouncement Notice (the "**Renouncement Notice**") - in accordance with the rules of the Italian Stock Exchange or any other Italian regulated market or multilateral trading facility so requiring (applicable from time to time), to the relevant Clearing System, the Calculation Agent, the Principal Programme Agent and the Agent in Italy (if any), with a copy to the Issuer and any other relevant Agent(s). Once delivered a Renouncement Notice shall be irrevocable and may not be withdrawn. If a duly completed Renouncement Notice is validly delivered prior to the Renouncement Notice Cut-Off Time, the relevant Security Holder will not be entitled to receive any amounts payable by the Issuer in respect of relevant Italian Listed Securities and the Issuer shall have no further liability in respect of such Italian Listed Securities. After delivery of a Renouncement Notice, the relevant Security Holder may not transfer the relevant Italian Listed Securities which are the subject of such Renouncement Notice. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System (in consultation with the Issuer, the Principal Programme Agent and the Agent in Italy (if any)), in good faith and in a reasonable manner, and shall be conclusive and binding on the Issuer, the Agents and the relevant Security Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System (in consultation with the Issuer, the Principal Programme Agent and the Agent in Italy (if any)), it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Agent in Italy. In the event that a Security Holder does not execute, where applicable, a duly completed Renouncement Notice in accordance with the provisions hereof, the relevant Italian Listed Securities shall be exercised automatically and shall be repaid in the manner set out in the relevant Issue Specific Terms and Final Terms, and the Issuer's obligations in respect of such Italian Listed Securities shall be discharged and no further liability in respect thereof shall attach to the Issuer.

(3) Verification of the Security Holder – English Securities represented by a Global ICSD Registered Note only

Upon receipt of an Exercise Notice in respect of any English Securities represented by a Global ICSD Registered Notes, the Principal Programme Agent shall request each ICSD to confirm in writing to the Principal Programme Agent, the Calculation Agent and the Issuer that, according to the books of the relevant ICSD, the person exercising the relevant Securities referred to in the Exercise Notice is the holder thereof. If the number of Securities specified in such Exercise Notice exceeds the number of Securities held in the specified account of the person exercising the relevant Securities, the Exercise Notice shall become null and void, and the Principal Programme Agent shall so notify the Issuer and the Calculation Agent. If the number of Securities specified in such Exercise Notice does not exceed the number of Securities held in such specified account then, on or prior to the Settlement Date, the ICSDs will debit such account with the Securities being exercised.

(4) Definitions

**"Bermuda Exercise Dates"** are set out in Part B (general terms) of the Issue Specific Terms.

**"Business Day"** is set out in Part B (general terms) of the Issue Specific Terms.

**"Exercise Date"** means, subject to (i) an extraordinary termination pursuant to the Underlying Specific Provisions or Section 11 of the General Conditions (in the case of German Securities) or (ii) an ordinary termination pursuant to Section 5 of the General Conditions (to the extent the applicable Issue Specific Provisions provide an ordinary termination right of the Issuer):

- if "American Exercise Style" has been specified to apply in Part B (general terms) of the applicable Issue Specific Terms, the Business Day during the Exercise Period on which the Securities are duly exercised; and
- if "Bermudan Exercise Style" has been specified to apply in Part B (general terms) of the applicable Issue Specific Terms, the Bermuda Exercise Date on which the Securities are duly exercised, or, if such day is not a Business Day, the next following Business Day.

**"Exercise Period"** is set out in Part B (general terms) of the applicable Issue Specific Terms.

**"Exercise Style"** is set out in Part B (general terms) of the applicable Issue Specific Terms.

**"Exercise Time"** is the time set out in Part B (general terms) of the applicable Issue Specific Terms.

"**ICSD Prescribed Time**" is the time set out in Part B (general terms) of the applicable Issue Specific Terms.

"**Local Exercise Time**" is the time set out in Part B (general terms) of the applicable Issue Specific Terms.

### **Section 3 (Settlement)**

(1) *Settlement - Securities other than Nordic Registered Securities*

Any cash amounts payable by the Issuer shall be transferred to the relevant Clearing System for distribution to the Security Holder. The Issuer will be discharged of its payment obligations by payment to, or to the order of, the relevant Clearing System (or a depositary or nominee thereof) in respect of the amount so paid. In relation to Italian Listed Securities listed on SeDeX market of the Italian Stock Exchange or on any other regulated market or multilateral trading facility so requiring (as specified in the Issue Specific Terms), the Security Holders may hold such Securities via an account with, or through an account with a participant of, Monte Titoli S.p.A. Monte Titoli S.p.A. which will, in turn, have an account ("bridge") with one or more Clearing Systems (as the case may be).

Where Settlement means Cash Settlement, the Issuer shall on and for value on the Settlement Date, transfer an amount equal to the aggregate Settlement Amount of the duly exercised Securities to the account of the Principal Programme Agent, whereupon the Principal Programme Agent shall transfer such amount to the account at the relevant Clearing System specified in the relevant Exercise Notice for value on the Settlement Date.

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (i) the relevant Clearing System, in consultation with the Principal Programme Agent or (ii) if the relevant Clearing System does not review the respective Exercise Notice, the Principal Programme Agent in its reasonable discretion and shall be conclusive and binding on the Issuer, the Agents and the relevant Security Holder. Any Exercise Notice so determined to be incomplete or not in proper form or which is not copied to the Principal Programme Agent immediately after being sent to the relevant Clearing System shall be null and void. If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to the relevant Clearing System.

Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the relevant Security Holder to exercise the Securities specified therein. After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void), the holder of the Securities specified in such Exercise Notice may not transfer such Securities prior to the Settlement Date. This obligation under the General Conditions does not affect the free transferability of the Securities which is legally granted.

(2) *Settlement - Nordic Registered Securities*(a) *Settlement - Euroclear Sweden Registered Instruments*

No later than the sixth Business Day immediately preceding the Settlement Date of any Series of Euroclear Sweden Registered Securities, and in accordance with the Programme Agreement or, as the case may be, the Agency Agreement, the Issuer shall transfer an amount equal to the aggregate Settlement Amount of such Series to the Swedish Custody Cash Account whereupon the Swedish Paying Agent will transfer such aggregate Settlement Amount from the Swedish Custody Cash Account to the Swedish Cash Transfer Account. Subject to foregoing, Euroclear Sweden will debit the Swedish Cash Transfer Account for value on the Settlement Date and forward the Settlement Amount to the Security Holders in accordance with the Programme Agreement or, as the case may be, the Agency Agreement.

(b) *Settlement - VPS Registered Instruments*

No later than the first Business Day immediately preceding the Settlement Date of any Series of VPS Registered Securities in accordance with the Programme Agreement or, as the case may be, the Agency Agreement, the Issuer shall transfer an amount in Norwegian Krone equal to the aggregate Settlement Amount of such Series to the Norwegian Custody Cash Account whereupon the Norwegian Paying Agent will transfer such Settlement Amount from the Norwegian Custody Cash Account to the Norwegian Cash Transfer Account to which VPS has access in connection with payments to Security Holders. Subject to the foregoing, VPS will debit the Norwegian Cash Transfer Account for value on the Settlement Date and forward the Settlement Amount to the Security Holders in accordance with the Programme Agreement or, as the case may be, the Agency Agreement.

(c) *Settlement - Euroclear Finland Registered Instruments*

The settlement of Euroclear Finland Registered Securities shall be carried out in accordance with the Finnish Regulations. Pursuant to the Finnish Regulations, the last trading day of a Finnish registered warrant and a certificate with comparable terms is five Business Days before the Expiration Date of that security (on payment of net value of the security) in the relevant Euroclear Finland System in which the Euroclear Finland Registered Securities are registered (the "**OM system**"). Euroclear Finland provides the Issuer or the Finnish Paying Agent with a calculation of the balances needed for each relevant account operator and agent of an account operator accepted by Euroclear Finland as a member of the OM system in accordance with the Finnish Regulations (the "**Account Operator**"). The Issuer shall transfer an amount in euros equal to the aggregate Settlement Amount to the Finnish Custody Cash Account one Business Day prior to the Settlement Date so that the relevant Settlement Amount can be transferred to the Account Operators. The Finnish Paying Agent shall transfer the payments to the Account Operators operating on behalf of the Euroclear Finland Security Holders on the Business Day prior to the Settlement Date by 1.00 p.m. (Helsinki time). The Account Operators shall then forward the payments to the respective Euroclear Finland Security Holders.



In respect of Finnish registered warrants and certificates with comparable terms, the Issuer shall deliver a confirmation of the Settlement Amount to the Finnish Paying Agent to be forwarded to Euroclear Finland five Business Days prior to the Settlement Date. Euroclear Finland provides the Issuer or Finnish Paying Agent with a calculation of the balances needed for each relevant Account Operator. The Issuer shall transfer an amount in euros equal to the aggregate Settlement Amount to the Finnish Custody Cash Account one Business Day prior to the Settlement Date. The Finnish Paying Agent shall transfer the payments to the Account Operators operating on behalf of the Euroclear Finland Security Holders on the Settlement Date by 10.00 a.m. (Helsinki time). The Account Operators shall then forward the payments to the respective Euroclear Finland Security Holders.

All payment actions relating to Settlement Amounts are subject to detailed deadlines in accordance with the Finnish Regulations.

*The description in this Section 3(2)(c) of the General Conditions as to the payment procedures and other actions of Euroclear Finland and the Account Operator is based solely on the Issuer's understanding of the Finnish Regulations. Neither the Issuer nor (if applicable) the Guarantor makes any representation or warranty that such information is accurate or, in any event, that Euroclear Finland (or its agents or operators) will make such payments or undertake such actions or duties in accordance with such description. Accordingly, notwithstanding anything else herein, none of the Issuer, the Guarantor (if applicable) or any Agent has any responsibility for the performance by Euroclear Finland (or its agents or operators) of their respective payment, Euroclear Finland Security Holder identification, or other obligations in respect of the Securities as described herein and/or under the rules and procedures governing their operations.*

(3) Settlement Currency Conversion

Any cash amount payable by the Issuer shall be paid in the Settlement Currency. If payment of any amount to a Security Holder, according to the rules of the relevant Clearing System, cannot be made in the Settlement Currency, such payment shall be made in the currency principally used by the relevant Clearing System for payments to holders holding accounts with such Clearing System, following a conversion of the relevant amount from the Settlement Currency.

(4) Entitlement to payments in respect of Global ICSD Registered Notes and Nordic Registered Securities and Euroclear Netherlands Registered Securities

(a) Global ICSD Registered Notes

Payments in respect of Global ICSD Registered Notes shall be made to the persons on the register of Security Holders of the relevant Series of Securities on the relevant Record Date, for which purposes the "**Record Date**" shall be the close of business on the Clearing System Business Day before the due date for payment, where the "**Clearing System Business Day**" means a day on which the relevant clearing system is open for business.

(b) *Euroclear Sweden Registered Securities*

Payments of principal and/or interest in respect of the Euroclear Sweden Registered Securities shall be made to the Euroclear Sweden Security Holders registered as such on the fourth business day (as defined by the then applicable Euroclear Sweden Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the Euroclear Sweden Rules and will be made in accordance with the Euroclear Sweden Rules. Such day shall be the "**Record Date**" in respect of the Euroclear Sweden Registered Securities in accordance with the Euroclear Sweden Rules.

(c) *VPS Registered Securities*

Payments of principal and/or interest in respect of the VPS Registered Securities shall be made to the VPS Security Holders registered as such on the fourteenth calendar day before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the VPS Rules and will be made in accordance with the VPS Rules. Such day shall be the "**Record Date**" in respect of the VPS Registered Securities in accordance with the VPS Rules.

(d) *Euroclear Finland Registered Securities*

Payments of principal and/or interest in respect of the Euroclear Finland Registered Securities shall be made to the Euroclear Finland Security Holders on the basis of information recorded in the relevant Euroclear Finland Security Holder's book-entry securities account on the first Business Day before the due date for such payment. Such day shall be the "**Record Date**" in respect of the Euroclear Finland Registered Securities in accordance with the Euroclear Finland Rules. Euroclear Finland Security Holders will not be entitled to any interest or other compensation for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Payment Date.

(e) *Euroclear Netherlands Registered Securities*

Payments of principal and/or interest in respect of the Euroclear Netherlands Registered Securities shall be made to the Euroclear Netherlands Security Holders registered as such on the business day (as defined by the then applicable Euroclear Netherlands Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the Euroclear Netherlands Rules and will be made in accordance with the Euroclear Netherlands Rules. Such day shall be the "**Record Date**" in respect of the Euroclear Netherlands Registered Securities in accordance with the Euroclear Netherlands Rules.

(5) *Payment Date*

If any date for payment of any amount by the Issuer in respect of any Security is not a Payment Date, the Security Holder thereof shall not be entitled to payment until the

next following Payment Date and shall not be entitled to any interest or other payment in respect of such delay.

As used herein, a "**Payment Date**" means a day which is:

- (i) a day on which each Clearing System is open for business; and
- (ii) either (1) in relation to any sum payable in a currency other than euro, a day (other than a Saturday or Sunday) 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 the principal financial centre of the country of such currency or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open; and in addition
- (iii) (a) in the case of Euroclear Sweden Registered Securities, a day (other than a Saturday or Sunday) on which banks in Sweden are open for business, or (b) in the case of VPS Registered Securities, a day (other than a Saturday or Sunday) on which banks in Norway are open for business, or (c) in the case of Euroclear Finland Registered Securities, a day on which Euroclear Finland and the Euroclear Finland System (in which the Euroclear Finland Registered Securities are registered) are open for business in accordance with the Euroclear Finland Rules.

(6) Taxation, other laws and regulation

All payments will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever) and (b) any taxes, including any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA.

(7) Disclaimer as to Clearing Systems and their agents and operators

Any description in these General Conditions as to payments being made or any other actions or duties being undertaken by any Clearing System (or its agents or operators) is based solely on the Issuer's understanding of the relevant rules and/or operations of such Clearing System (and its agents and operators). Neither the Issuer nor (if applicable) the Guarantor makes any representation or warranty that such information is accurate or, in any event, that the relevant Clearing System (or its agents or operators) will make such payments or undertake such actions or duties in accordance with such description. Accordingly, notwithstanding anything else herein, none of the Issuer, the Principal Programme Agent, the Calculation Agent, or, if applicable, the Guarantor, the Norwegian Paying Agent, the Swedish Paying Agent, the Finnish Paying Agent or the

Agents has any responsibility for the performance by any Clearing System (or its agents or operators) of their respective payment, Security Holder identification, or other obligations in respect of the Securities as described herein and/or under the rules and procedures governing their operations.

(8) Definitions

**"Clearing System"** is set out in Part B (general terms) of the applicable Issue Specific Terms.

**"Euroclear Finland"** means *Euroclear Finland Oy*, the Finnish Central Securities Depository Ltd.

**"Euroclear Finland Register"** means the register opened in the Euroclear Finland System for Euroclear Finland Registered Securities.

**"Euroclear Finland Rules"** means the rules issued by Euroclear Finland.

**"Euroclear Finland System"** means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions.

**"Euroclear Netherlands"** means *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*, the Netherlands Central Securities Depository.

**"Euroclear Netherlands Register"** means the register opened in the Euroclear Netherlands System for Euroclear Netherlands Registered Securities issued or to be issued by the Issuer.

**"Euroclear Netherlands Rules"** means the Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and all other applicable Dutch laws, regulations and operating procedures applicable to and/or issued by Euroclear Netherlands.

**"Euroclear Netherlands System"** means the technical system at Euroclear Netherlands for the registration of securities and the clearing and settlement of securities transactions.

**"Euroclear Sweden"** means Euroclear Sweden AB, the Swedish Central Securities Depository.

**"Euroclear Sweden Register"** means the register opened in the Euroclear Sweden System for Euroclear Sweden Registered Securities issued or to be issued by the Issuer.

**"Euroclear Sweden Rules"** means the SFIA Act and all other applicable Swedish laws, regulations and operating procedures applicable to and/or issued by Euroclear Sweden.

**"Euroclear Sweden System"** means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions.

**"Finnish Custody Cash Account"** means a cash account in euro opened in the name of the Issuer and maintained by the Finnish Paying Agent.

**"Finnish Regulations"** means the Finnish Securities Markets Act (1989/495), Act on the Book-Entry System (1991/826), Act on Book-Entry Accounts (1991/827), the Rules of the Finnish Central Securities Depository Ltd and the Rules of the OMX Nordic Exchange Helsinki Oy.

**"NFIA Act"** means the Norwegian Securities Register Act of 2002 (in Norwegian: *lov om registrering av finansielle instrumenter av 5 juli 2002 nr. 64*);

**"Norwegian Cash Transfer Account"** means a cash account in Norwegian Krone and in the name of the Norwegian Paying Agent on behalf of the Issuer from which the Norwegian Paying Agent makes payments to VPS Security Holders.

**"Norwegian Custody Cash Account"** means a cash account in Norwegian Krone opened in the name of the Issuer and maintained by the Norwegian Paying Agent.

**"Norwegian Krone"** and **"NOK"** mean the lawful currency of Norway.

**"SFIA Act"** means the Swedish Financial Instruments Accounts Act (SFS 1998:1479).

**"Swedish Cash Transfer Account"** means a cash account in Swedish Krona and in the name of the Swedish Paying Agent on behalf of the Issuer from which the Swedish Paying Agent makes payments to Euroclear Sweden Security Holders.

**"Swedish Custody Cash Account"** means a cash account in Swedish Krona opened in the name of the Issuer and maintained by the Finnish Paying Agent.

**"Swedish Krona"** means the lawful currency of Sweden.

**"VPS"** means Verdipapirsentralen ASA, the Norwegian Central Securities Depository.

**"VPS Register"** means the register opened in the VPS System for VPS Registered Securities.

**"VPS Rules"** means the NFIA Act and all other applicable Norwegian laws, regulations and operating procedures applicable to and/or issued by the VPS.

**"VPS System"** means the technical system at VPS for the registration of instruments and the clearing and settlement of security transactions.

#### **Section 4 (Coupon)**

The Securities bear no coupon and pay no periodic amounts.

## Section 5

### (Ordinary Termination Right of the Issuer)

(1) Ordinary Termination Right of the Issuer

If "**Ordinary Termination Right of the Issuer**" has been specified in Part B (general terms) of the applicable Issue Specific Terms to be not applicable the Issuer has no ordinary termination right.

If "**Ordinary Termination Right of the Issuer**" has been specified in Part B (general terms) of the applicable Issue Specific Terms to be applicable, the Issuer has an unconditional and irrevocable right, upon its issue of a Termination Notice, to redeem the Securities in whole, but not in part, on the Termination Date at the Settlement Amount or, if a Termination Amount in the case of an ordinary termination is set out in Part B (general terms) of the applicable Issue Specific Terms, at the Termination Amount in the case of an ordinary termination in respect of each Security. For the purposes of calculating the Settlement Amount the Termination Date is regarded as the Final Valuation Date. Should this date not be a Calculation Date, the immediately following Calculation Date is regarded as the Final Valuation Date.

In relation to Italian Listed Securities the Settlement Amount and/or the Termination Amount in the case of an ordinary termination (to the extent specified in the Conditions) shall not be adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including those relating to the unwinding of any underlying and/or related hedging and funding arrangements.

(2) Definitions

"**Optional Redemption Date**" has the meaning given to it in Part B (general terms) of the applicable Issue Specific Terms.

"**Termination Amount in the case of an ordinary termination**" is the amount allocated to the respective Optional Redemption Date in Part B (general terms) of the applicable Issue Specific Terms.

"**Termination Notice**" means

(i) in the case of Securities where no Termination Notice Dates are set out in Part B (general terms) of the applicable Issue Specific Terms:

an irrevocable notice given by the Issuer to the Security Holders in accordance with Section 10 of the General Conditions that the Issuer will exercise its termination right, which notice shall specify the date on which the early redemption of the Securities as aforesaid is to be effected (the "**Termination Date**"), provided that if a Termination Period is specified in the applicable Issue Specific Terms, any such Termination Date must (i) be on a date which falls within the applicable Termination Period and (ii) not fall on a date which is earlier than the Business Day falling immediately after the Termination Notice Time Span in accordance with Section 10 of the General Conditions and provided

further that if such date is not a Business Day, then the relevant Termination Date will be the next following Business Day. The exercise by the Issuer of the termination right shall not preclude Security Holders from selling or transferring or, if applicable, exercising all or any part of their holding of Securities, providing that any such exercise, sale or transfer, as the case may be, is effected no later than the third Business Day immediately preceding the Termination Date.

(ii) in the case of Securities where Termination Notice Dates are set out in Part B (general terms) of the applicable Issue Specific Terms:

an irrevocable notice given by the Issuer to the Security Holders in accordance with Section 10 of the General Conditions on a Termination Notice Date that the Issuer will exercise its termination right, which notice shall specify the relevant Optional Redemption Date on which the early redemption of the Securities is to be effected (the "**Termination Date**"). The Termination Notice shall also replicate the relevant Termination Amount in the case of an ordinary termination. The exercise by the Issuer of the termination right shall not preclude Security Holders from selling or transferring or, if applicable, exercising all or any part of their holding of Securities, providing that any such exercise, sale or transfer, as the case may be, is effected no later than the third Business Day immediately preceding the Termination Date.

"**Termination Notice Date**" has the meaning given to it in Part B (general terms) of the applicable Issue Specific Terms. If the Termination Notice Date is no Calculation Date the Termination Notice Date will be postponed to the next following Calculation Date.

"**Termination Notice Time Span**" has the meaning given to it in Part B (general terms) of the applicable Issue Specific Terms.

"**Termination Period**" has the meaning given to it in Part B (general terms) of the applicable Issue Specific Terms.

## Section 6 (Transferability, Security Holder)

### (1) Transferability

Each German Security is transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing System through whose books such German Security is transferred.

In the case of English Securities transfers of interests in a Global ICSD Registered Note will be effected by the relevant ICSD and (in turn) by direct and (if appropriate) indirect participants in such ICSD acting on behalf of transferors and transferees of such beneficial interests.

Transfers of Nordic Registered Securities and Euroclear Netherlands Registered Securities may be effected only through the Clearing System(s) in which the Securities to be transferred are held. Title will pass in the case of (i) Euroclear Sweden Registered Securities, upon entry in the Euroclear Sweden Register and in accordance with the SFIA Act, (ii) VPS Registered Securities, upon entry in the VPS Register and in accordance with the VPS Rules, (iii) in the case of Euroclear Finland Registered Securities, upon entry in the Euroclear Finland Register and in accordance with the Finnish Regulations and (iv) in the case of Euroclear Netherlands Registered Securities, upon entry in the Euroclear Netherlands Register and in accordance with the Euroclear Netherlands Rules.

Any number of Securities may, subject to the foregoing provisions of this Section 6 (1), be transferred in one or more transaction in the Securities unless (a) the Securities are listed on a stock exchange and the rules of that stock exchange govern the number of Securities which may be transferred in a transaction in the Securities, in which case the applicable rules of that stock exchange, as amended from time to time, must be complied with, or (b) the applicable Issue Specific Terms specifies a "**Minimum Trading Number**", in which case the smallest number of Securities that may be transferred in a single transaction in the Securities shall be the Minimum Trading Number (and, if a "**Permitted Trading Multiple**" is also specified in the applicable Issue Specific Terms, the smallest number of Securities that may be transferred in a transaction in the Securities shall be the Minimum Trading Number, or, if more than the Minimum Trading Number of Securities is to be transferred in a transaction in the Securities, the Securities must be transferred in a number equal to the sum of the Minimum Trading Number plus an integral multiple of the Permitted Trading Multiple), or such other Minimum Trading Number or other Permitted Trading Multiple as the Issuer may from time to time notify the Security Holders in accordance with Section 10 of the General Conditions.

(2) Security Holder

(a) *Global Bearer Note - German Securities*

In respect of Securities represented by a Global Bearer Note, if the Governing Law is specified in the Issue Specific Terms to be German Law, the terms "Security Holders" will, subject to Section 6(2)(c) of the General Conditions, be construed to mean those persons recognised as the legal owner of the Securities pursuant to German law.

(b) *Global ICSD Registered Note - English Securities*

In the case of English Securities represented by a Global ICSD Registered Note, the term "Security Holder" will be construed to mean the person for the time being appearing in the books of any ICSD as the holder of a particular number or nominal amount of such Securities (in which regard any certificate or document issued by the relevant ICSD as to the number or nominal amount, as the case may be, of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer, the Guarantor, the Calculation Agent, the Principal Programme Agent, each ICSD and all other persons dealing with such person as the holder thereof and as the person entitled



to exercise the rights represented thereby for all purposes other than with respect to the payment of the Settlement Amount or any interest in respect of such number or nominal amount, as the case may be, of such Securities, for which purpose the nominee for the common depositary in respect of the relevant Global ICSD Registered Note (the "**Common Nominee**") shall be treated by the Issuer, the Guarantor, the Calculation Agent, the Principal Programme Agent and all other persons dealing with such person as the holder of such number or nominal amount, as the case may be, of such Securities in accordance with and subject to the terms of the relevant Global ICSD Registered Note and the expression "Security Holder" and related expressions shall be construed accordingly, notwithstanding any notice to the contrary, except that (i) Euroclear shall not be treated as the Security Holder of any Security held in an account with Clearstream Luxembourg, on behalf of Euroclear Belgium's accountholders and (ii) Clearstream Luxembourg shall not be treated as the Security Holder of any Security held in an account with Euroclear on behalf of Clearstream Luxembourg's accountholders. The foregoing provisions of this Section 6(2)(b) shall be subject to Section 6(2)(c) of the General Conditions.

The Issuer will cause a register ("**ICSD Registered Note Register**") to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the name and address of the Common Nominee and, from time to time, any other holders of the Securities and the particulars of the Securities held by them.

(c) *Nordic Registered Securities and Euroclear Netherlands Registered Securities:*

Notwithstanding the foregoing provisions of Section 6(2)(a) and Section 6(2)(b) of the General Conditions, in respect of any German Securities and English Securities which, in addition, constitute:

- (i) Euroclear Sweden Registered Securities, the person for the time being shown in the Euroclear Sweden Register shall be treated for all purposes by the Issuer, the Principal Programme Agent, the Swedish Paying Agent, any Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof (a "**Euroclear Sweden Security Holder**") and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary;
- (ii) VPS Registered Securities, the person for the time being shown in the VPS Register shall, in accordance with the VPS Rules, be treated for all purposes by the Issuer, the Principal Programme Agent, the Norwegian Paying Agent, any Agents, VPS and all other persons dealing with such person as the holder thereof (a "**VPS Security Holder**") and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary;
- (iii) Euroclear Finland Registered Securities, the person for the time being shown in the Euroclear Finland Register shall be treated for all purposes by the Issuer, the Principal Programme Agent, the Finnish Paying Agent, any Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof (an "**Euroclear Finland Security Holder**") and as the person entitled

to exercise the rights represented thereby notwithstanding any notice to the contrary; and

- (iv) Euroclear Netherlands Registered Securities, the person for the time being shown in the Euroclear Netherlands Register shall be treated for all purposes by the Issuer, the Principal Programme Agent, the Dutch Paying Agent, any Agents, Euroclear Netherlands and all other persons dealing with such person as the holder thereof (an "**Euroclear Netherlands Security Holder**") and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary.

## Section 7 (Agents)

- (1) The "**Calculation Agent**", the "**Principal Programme Agent**", the "**Registrar**", the "**Norwegian Paying Agent**", the "**Swedish Paying Agent**", the "**Finnish Paying Agent**", the "**Dutch Paying Agent**" and/or the "**Additional Agent(s)**" are set out in Part B (general terms) of the applicable Issue Specific Terms. The Issuer has the right at any time to replace the Calculation Agent, the Principal Programme Agent or any Agent with a different bank or, to the extent permitted by law, by a financial services institution with registered seat in one of the member states of the European Union, to appoint one or several additional calculation agents or payment agents and to revoke their appointment. Any replacement, appointment and revocation of the Calculation Agent, the Principal Programme Agent or, as the case may be, any other Agent as aforesaid will be announced in accordance with Section 10 of the General Conditions.
- (2) Each of the Calculation Agent, the Principal Programme Agent and any other Agent(s) have the right at all times to resign from their office as Calculation Agent, Principal Programme Agent or, as the case may be, Agent. The resignation becomes effective only upon appointment of a different bank or, to the extent permitted by law, a financial services institution with registered seat in one of the member states of the European Union as Calculation Agent, the Principal Programme Agent or Agent by the Issuer. Resignation and appointment are announced in accordance with Section 10 of the General Conditions.
- (3) The Calculation Agent, the Principal Programme Agent and any other Agent(s) act, in each case, solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Security Holders. The Calculation Agent, the Principal Programme Agent and any other Agent shall be exempt from the restrictions of self-dealing.
- (4) None of the Issuer, the Calculation Agent, the Principal Programme Agent or any other Agent is required to verify the authorization of those persons exercising Securities.

## Section 8 (Substitution of Issuer)

(1) *Substitution of Issuer for German Securities*

In respect of German Securities the following provisions apply:

The Issuer has the right at all times, without the consent of the Security Holders, to substitute a different company (the "**New Issuer**"), including the Guarantor, in the place of the Issuer in respect to all obligations from or in connection with the Securities, provided that:

- (a) the New Issuer assumes all obligations of the Issuer under or in connection with the Securities;
- (b) the New Issuer has committed itself to indemnify each Security Holder in respect to all taxes, charges, assessments, or fees of public authorities, which are imposed on it as a result of the replacement of the Issuer with the New Issuer;
- (c) the Issuer unconditionally and irrevocably guarantees all obligations of the New Issuer under the Securities for the benefit of the Security Holders and provided that the text of that guarantee is published in accordance with Section 10 of the General Conditions;
- (d) all measures, conditions, and steps that have to be initiated, fulfilled, and carried out (including obtaining necessary consents), in order to ensure that the Securities constitute lawful, effective, and binding obligations of the New Issuer, have been initiated, fulfilled, and carried out and the Securities are legally valid and effective without restrictions; and
- (e) the Guarantor (unless it is the New Issuer itself) unconditionally guarantees the obligations of the New Issuer under the Securities.

(2) *Substitution of Issuer for English Securities*

In respect of English Securities the following provisions apply:

The Issuer is entitled at any time, without the consent of the Security Holders, to substitute the Issuer with another company (the "**New Issuer**"), including the Guarantor, in respect of all its obligations under or in relation to any Series of Securities, provided that:

- (i) the New Issuer assumes, by means of a deed poll substantially in the form provided for in the Programme Agreement, all obligations of the Issuer arising from or in connection with the relevant Series of Securities (the "**Assumption**");
- (ii) the Assumption does not have any adverse legal and tax consequences for Security Holders of the relevant Series of Securities;
- (iii) the New Issuer provides an indemnity in favour of the Security Holders of the relevant Series of Securities in relation to any additional Taxes that become payable solely as a result of the substitution of the Issuer for the New Issuer;

- (iv) the New Issuer has obtained all necessary approvals from any regulatory authorities in order that the New Issuer can fulfil all obligations arising from or in connection with the relevant Series of Securities; and
- (v) the Guarantor (except in the case where it is the New Issuer itself) unconditionally guarantees the fulfilment of the obligations of the New Issuer in respect of the relevant Series of Securities.

(3) References to Issuer

In the event that the Issuer is replaced by the New Issuer, any reference to the Issuer in the Conditions shall then be considered as a reference to the New Issuer.

(4) Publication and consequences of Substitution

The substitution of the Issuer shall be announced in accordance with Section 10 of the General Conditions. After the substitution has been effected in accordance with the relevant provisions of this Section, the New Issuer shall replace the Issuer in all respects and the Issuer shall be released from all obligations under and in respect of the Securities, subject to Section 8 (1)(c) of the General Conditions.

## Section 9

### (Further Issuances of Securities, Purchase of Securities, Cancellation)

(1) Further Issuances of Securities

The Issuer may from time to time, without the consent of the Security Holders, create and issue further Securities having the same terms and conditions as the Securities (except for, in certain cases, the Issue Date, the Issue Size and the Settlement Date) and reference to "Securities" shall be construed accordingly.

(2) Purchases of Securities

The Issuer and the Guarantor and any of their respective subsidiaries may at any time purchase Securities at any price in the open market or otherwise. Such Securities may be held, reissued, resold or cancelled, all at the discretion of the Issuer.

(3) Cancellation

All Securities exercised or, as the case may be, redeemed in full shall be cancelled forthwith and may not be reissued or resold. Securities repurchased as aforesaid may, at the discretion of the Issuer in accordance with paragraph (2) of this Section, be cancelled.

## Section 10

### (Notices)

(1) Publication

Publications concerning the Securities will, subject to paragraph (2) and (6) of this Section, be made on the "**Website**" set out in the applicable Issue Specific Terms (or on any other website on which the Issuer elects to publish announcements having given prior notice of at least six weeks in accordance with the provisions of these Conditions). To the extent that required by law, or exchange regulations or if the Issuer otherwise considers it practical and helpful to Security Holders, announcements will be made, subject to paragraph (2) and (6) of this Section, in addition in a newspaper of general circulation in the Offer States. Any such announcement will be deemed to have been made on the date of first publication of such announcement.

(2) Notice via Clearing System

The Issuer has, in respect of any Securities (which are not represented by a Global ICSD Registered Note), the right, in addition to the publication of a notice pursuant to paragraph (1) of this Section to deliver a notice to the relevant Clearing System for communication by the Clearing System to the Security Holders. Even if the notice is communicated by the relevant Clearing System the first publication pursuant to paragraph (1) sentence 3 remains decisive for the time of effectiveness of the notice.

The Issuer has the right in respect of any English Securities represented by a Global ICSD Registered Note, in lieu of the publication of a notice pursuant to paragraph (1) of this Section, to deliver to the ICSDs a notice for communication to the Security Holders in accordance with the customary rules of the ICSDs. Any such notice shall be deemed to have been given to the holders of beneficial interests in the Global ICSD Registered Note on the day immediately following the day on which such notice was given to the ICSDs.

(3) Luxembourg Stock Exchange Publication

If and for so long as any Securities are listed on the official list of the Luxembourg Stock Exchange and the rules of the exchange so require, notices to the relevant Security Holders will be published, in addition to the requirements of paragraph (1) and (2) of this Section, on the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu).

(4) London Stock Exchange Publication

In relation to Securities admitted to the official list of the Financial Services Authority and to trading on the London Stock Exchange's Regulated Market, all notices to Security Holders will be valid if published in one daily newspaper of general circulation in the United Kingdom (expected to be the Financial Times).

(5) Italian Stock Exchange Publication

If and for so long as the Securities are listed on the Italian Stock Exchange and the rules of the exchange so require, notices to the Security Holders will be published on the Italian Stock Exchange's website, [www.borsaitaliana.it](http://www.borsaitaliana.it).

(6) Nordic Registered Securities

With respect to Nordic Registered Securities, the Issuer shall, in respect of this Section 10 only, only comply with the following obligations set out in this paragraph 6 of this Section:

In respect of Euroclear Sweden Registered Securities, the Issuer may either publish information and notices in at least one Swedish daily newspaper with nationwide coverage in the Kingdom of Sweden or send such information and notices to the Swedish Paying Agent who (at the expense of the Issuer) will, as soon as reasonably possible, publish the information and notices in at least one Swedish daily newspaper with nationwide coverage in the Kingdom of Sweden. Notwithstanding any confidentiality obligations, the Issuer shall be entitled to obtain information (including information on Euroclear Sweden Security Holders) from the Euroclear Sweden Register, and Euroclear Sweden shall be entitled to provide such information to the Issuer and to the Swedish Paying Agent, respectively.

In respect of VPS Registered Securities, the Issuer may either publish information and notices in at least one Norwegian daily newspaper with nationwide coverage in the Kingdom of Norway or send such information and notices to the Norwegian Paying Agent who (at the expense of the Issuer) will, as soon as reasonably possible, publish the information and notices in at least one Norwegian daily newspaper with nationwide coverage in the Kingdom of Norway. Notwithstanding any confidentiality obligations, the Issuer shall be entitled to obtain information (including information on VPS Security Holders) from the VPS Register, and VPS shall be entitled to provide such information to the Issuer and to the Norwegian Paying Agent, respectively.

In respect of Euroclear Finland Registered Securities, the Issuer may either publish information and notices in at least one Finnish daily newspaper with nationwide coverage in the Republic of Finland or send such information and notices to the Finnish Paying Agent who (at the expense of the Issuer) will as soon as reasonably possible, publish the information and notices in at least one Finnish daily newspaper with nationwide coverage in the Republic of Finland. Notwithstanding any confidentiality obligations, the Issuer shall be entitled to obtain information (including information on Euroclear Finland Security Holders) from the Euroclear Finland Register, and Euroclear Finland shall be entitled to provide such information to the Issuer and to the Finnish Paying Agent, respectively.

## **Section 11**

### **(Modifications)**

#### **(1) Modifications in the case of German Securities**

In respect of German Securities the following provisions apply:

- (a) The Issuer has the right and, if the correction is advantageous for the Security Holder, the obligation after becoming aware thereof to correct obvious spelling and calculation errors in the Issue Specific Terms without the consent of the Security Holders regarding the determination of the Settlement Amount. An er-

ror is obvious if it is recognisable to an investor with knowledge of the applicable type of Securities, particularly taking into account the Issue Price and the other factors that determine the value of the Security. In order to determine the obviousness and the applicable understanding of a knowledgeable investor, the Issuer may involve an expert. Corrections to the Issue Specific Terms are published in accordance with Section 10 of the General Conditions.

- (b) The Issuer has the right to modify any contradictory provisions in the Conditions without the consent of the Security Holders. The modification may only serve to clarify the contradiction and not effect any other changes to the Conditions. The Issuer furthermore has the right to supplement incomplete provisions in the Conditions without the consent of the Security Holders. The supplement may serve only to complete the provision and may not effect any other changes to the Conditions. Modifications pursuant to sentence 1 and supplements pursuant to sentence 3 are permitted only if they are reasonable for the Security Holder taking into account the economic purpose of the Conditions, particularly if they do not have a material adverse effect on the interests of the Security Holders. Modifications or supplements to the Conditions are published in accordance with Section 10 of the General Conditions.
- (c) In the case of a correction pursuant to sub-paragraph (a) or modification or supplement pursuant to sub-paragraph (b), the Security Holder may terminate the Securities within four weeks after the notification of the correction or modification or supplement with immediate effect by written notice of termination to the Principal Programme Agent, if as a consequence of the correction or modification or supplement, the content or scope of the Issuer's performance obligations changes in a manner that is not foreseeable to the Security Holder and detrimental to it. The Issuer will inform the Security Holder in the notification pursuant to sub-paragraph (a) or sub-paragraph (b) regarding the possible termination right including the election right of the Security Holder regarding the Termination Amount. The termination date for the purposes of this sub-paragraph (c) (the "**Correction Termination Date**") is the date on which the Principal Programme Agent receives the termination notice. An effective exercise of the termination by the Security Holder requires receipt of a duly executed termination statement containing the following information: (i) name of the Security Holder, (ii) designation and number of Securities to be terminated, and (iii) designation of a suitable bank account to which the Termination Amount is to be credited.
- (d) To the extent that a correction pursuant to sub-paragraph (a) or modification or supplement pursuant to sub-paragraph (b) is not possible, both the Issuer and each Security Holder may terminate the Securities, if the preconditions for rescission in accordance with Sections 119 *et seq.* German Civil Code (BGB) exist vis-à-vis the respective Security Holders or vis-à-vis the Issuer. The Issuer may terminate all but not some only of the Securities by notification in accordance with Section 10 of the General Conditions to the Security Holders; the termination must contain information about the Security Holder's election right

regarding the Termination Amount. The Security Holder may terminate the Securities vis-à-vis the Issuer by delivery to the Principal Programme Agent of its termination notice; regarding the content of the termination notice, the rule in paragraph (3) sentence 4 applies. The termination by a Security Holder does not have any effect vis-à-vis the other Security Holders. The Termination Date for purposes of this sub-paragraph (d) (the "**Error Termination Date**") is, in the case of a termination by the Issuer, the date on which the notification is given or, in the case of a termination by the Security Holder, the date on which the Principal Programme Agent receives the termination notice. The termination must occur without undue delay once the party entitled to terminate has become aware of the reason for termination.

- (e) In the case of an effective termination pursuant to sub-paragraph (c) or sub-paragraph (d), the Issuer will pay a Termination Amount to the Security Holders. The Termination Amount equals either (i) the most recently determined market price of a Security (as defined below) determined by the Calculation Agent or (ii) upon request of the Security Holder, the purchase price paid by the Security Holder when acquiring the Security, if the Security Holder produces evidence thereof to the Principal Programme Agent. If the Securities are listed, the Market Price (the "**Market Price**") of the Securities corresponds to the arithmetic mean of the cash settlement prices (*Kassakurse*), which were published on the three (3) Business Days immediately preceding the Correction Termination Date or the Error Termination Date (each a "**Termination Date**") at the "**Securities Exchange**" set out in the applicable Issue Specific Terms. If any of these Business Days is a Disrupted Day pursuant to the Underlying Specific Provisions, the cash settlement price on that day is not taken into account when determining the arithmetic mean. If no cash settlement prices were published on all three (3) Business Days or all of those days are Disrupted Days pursuant to the Underlying Specific Provisions, the Market Price corresponds to an amount, which is determined by the Calculation Agent in its reasonable discretion taking into account the market conditions existing on the Business Day immediately prior to the Termination Date. If the Securities are not listed, the Market Price (the "**Market Price**") of the Securities corresponds to an amount, which is determined by the Calculation Agent in its reasonable discretion taking into account the market conditions existing on the Business Day immediately prior to the Correction Termination Date or the Error Termination Date (each a "**Termination Date**"). In relation to Italian Listed Securities (to the extent required by the relevant regulated market and/or multilateral trading facility), the Termination Amount (to the extent specified in the Conditions) shall not be adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including those relating to the unwinding of any underlying and/or related hedging and funding arrangements, as determined by the Calculation Agent. The Issuer will transfer the Termination Amount within three (3) Business Days after the Termination Date to the Clearing System for credit to the accounts of the depositors of the Securities or in the case of a termination by the Security Holder to the account stated in the termination notice. If the Se-



curity Holder requests repayment of the purchase price after the Termination Date, the balance (the amount by which the purchase price exceeds the Market Price) is transferred thereafter. The requirements of Section 3 of the General Conditions concerning the payment terms apply accordingly. On payment of the Termination Amount, all rights of the Security Holders arising from the terminated Securities cease to have effect. This does not affect any claims by the Security Holder for compensation of any negative interest pursuant to Section 122 paragraph 1 BGB, unless these claims are excluded due to the Security Holder's knowledge or grossly negligent ignorance of the reason for termination in accordance with Section 122 paragraph 2 BGB.

(2) *Modifications in the case of English Securities*

In respect of English Securities the following provisions apply:

(a) *Modifications*

In the case of English Securities, the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Conditions may be amended by the Issuer with the approval of the Calculation Agent but without the consent of the Security Holders if, in the reasonable opinion of the Issuer and the Calculation Agent, the amendment (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest or proven error or omission, or (iii) will not materially and adversely affect the interests of the Security Holders of the relevant Series as a class.

(b) *Meetings of Security Holders*

The Programme Agreement and the Agency Agreement contain provisions for convening meetings of Security Holders to consider matters relating to the relevant Securities, including the modification of any provision of the General Conditions relating to a Series of Securities with the consent of the Issuer. Only Security Holders of outstanding Securities of the applicable Series (as defined in the Programme Agreement or, as the case may be, the Agency Agreement) will be eligible to participate in a meeting of Security Holders of that Series. Such a meeting shall be convened by the Issuer upon the request in writing of the relevant Security Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Securities of that Series. The quorum at any meeting convened to vote on a resolution will be one or more persons holding or representing more than half of the aggregate principal amount of the outstanding Securities of that Series or, at any adjourned meeting, one or more persons holding or representing not less than one quarter of the aggregate principal amount of the outstanding Securities of the relevant Series. Any resolution duly passed at any such meeting shall be binding on all the Security Holders of the applicable Series, whether present or not.

(c) *Written resolution*

A resolution in writing signed or electronically approved using the systems and procedures in place from time to time of an ICSD by or on behalf of all Security Holders of a relevant Series who for the time being are entitled to receive notice of a meeting of Security Holders of the relevant Series will take effect as if it were a resolution passed at a meeting of such Security Holders of the relevant Series. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Security Holders of the relevant Series or may be in the form of SWIFT or other electronic instructions as permitted by the rules and procedures of the relevant ICSD.

## Section 12 (Governing Law, Place of Jurisdiction)

(1) Securities governed by German law

The form and content of German Securities and all rights and obligations set out in the Conditions, and any related non-contractual obligations, will, subject to Section 12 (3) of the General Conditions, be governed by, and construed in every respect in accordance with the laws of Germany.

Frankfurt am Main shall be the place of performance of the German Securities. Frankfurt am Main will, in addition, be the place of jurisdiction for all lawsuits or other proceedings from or in connection with the German Securities for merchants, legal persons under public law, or special assets (*Sondervermögen*) under public law, and person without a general place of jurisdiction in Germany. In the aforementioned cases, Frankfurt am Main is the exclusive place of jurisdiction for all lawsuits against the Issuer.

(2) Securities governed by English law

English Securities and any non-contractual obligations arising out of or in connection with the English Securities are, subject to Section 12 (3) of the General Conditions, governed by, and shall be construed in accordance with, English law.

No person shall have any right to enforce any term or condition of the English Securities under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the English Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the English Securities).

(3) Nordic Registered Securities and Euroclear Netherlands Registered Securities

Notwithstanding the foregoing provisions of Section 12 (1) and Section 12 (2) of the General Conditions, the following provisions shall apply to German Securities and

English Securities which also constitute Nordic Registered Securities or Euroclear Netherlands Registered Securities:

- (a) in the case of Euroclear Finland Registered Securities, Finnish law and jurisdiction will be applicable with regard to the registration of such Securities in Euroclear Finland;
- (b) in the case of Euroclear Sweden Registered Securities, Swedish law and jurisdiction will be applicable with regard to the registration of Securities in Euroclear Sweden;
- (c) in the case of VPS Registered Securities, Norwegian law and jurisdiction will be applicable with regard to the registration of Securities in VPS; and
- (d) in the case of Euroclear Netherlands Registered Securities, Dutch law and jurisdiction will be applicable with regard to the registration of Securities in Euroclear Netherlands.

(4) Guarantee

The Guarantee shall be governed by and construed in accordance with the laws of the State of New York.

**Section 13  
(Severability)**

If any of the provisions of the Conditions is or becomes invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. By purchasing any Securities, each Security Holder will be deemed to have agreed, in the circumstances referred to in this Section 13, to attempt to substitute, in accordance with Section 11 of the General Conditions, for any invalid or unenforceable provision a valid or enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid or unenforceable provision.

**Section 14  
(Prescription)**

Claims against the Issuer or, as the case may be, the Guarantor for payment in respect of the English Securities shall be prescribed and become void unless made within five years from the Settlement Date and no claims shall be made after such date.

In the case of German Securities the period of presentation pursuant to § 801 section 1 sentence 1 of the German Civil Code ("**BGB**") is reduced to ten years. Any claim to receive payments under the German Securities, which has been presented within the period of presentation, will become time-barred after a period of two years starting at the end of the relevant pe-

riod for presentation and four years in relation to the payment of coupon amounts starting at the end of the relevant period for presentation.

**Annex to the General Conditions – Underlying Specific Provisions**

The Underlying Specific Provisions contain additional provisions in relation to the respective underlying set out in this Annex to the General Conditions. The Issue Specific Terms will specify which Underlying Specific Provisions apply to the respective Series of Securities. In relation to Italian Listed Securities (to the extent required by the rules of the relevant regulated market or multilateral trading facility), reference (if any) to "discretion" or "sole discretion" or "absolute discretion" shall be replaced by reference to "reasonable discretion as defined under § 315 or § 317 respectively of the German Civil Code (BGB)" and any determination by the Calculation Agent (or any other Agent(s)) shall be done with "reasonable discretion as defined under § 315 or § 317 respectively of the German Civil Code (BGB)".

**Annex to General Conditions - Index Linked Provisions**

**Adjustment, Modification and Disruption Provisions for Index Linked Securities**

- 1. Consequences of Non-Scheduled Trading Days, Non-Common Scheduled Trading Days or Disrupted Days**
  - 1.1 Single Index and Reference Dates
  - 1.2 Single Index and Averaging Reference Dates
  - 1.3 Index Basket and Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day
  - 1.4 Index Basket and Averaging Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day
  - 1.5 Index Basket and Reference Dates – Common Scheduled Trading Day but Individual Disrupted Day
  - 1.6 Index Basket and Reference Dates – Common Scheduled Trading Day and Common Disrupted Day
- 2. Fallback Valuation Date**
- 3. Adjustments**
  - 3.1 Successor Index Sponsor or Successor Index
  - 3.2 Occurrence of an Index Adjustment Event
  - 3.3 Occurrence of an Additional Disruption Event
  - 3.4 Early Redemption
- 4. Correction of Underlying Price**
- 5. Index Disclaimer**
- 6. Definitions**

## 1. Consequences of Non-Scheduled Trading Days, Non-Common Scheduled Trading Days or Disrupted Days

### 1.1 Single Index and Reference Dates

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to a single Index, and if the Calculation Agent determines that any Scheduled Reference Date in respect of such Index is not a Scheduled Trading Day or is a Disrupted Day, then the Reference Date for such Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Index immediately following such Scheduled Reference Date is a Disrupted Day for such Index. In that case:

- (a) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Reference Date shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
- (b) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on that Scheduled Trading Day in accordance with the formula for and method of, calculating the relevant Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Underlying Price in respect of the relevant Reference Date,

provided that:

- (c) if the consequence of "**No Adjustment**" is specified in the relevant Issue Specific Terms, then each Reference Date for the relevant Index shall be the Scheduled Reference Date, notwithstanding the fact that any Scheduled Reference Date is not a Scheduled Trading Day or is a Disrupted Day for such Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on any such Reference Date in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of such Reference Date, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent shall be deemed to be the Underlying Price in respect of the relevant Reference Date.

### 1.2 Single Index and Averaging Reference Dates

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to a single Index, and, if the Calculation Agent determines that any Scheduled Averaging Reference Date in respect of such Index is not a Scheduled Trading Day or is a Disrupted Day and, if in the relevant Issue Specific Terms the consequence specified is:

- (a) "**Omission**", then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would not be any Averaging Reference Dates, then the Averaging Reference Date for such Index shall be the first succeeding Scheduled Trading Day

following the final Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Index immediately following such final Scheduled Averaging Reference Date is a Disrupted Day for such Index. In that case:

- (i) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
  - (ii) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on that Scheduled Trading Day in accordance with the formula for and method of, calculating the relevant Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date.
- (b) **"Postponement"**, then the relevant Averaging Reference Date for such Index shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day for such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Index immediately following such Scheduled Averaging Reference Date is a Disrupted Day for such Index. In that case:
- (i) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
  - (ii) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on that Scheduled Trading Day in accordance with the formula for and method of, calculating the relevant Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date. For the avoidance of doubt, an Averaging Reference Date determined in accordance with this Index Linked Provision 1.2 in respect of a Scheduled Averaging Reference Date may fall on the same day that another Averaging Reference Date in respect of another Scheduled Averaging Reference Date falls, whether or not such latter Averaging Reference Date was also determined in accordance with this Index Linked Provision 1.2;



- (c) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date that, but for the occurrence of another Averaging Reference Date or a Disrupted Day for such Index, would have been the relevant Averaging Reference Date, then:
- (i) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Index, notwithstanding the fact that such day is already an Averaging Reference Date or is a Disrupted Day for such Index; and
  - (ii) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date,

provided that:

- (d) if the consequence of **"No Adjustment"** is specified in the relevant Issue Specific Terms, then each Averaging Reference Date for the relevant Index shall be the Scheduled Averaging Reference Date, notwithstanding the fact that any such Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a Disrupted Day for such Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price on any such Averaging Reference Date in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of such Averaging Reference Date, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date;
- (e) if the Calculation Agent determines that any Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index and, the relevant Issue Specific Terms do not specify the consequence, then **"Postponement"** will apply.

### 1.3 Index Basket and Reference Dates - Individual Scheduled Trading Day and Individual Disrupted Day

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to an Index Basket and such Issue Specific Terms specify that **"Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day)"** applies, and, if the Calculation Agent determines that any Scheduled Reference Date in respect of any Basket Index is not a Scheduled Trading Day or is a Disrupted Day for such Basket Index, then:

- (a) if the Calculation Agent determines that such Scheduled Reference Date for a Basket Index is a Scheduled Trading Day that is not a Disrupted Day, then the Reference Date for such Basket Index shall be such Scheduled Reference Date;
- (b) if the Calculation Agent determines that such Scheduled Reference Date for a Basket Index is not a Scheduled Trading Day or is a Disrupted Day, then the Reference Date for such Basket Index shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for such Basket Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day for such Basket Index. In that case:
  - (i) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Reference Date shall be deemed to be the Reference Date for such Basket Index, notwithstanding the fact that such day is a Disrupted Day for such Basket Index; and
  - (ii) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Basket Index, such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Underlying Price in respect of such Reference Date,

provided that:

- (c) if the consequence of "**No Adjustment**" is specified in the relevant Issue Specific Terms, then any Reference Date shall be the relevant Scheduled Reference Date, notwithstanding the fact that such Scheduled Reference Date is not a Scheduled Trading Day or is a Disrupted Day for any Basket Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of each Basket Index on such Reference Date in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of such Reference Date, using the relevant Default Values, and, in respect of such Basket Index, such determination by the Calculation Agent shall be deemed to be the Underlying Price in respect of the relevant Reference Date.

#### 1.4 **Index Basket and Averaging Reference Dates - Individual Scheduled Trading Day and Individual Disrupted Day**

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to an Index Basket and such Issue Specific Terms specify that "**Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day)**" applies, and, if the Calculation Agent determines that any Scheduled Averaging Reference Date in respect of any Basket Index is not a Scheduled Trading Day or is a Disrupted Day for such Basket Index and:

- (a) if in the relevant Issue Specific Terms the consequence specified is "**Omission**", such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for the relevant Basket Index, provided that, if through the operation of this provision there would not be any Averaging Reference Dates, then the sole Averaging Reference Date for such Basket Index shall be determined by reference to the final Scheduled Averaging Reference Date as follows:
  - (i) for each Basket Index for which the Calculation Agent determines that such final Scheduled Averaging Reference Date is a Scheduled Trading Day that is not a Disrupted Day, the Averaging Reference Date for such Basket Index shall be such final Scheduled Averaging Reference Date; and
  - (ii) for each Basket Index for which the Calculation Agent determines that such final Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a Disrupted Day, then the Averaging Reference Date for such Basket Index shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day in respect of such Basket Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Basket Index immediately following such final Scheduled Averaging Reference Date is a Disrupted Day for such Index. In that case:
    - (A) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Basket Index, notwithstanding the fact that such day is a Disrupted Day for such Basket Index; and
    - (B) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of that last consecutive Scheduled Trading Day, using the Relevant Values, and, in respect of each Basket Index, such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date;
- (b) if in the relevant Issue Specific Terms the consequence specified is "**Postponement**", then:
  - (i) for each Basket Index for which the Calculation Agent determines that such Scheduled Averaging Reference Date is a Scheduled Trading Day that is not a Disrupted Day, the Averaging Reference Date for such Basket Index shall be such Scheduled Averaging Reference Date; and
  - (ii) for each Basket Index for which the Calculation Agent determines that such Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a

Disrupted Day, then the Averaging Reference Date for such Basket Index shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day in respect of such Basket Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Basket Index immediately following such Scheduled Averaging Reference Date is a Disrupted Day for such Basket Index. In that case:

- (A) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Basket Index, notwithstanding the fact that such day is a Disrupted Day for such Basket Index; and
  - (B) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of that Scheduled Trading Day, using the Relevant Values, and, in respect of each Basket Index, such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date. For the avoidance of doubt, an Averaging Reference Date determined in accordance with this Index Linked Provision 1.4 in respect of a Scheduled Averaging Reference Date may fall on the same day that another Averaging Reference Date in respect of another Scheduled Averaging Reference Date falls, whether or not such latter Averaging Reference Date was also determined in accordance with this Index Linked Provision 1.4;
- (c) if in the relevant Issue Specific Terms the consequence specified is "**Modified Postponement**", then:
- (i) for each Basket Index for which the Calculation Agent determines that such Scheduled Averaging Reference Date is a Scheduled Trading Day that is not a Disrupted Day, the Averaging Reference Date for such Basket Index shall be such Scheduled Averaging Reference Date; and
  - (ii) for each Basket Index for which the Calculation Agent determines that such Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a Disrupted Day, the relevant Averaging Reference Date shall be the first succeeding Valid Date for such Basket Index. If the first succeeding Valid Date for such Basket Index has not occurred on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date that, but for the occurrence of another Averaging Reference Date or a Disrupted Day for such Basket Index, would have been the relevant Averaging Reference Date, then:

- (A) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Averaging Reference Date shall be deemed to be the Averaging Reference Date for such Basket Index, notwithstanding the fact that such day is already an Averaging Reference Date or is a Disrupted Day for such Basket Index; and
- (B) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of that last consecutive Scheduled Trading Day, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date,

provided that,:

- (d) if the consequence of "**No Adjustment**" is specified in the relevant Issue Specific Terms, then any Averaging Reference Date shall be the Scheduled Averaging Reference Date, notwithstanding the fact that such Scheduled Averaging Reference Date is not a Scheduled Trading Day for any Basket Index or is a Disrupted Day for such Basket Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of any such Basket Index on such Averaging Reference Date in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of such Averaging Reference Date, using the Relevant Values, and, in respect of such Basket Index, such determination by the Calculation Agent pursuant to this paragraph (d) shall be deemed to be the Underlying Price in respect of the relevant Averaging Reference Date; and
- (e) if the Calculation Agent determines that any Scheduled Averaging Reference Date is not a Scheduled Trading Day or is a Disrupted Day in respect of any Basket Index and, the relevant Issue Specific Terms do not specify the consequence, then "**Postponement**" will apply.

#### 1.5 **Index Basket and Reference Dates - Common Scheduled Trading Day but Individual Disrupted Day**

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to an Index Basket and such Issue Specific Terms specify that "**Basket Valuation (Common Scheduled Trading Day but Individual Disrupted Day)**" applies, the following provisions shall apply:

- (a) if the Calculation Agent determines that any Scheduled Reference Date is a Common Scheduled Trading Day that is not a Disrupted Day for each Basket Index, then the Reference Date for each Basket Index shall be such Scheduled Reference Date;
- (b) if the Calculation Agent determines that any Scheduled Reference Date is not a Common Scheduled Trading Day for each Basket Index, the Reference Date for each

Basket Index shall, subject to paragraph (c) below, be the first succeeding Common Scheduled Trading Day following such Scheduled Reference Date;

- (c) if the Calculation Agent determines that either (I) any Scheduled Reference Date is a Common Scheduled Trading Day but is a Disrupted Day for one or more Basket Indices, or (II) if paragraph (b) above applies, the relevant Common Scheduled Trading Day immediately following a Scheduled Reference Date is a Disrupted Day for one or more Basket Indices, then, in respect of (I) and (II), the following provisions shall apply:
  - (i) if the Calculation Agent determines that such Common Scheduled Trading Day is not a Disrupted Day for a Basket Index, then the Reference Date for such Basket Index shall be such Common Scheduled Trading Day; and
  - (ii) if the Calculation Agent determines that such Common Scheduled Trading Day is a Disrupted Day for a Basket Index, then the Reference Date for such Basket Index shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for such Basket Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Common Scheduled Trading Day is a Disrupted Day for such Basket Index. In that case:
    - (A) the Scheduled Trading Day which falls such number of Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Reference Date shall be deemed to be the Reference Date for such Basket Index, notwithstanding the fact that such day is a Disrupted Day for such Basket Index; and
    - (B) the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on that Scheduled Trading Day in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Basket Index, such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the Underlying Price in respect of the relevant Reference Date,

provided that:

- (iii) if the consequence of "**No Adjustment**" is specified in the relevant Issue Specific Terms, then any Reference Date for each Basket Index shall be the Scheduled Reference Date, notwithstanding the fact that such Scheduled Reference Date is not a Common Scheduled Trading Day or is a Disrupted Day for that Basket Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on such Reference Date in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of such Reference Date, using the Relevant Values, and, in respect of such Basket Index, such

determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Underlying Price in respect of the relevant Reference Date.

#### 1.6 **Index Basket and Reference Dates – Common Scheduled Trading Day and Common Disrupted Day**

Where the Index Linked Securities are specified in the relevant Issue Specific Terms to relate to an Index Basket and such Issue Specific Terms specify that "**Basket Valuation (Common Scheduled Trading Day and Common Disrupted Day)**" applies, the following provisions shall apply:

- (a) if the Calculation Agent determines that any Scheduled Reference Date is a Common Scheduled Trading Day that is not a Disrupted Day for each Basket Index, then the Reference Date for each Basket Index shall be such Scheduled Reference Date;
- (b) if the Calculation Agent determines that any Scheduled Reference Date is not a Scheduled Trading Day for any Basket Index or is a Common Scheduled Trading Day and a Disrupted Day for any Basket Index, then the Reference Date for each Basket Index shall be the first succeeding Common Scheduled Trading Day following such Scheduled Reference Date which the Calculation Agent determines is not a Disrupted Day for each Basket Index, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day for one or more Basket Indices. In that case:
  - (i) the Common Scheduled Trading Day which falls such number of Common Scheduled Trading Days equal to the Maximum Days of Disruption after the relevant Scheduled Reference Date shall be deemed to be the Reference Date for each Basket Index, notwithstanding the fact that such day is a Disrupted Day for one or more Basket Indices, (such Basket Indices being "**Affected Basket Indices**" for such Reference Date, and each such Basket Index being an "**Affected Basket Index**" for such Reference Date);
  - (ii) for each Basket Index other than an Affected Basket Index, the relevant Underlying Price shall be determined by reference to the relevant screen pages by the Calculation Agent on that Common Scheduled Trading Day; and
  - (iii) for each Affected Basket Index, the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Affected Basket Index on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating such Affected Basket Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Affected Basket Index, such determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Underlying Price in respect of such Reference Date,

provided that:

- (c) if the consequence of "**No Adjustment**" is specified in the relevant Issue Specific Terms, then any Reference Date for any Basket Index shall be the Scheduled Reference Date, notwithstanding the fact that such Scheduled Reference Date is not a Scheduled Trading Day or is a Disrupted Day for such Basket Index, and the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Basket Index on such Reference Date in accordance with the formula for and method of, calculating such Basket Index last in effect prior to the occurrence of such Reference Date, using the Relevant Values, and, in respect of such Index, such determination by the Calculation Agent shall be deemed to be the Underlying Price in respect of the relevant Reference Date.

## 2. Fallback Valuation Date

Notwithstanding any other terms of these Index Linked Provisions, if a Fallback Valuation Date is specified in the relevant Issue Specific Terms to be applicable to any Reference Date or Averaging Reference Date (any such date being, for the purposes of this Index Linked Provision 2, a "**Relevant Date**") for an Index, and if, following adjustment of such Relevant Date pursuant to Index Linked Provision 1 (*Consequences of Non-Scheduled Trading Days, Non-Common Scheduled Trading Days or Disrupted Days*) above (for the purposes of this Index Linked Provision 2, an "**Affected Index**") the Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected Index, then such Fallback Valuation Date shall be deemed to be such Relevant Date for such Affected Index.

If such Fallback Valuation Date is not a Scheduled Trading Day or a Common Scheduled Trading Day or is a Disrupted Day in respect of such Affected Index, as the case may be, then the Calculation Agent shall, in its reasonable discretion, determine the Underlying Price of such Affected Index on such Fallback Valuation Date in accordance with the formula for, and method of, calculating such Affected Index last in effect prior to the occurrence of the first Disrupted Day, using the Relevant Values, and, in respect of such Affected Index, such determination by the Calculation Agent pursuant to this Index Linked Provision 2 shall be deemed to be the Underlying Price in respect of the relevant Reference Date or Averaging Reference Date.

## 3. Adjustments

### 3.1 Successor Index Sponsor or Successor Index

If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor index sponsor acceptable to the Calculation Agent (a "**Successor Index Sponsor**") or (ii) replaced by a successor index using, in the determination of the Calculation Agent acting in its reasonable discretion, the same or a substantially similar formula for, and method of, calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index.

If any of the events set out in (i) or (ii) above has occurred, but the Calculation Agent has not identified, acting in its reasonable discretion, a Successor Index Sponsor or Successor Index, as applicable, then the occurrence of any such event shall constitute either an Index Modification



or Index Cancellation, as applicable, and the provisions of Index Linked Provision 3.2 (*Occurrence of an Index Adjustment Event*) shall apply accordingly, *mutatis mutandis*.

### 3.2 Occurrence of an Index Adjustment Event

If the Calculation Agent determines in respect of an Index that, (i) on or prior to any Reference Date or Averaging Reference Date, the relevant Index Sponsor or Successor Index Sponsor, if applicable, has made or announced that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the Components, capitalisation and/or other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index or the Index may no longer be used as a consequence of new regulatory provisions and no Successor Index exists as at the date of such cancellation (an "**Index Cancellation**"), or (ii) on any Reference Date or Averaging Reference Date the Index Sponsor or Successor Index Sponsor, if applicable, fails to calculate and announce a relevant Index (an "**Index Disruption**", and together with Index Modification and Index Cancellation, each an "**Index Adjustment Event**"), then the Calculation Agent shall, in its reasonable discretion, determine if such Index Adjustment Event has a material effect on the Index Linked Securities and, if so, shall calculate the relevant Underlying Price using, in lieu of a published level for that Index, the level for such Index on that Reference Date or Averaging Reference Date, as the case may be, as, in its reasonable discretion, the Calculation Agent so determines in accordance with the formula for, and method of, calculating such Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised such Index immediately prior to such Index Adjustment Event, provided that if the Calculation Agent determines in its reasonable discretion that no adjustment it could make under this paragraph Index Linked Provision 3.2 would produce a commercially reasonable result, it may direct the Issuer to redeem the Index Linked Securities under Index Linked Provision 3.4 (*Early Redemption*) below.

The relevant methodology of the Index may provide for a so-called "Reverse Split", i.e. if the level of the Index falls below a certain threshold, the Index Sponsor will adjust the level of the Index by applying an adjustment factor. If the Calculation Agent determines that such a Reverse Split has taken place, the Calculation Agent is entitled to determine appropriate adjustments to the Securities in its reasonable discretion (in particular, by adjusting the Multiplier of the Securities) in order to take into account the impact of the adjustment factor to the level of the Index. Such adjustment shall be notified to the Security Holders in accordance with Section 10 (*Notices*) of the General Conditions.

### 3.3 Occurrence of an Additional Disruption Event

If the Calculation Agent has determined, in its reasonable discretion, that any Additional Disruption Event specified as applicable in the relevant Issue Specific Terms has occurred, it may direct the Issuer to redeem the Index Linked Securities in accordance with Index Linked Provision 3.4 (*Early Redemption*) below.

### 3.4 Early Redemption

If following the occurrence of any of the relevant events listed in Index Linked Provisions 3.1, 3.2 or 3.3 (*Adjustments*) above or 7.1 (*Modification or Early Redemption pursuant to the occurrence of an Index-Linked Derivatives Contract Adjustment Event*) below, the Calculation Agent has directed the Issuer to redeem the Index Linked Securities, the Issuer shall, within one month following the occurrence of the relevant event, give notice to Security Holders in accordance with Section 10 (*Notices*) of the General Conditions designating a termination date (the "**Termination Date**"). On the Termination Date, the Issuer shall redeem all, but not some only, of the Index Linked Securities and it shall pay an amount equal to the Termination Amount to each Security Holder in respect of each Index Linked Security held by it. Payment of the Termination Amount will be made in such manner as shall be notified to the Security Holders in accordance with Section 10 (*Notices*) of the General Conditions.

### 4. Correction of Underlying Price

If the relevant Issue Specific Terms specify that "**Correction of Underlying Price**" shall be applicable for an Index, then, in the event that any Underlying Price published by the Index Sponsor on any date which is utilised for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Index Linked Securities to account for such correction, provided that, if a Correction Cut-off Date is applicable for a relevant Index for any relevant date, corrections published after such Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount, and/or whether any event specified in the relevant Issue Specific Terms has occurred.

### 5. Index Disclaimer

Each of the Issuer and the Guarantor agrees and acknowledges and, by purchasing the Index Linked Securities, each Security Holder is deemed to acknowledge and agree, in respect of such Index, that the Index Linked Securities are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Index Linked Securities. The Issuer and the Guarantor shall have no liability to the Security Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the relevant Issue Specific Terms, none of the Issuer, the Guarantor, the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition, or dissemination of the relevant Index. Although the Calculation Agent will obtain information concerning the

Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index.

## 6. Definitions

The following terms and expressions shall have the following meanings in relation to Index Linked Securities to which these Index Linked Provisions apply:

**"Additional Disruption Events"** means a Change in Law, a Hedging Disruption or an Increased Cost of Hedging (each an **"Additional Disruption Event"**) specified as such in the relevant Final Terms.

**"Affected Basket Index"** and **"Affected Basket Indices"** have the meaning given thereto in Index Linked Provision 1.6 (*Index Basket and Reference Dates – Common Scheduled Trading Day and Common Disrupted Day*).

**"Affected Index"** has the meaning given thereto in Index Linked Provision 2 (*Fallback Valuation Date*).

**"Averaging Reference Date"** means, if specified in the relevant Issue Specific Terms, each Reference Date, in each case, subject to adjustment in accordance with these Index Linked Provisions.

**"Basket Index"** means each Index which is a component of an Index Basket, as specified in the relevant Issue Specific Terms.

**"Calculation Date"** means, unless otherwise specified in the applicable Issue Specific Terms: (a) in respect of Index Linked Securities referencing a single Index, each Scheduled Trading Date, which is not a Disrupted Day for that Index, (b) in respect of Index Linked Securities referencing an Index Basket, each Common Scheduled Trading Date that is not a Disrupted Day for each Basket Index.

**"Calculation Hours"** means: (a) in respect of Index Linked Securities referencing a single Index, the period on a Calculation Date, during which the Index is calculated and published by the Index Sponsor, (b) in respect of Index Linked Securities referencing an Index Basket, the period on a Calculation Date, during which all Basket Indices are calculated and published by the respective Index Sponsors.

**"Change in Law"** means that either (a) on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), (x) it has become illegal for the Hedging Entity to hold, acquire or dispose of the Hedge Positions relating to such Index Linked Securities, or (y) the use of the Index or of the Component the Securities are linked to has become illegal or (z) the Hedging Entity will incur a materially increased cost in performing its obligations under the Index Linked Securities (including, without limitation, due to any increase in tax liability,

decrease in tax benefit or other adverse effect on its tax position), (b) it has, as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the promulgation of regulations thereunder or the interpretation of such laws and/or regulations by relevant authorities (together, the "**Dodd-Frank Act**") or otherwise become illegal for the Hedging Entity to hold interests in any of the relevant Shares or any related assets or (iii) the Dodd-Frank Act makes the holding of any Hedge Positions illegal or inadvisable, or materially increases the costs of holding such assets.

**"Common Scheduled Trading Day"** means, in respect of an Index Basket, each day which is a Scheduled Trading Day for all Basket Indices in such Index Basket.

**"Component"** means, in respect of an Index, each component included in such Index, as determined by the Calculation Agent.

**"Component Clearance System"** means, in respect of a Component of an Index, the principal domestic clearance system customarily used for settling trades in the relevant Component on any relevant date, as determined by the Calculation Agent.

**"Component Clearance System Business Day"** means, in respect of a Component Clearance System, any day on which such Component Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**"Correction Cut-off Date"** means, in respect of any Index, the date(s) specified as such in the relevant Issue Specific Terms, or, if "Correction Cut-off Date" is specified in the Issue Specific Terms to be applicable to any date on which the price of such Index is required to be determined, but no date is specified for the Correction Cut-off Date, then the Correction Cut-off Date for such Index and such date shall be the second Business Day prior to the next following date upon which any payment may have to be made by the Issuer by reference to the price of such Index on such day.

**"Disrupted Day"** means:

- (a) any Scheduled Trading Day on which a Market Disruption Event has occurred in relation to the Index; or
- (b) any Scheduled Trading Day on which the Index Sponsor fails to calculate and/or to publish the relevant level of the Index (provided that the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of an Index Disruption).

**"Fallback Valuation Date"** means, in respect of any Index, the date(s) specified as such in the relevant Issue Specific Terms, or, if "Fallback Valuation Date" is specified in the Issue Specific Terms to be applicable to any date on which the level of such Index is required to be determined, but no date is specified for the Fallback Valuation Date, then the Fallback Valuation Date for such Index and such date shall be the second Business Day prior to the next following date upon which any payment may have to be made by the Issuer by reference to the price of such Index on such day.

**"Hedge Positions"** means any arrangements entered into by the Hedging Entity at any time in order to hedge the payment obligations of the Issuer, on an individual or on a portfolio basis, under the Index Linked Securities including, without limitation, any acquisition, purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, future, foreign exchange or derivatives, (b) stock loan transactions or (c) any other instruments or arrangements (howsoever described).

**"Hedging Disruption"** means, in respect of any Index Linked Securities, that the Hedging Entity is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Hedging Entity, wholly or partially, after using commercially reasonable efforts and acting in good faith, to (a) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the Hedging Entity's obligations in respect of the relevant Index Linked Securities or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), as determined by the Issuer.

**"Hedging Entity"** means the Calculation Agent or another member of the Goldman Sachs Group.

**"Increased Cost of Hedging"** means that the Hedging Entity would incur a materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, increased tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (a) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Hedging Entity's obligations with respect to the Index Linked Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Entity shall not be deemed an Increased Cost of Hedging.

**"Index"** means, in respect of an issue of Index Linked Securities relating to a single Index, the Index, and in respect of an issue of Index Linked Securities relating to an Index Basket, each Basket Index, in each case specified in the relevant Issue Specific Terms, and related expressions shall be construed accordingly.

**"Index Adjustment Event"** has the meaning given thereto in Index Linked Provision 3.2 (*Occurrence of an Index Adjustment Event*).

**"Index Basket"** means, subject to adjustment in accordance with these Index Linked Provisions, a basket composed of Indices in the relative proportions or numbers of Indices, as specified in the relevant Issue Specific Terms.

**"Index Cancellation"** has the meaning given thereto in Index Linked Provision 3.2 (*Occurrence of an Index Adjustment Event*).

**"Index Disruption"** has the meaning given thereto in Index Linked Provision 3.2 (*Occurrence of an Index Adjustment Event*).

**"Index Linked Securities"** means Securities specified as "Index Linked Securities" in the relevant Issue Specific Terms.

**"Index Modification"** has the meaning given thereto in Index Linked Provision 3.2 (*Occurrence of an Index Adjustment Event*).

**"Index Sponsor"** means, for any Index, the entity specified in the relevant Issue Specific Terms, and, if not specified, the corporation or other entity that, as determined by the Calculation Agent, (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index, and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day.

**"Market Disruption Event"** means an event which is defined as a market disruption in the index description of the relevant Index.

**"Maximum Days of Disruption"** means in respect of Index Linked Securities that relate to:

- (a) a single Index, eight Scheduled Trading Days; or
- (b) an Index Basket and the relevant Issue Specific Terms do not specify that "Basket Valuation (Common Scheduled Trading Day and Common Disrupted Day)" applies, eight Scheduled Trading Days; or
- (c) an Index Basket and the relevant Issue Specific Terms specify that "Basket Valuation (Common Scheduled Trading Day and Common Disrupted Day)" applies, eight Common Scheduled Trading Days,

or, in each case, such other number of Scheduled Trading Days or Common Scheduled Trading Days, as applicable specified in the relevant Issue Specific Terms.

**"Modified Postponement"** has the meaning given thereto in Index Linked Provision 1.2(c) (*Single Index and Averaging Reference Dates*) or Index Linked Provision 1.4(c) (*Index Basket and Averaging Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day*), as applicable.

**"No Adjustment"** has the meaning given thereto in Index Linked Provision 1.1(c) (*Single Index and Reference Dates*), Index Linked Provision 1.2(d) (*Single Index and Averaging Reference Dates*), Index Linked Provision 1.3(c) (*Index Basket and Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day*), Index Linked Provision 1.4(d) (*Index Basket and Averaging Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day*), Index Linked Provision 1.5(b) (*Index Basket and Reference Dates – Common Scheduled Trading Day but Individual Disrupted Day*) and Index Linked Provision 1.6(c) (*Index Basket and Reference Dates – Common Scheduled Trading Day and Common Disrupted Day*), as applicable.

**"Omission"** has the meaning given thereto in Index Linked Provision 1.2(a) (*Single Index and Averaging Reference Dates*) or Index Linked Provision 1.4(a) (*Index Basket and Averaging Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day*), as applicable.

**"Postponement"** has the meaning given thereto in Index Linked Provision 1.2(b) (*Single Index and Averaging Reference Dates*) or Index Linked Provision 1.4(b) (*Index Basket and Averaging Reference Dates – Individual Scheduled Trading Day and Individual Disrupted Day*), as applicable.

**"Reference Date"** means each Scheduled Reference Date, as adjusted in accordance with these Index Linked Provisions.

**"Relevant Date"** has the meaning given thereto in Index Linked Provision 2 (*Fallback Valuation Date*).

**"Relevant Value"** means, in respect of an Index and a Scheduled Trading Day, a Reference Date, a Common Scheduled Trading Day or an Averaging Reference Date, as applicable, the Exchange traded or quoted price on that Scheduled Trading Day of each Component comprised in such Index or, if an event giving rise to a Disrupted Day (as defined in Share Linked Provision 8 (*Definitions*)) has occurred in respect of any relevant Component that is a share on that Scheduled Trading Day, the value for the relevant Component on that Scheduled Trading Day, Reference Date, Common Scheduled Trading Day or Averaging Reference Date, as applicable, as determined by the Calculation Agent in its reasonable discretion taking into account any relevant market conditions at the time of such determination.

**"Scheduled Averaging Reference Date"** means, in respect of an Index, each Scheduled Reference Date, as specified in the relevant Issue Specific Terms..

**"Scheduled Reference Date"** means, in respect of an Index, the Final Valuation Date and/or any other date specified as such in the relevant Issue Specific Terms.

**"Scheduled Trading Day"** means any day on which the Index-Sponsor is scheduled to publish the level the relevant Index.

**"Scheduled Valuation Date"** means, in respect of an Index, any original date that, but for such day not being a Scheduled Trading Day for such Index or for such day being a Disrupted Day for such Index, would have been a Valuation Date.

**"Settlement Cycle"** means the period of Component Clearance System Business Days following a trade in the Components underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

**"Settlement Disruption Event"** means, in respect of a Component of an Index, an event that the Calculation Agent determines is beyond the control of the Issuer and/or its affiliates as a result of which the relevant Component Clearance System cannot clear the transfer of such Component.

**"Successor Index"** has the meaning given thereto in Index Linked Provision 3.1 (*Successor Index Sponsor or Successor Index*).

**"Successor Index Sponsor"** has the meaning given thereto in Index Linked Provision 3.1 (*Successor Index Sponsor or Successor Index*).

**"Termination Amount"** means an amount in respect of each Index Linked Security which is determined by the Calculation Agent in its reasonable discretion as a fair market price of that Index Linked Security immediately prior to the Termination Date, taking into account the remaining time value of the relevant Index Linked Security. When determining the Termination Amount, the Calculation Agent may, *inter alia*, also consider the probability of default of the Issuer or of the Guarantor based on the credit spreads quoted on the market or on the yields of bonds of the Issuer or of the Guarantor that are traded with sufficient liquidity at the time of determining the Termination Amount. In relation to Italian Listed Securities (to the extent required by the relevant regulated market and/or multilateral trading facility), the Termination Amount (to the extent specified in the Conditions) shall not be adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including those relating to the unwinding of any underlying and/or related hedging and funding arrangements as determined by the Calculation Agent.

**"Underlying Price"** means, in respect of a Calculation Date, the relevant level of that Index as specified in the Issue Specific Terms.

**"Valid Date"** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.



**Annex to the General Conditions – Standard form of Renouncement Notice (Italian Listed Securities)**

**STANDARD FORM OF WAIVER OF EXERCISE**

To be completed by the Holders of [*Insert name of Securities*], due [●] (the "Certificates ")

To: [*Insert contact details of the Calculation Agent*]

e-mail: [*Insert Calculation Agent e-mail*]

Attn.:

Phone:

and

To: [*Insert contact details of the Principal Programme Agent*]

Attn.:

Phone:

e-mail:

and

To: [*Insert contact details of the relevant Clearing System*]

Attn.:

Phone:

e-mail:

[and

To: [*Insert contact details of the Agent in Italy*]

Attn.:

Phone:

e-mail:]

Failure properly to complete this Waiver of Exercise or to submit a substantially similar form of Waiver of Exercise shall result in the Waiver of Exercise being treated as null and void.

**PLEASE USE BLOCK CAPITALS**

**1. Details of Holder(s) of the Certificates**

Name:

Address:

Facsimile:

Telephone:

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2. **Details of Series of Certificates**

The Series of Certificates to which this Waiver of Exercise relates:

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3. **Waiver of Automatic Exercise**

I/We, being the holder of the Certificates referred to below forming part of the above Series of Certificates, hereby waive the automatic exercise of such Certificates in accordance with the terms and conditions thereof.

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4. **Number of Certificates**

The number of Certificates is as follows:

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5. **Dated**

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6. **Signed**

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## **V. FORM OF ISSUE SPECIFIC TERMS**

*The "Issue Specific Terms" of the Securities shall, for the relevant series of Securities, supplement and complete the General Conditions. A version of the Issue Specific Terms, as amended and completed for the specific series of Securities, will be replicated in the applicable Final Terms. The Issue Specific Terms as replicated in the applicable Final Terms and the General Conditions (including the applicable Underlying Specific Provisions) together constitute the "Conditions" of the relevant series of Securities.*

*The following Issue Specific Terms set out the product specific terms (the "Product specific terms") of the respective type of Securities (Product No. [●] in the Base Prospectus) and, in addition, the general terms (the "General terms") which supplement the General Conditions set out in the Base Prospectus and which are applicable to the Securities.*

### ***Part A - Product specific terms***

#### ***Product No. 1. Product specific terms applicable to Open End Factor Certificates with Nominal***

Settlement Amount	The Settlement Amount equals the Performance of the Underlying multiplied by the Nominal, then multiplied by the [Management Factor][insert in the case of Open End Factor Certificates with a Quanto feature: Fee Factor].
[Fee Factor]	[Term-dependent calculation of the Management Fee and the Quanto Fee according to the following formula:

$$\prod_{i=1}^M \frac{1}{(1 + G_{(i)})^{\frac{n_{(i)}}{k}}}$$

where the terms used in the formula have the following meanings:

"**G<sub>(i)</sub>**" means the sum of the Management Fee (i) and the Quanto Fee (i), where "i" represents the sequence of natural numbers from 1 to M.

"**M**" means the number of different sums (G<sub>(i)</sub>) of the Management Fee (i) and the Quanto Fee (i) during the term of the Securities

"**n**" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an ad-

justment of the Management Fee or the adjustment of the Quanto Fee or, if there is no adjustment of the Management Fee or the Quanto Fee during the term of the Securities, up to (and including) the Final Valuation Date. "n" for i+1 means, in each case, the number of calendar days from (and including) the effective date of the adjustment of the Management Fee or the adjustment of the Quanto Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or the Quanto Fee or, if there is no further adjustment of the Management Fee or the Quanto Fee during the term of the Securities, up to (and including) the Final Valuation Date.

"k" means [the number of actual calendar days in the calendar year (actual).] [*insert alternative definition: •*]

The Fee Factor is commercially rounded to [*•*] decimal places on a daily basis.] [*insert alternative formula for determination of Fee Factor: •*]

[Initial Management Fee]	[ <i>•</i> ] [As specified in Table 1 in the Annex to the Issue Specific Terms]
[Initial Quanto Fee]	[ <i>•</i> ] [As specified in Table 1 in the Annex to the Issue Specific Terms]
Initial Reference Price	[ <i>•</i> ] [As specified in Table [1][2] in the Annex to the Issue Specific Terms]
[Management Factor]	[Term-dependent calculation of the Management Fee according to the following formula:

$$\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$$

where the terms used in the formula have the following meanings:

"MG<sub>(i)</sub>" means the Management Fee (i), where "i" represents the sequence of natural numbers from 1 to M.

"M" means the number of different Management Fees (i) during the term of the Securities

"n" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an ad-

justment of the Management Fee or, if there is no adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date. "**n**" for  $i+1$  means, in each case, the number of calendar days from (and including) the effective date of the adjustment of the Management Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or, if there is no further adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date.

"**k**" means [the number of actual calendar days in the calendar year (actual).] [*insert alternative definition: ●*]

The Management Factor is commercially rounded to [●] decimal places on a daily basis.] [●]

[Management Fee]

[The Management Fee for  $i=1$  equals the Initial Management Fee. The Issuer has the right to adjust the Management Fee with effect on each Business Day up to the level of the Maximum Management Fee. The adjustment of the Management Fee and the effective date of the adjustment are notified in accordance with Section 10 of the General Conditions. Each reference to the Management Fee ( $i$ ) in the Conditions is regarded, with the effective date of the adjustment, as a reference to the adjusted Management Fee ( $i+1$ ).]

[Maximum Management Fee]

[●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

Nominal

[●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

[Quanto Fee]

[The Quanto Fee for  $i=1$  equals the Initial Quanto Fee. The Issuer has the right to adjust the Quanto Fee with effect on each Business Day, if in the reasonable discretion of the Calculation Agent this is necessitated by an increase or decrease of the costs to the Issuer arising from the hedging of currency risks, taking into account the interest rate of the Reference Currency, the interest rate for the Settlement Currency on which the currency hedge is based, the volatility of the Underlying, the volatility of the exchange rate between the Reference Currency and Settlement Currency, and the correlation between the price of the Underlying and the path of the foreign exchange rate. The adjustment to the Quanto Fee and the effective date of the adjustment are

notified in accordance with Section 10 of the General Conditions. Each reference to the Quanto Fee (i) in the terms and conditions is regarded, with the effective date of the adjustment, as a reference to the adjusted Quanto Fee (i+1).] [●]

Performance of the Underlying	[Reference Price divided by the Initial Reference Price] [Initial Reference Price divided by the Reference Price][●]
Reference Price	[Underlying Price on the Final Valuation Date] [●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

***Product No. 2. Product specific terms applicable to Open End Factor Certificates with Multiplier***

Settlement Amount	The Settlement Amount equals the Reference Price multiplied by the Multiplier, then multiplied by the [Management Factor][insert in the case of Open End Factor Certificates with a Quanto feature: Fee Factor].
[Fee Factor]	[Term-dependent calculation of the Management Fee and the Quanto Fee according to the following formula:

$$\prod_{i=1}^M \frac{1}{(1 + G_{(i)})^{\frac{n_{(i)}}{k}}}$$

where the terms used in the formula have the following meanings:

"**G<sub>(i)</sub>**" means the sum of the Management Fee (i) and the Quanto Fee (i), where "i" represents the sequence of natural numbers from 1 to M.

"**M**" means the number of different sums (**G<sub>(i)</sub>**) of the Management Fee (i) and the Quanto Fee (i) during the term of the Securities

"**n**" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an adjustment of the Management Fee or the adjustment of the Quanto Fee or, if there is no adjustment of the Management Fee or the Quanto Fee during the term of the Securities, up to (and including) the Final Valuation Date. "**n**" for i+1

means, in each case, the number of calendar days from (and including) the effective date of the adjustment of the Management Fee or the adjustment of the Quanto Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or the Quanto Fee or, if there is no further adjustment of the Management Fee or the Quanto Fee during the term of the Securities, up to (and including) the Final Valuation Date.

"**k**" means [the number of actual calendar days in the calendar year (actual).] [*insert alternative definition: •*]

The Fee Factor is commercially rounded to [**•**] decimal places on a daily basis.] [*insert alternative formula for determination of Fee Factor: •*]

[Initial Management Fee]	[ <b>•</b> ] [As specified in Table 1 in the Annex to the Issue Specific Terms]
[Initial Quanto Fee]	[ <b>•</b> ] [As specified in Table 1 in the Annex to the Issue Specific Terms]
Initial Reference Price	[ <b>•</b> ] [As specified in Table [1][2] in the Annex to the Issue Specific Terms]
[Management Factor]	[Term-dependent calculation of the Management Fee according to the following formula:

$$\prod_{i=1}^M \frac{1}{(1 + MG_{(i)})^{\frac{n_{(i)}}{k}}}$$

where the terms used in the formula have the following meanings:

"**MG<sub>(i)</sub>**" means the Management Fee (i), where "i" represents the sequence of natural numbers from 1 to M.

"**M**" means the number of different Management Fees (i) during the term of the Securities

"**n**" for i=1 means the number of calendar days from (and including) the Initial Valuation Date up to (and including) the calendar day that precedes the effective date of an adjustment of the Management Fee or, if there is no adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date. "**n**" for i+1 means, in each case, the number of calendar days from

(and including) the effective date of the adjustment of the Management Fee up to (and including) the calendar day that precedes the effective date of the next adjustment of the Management Fee or, if there is no further adjustment of the Management Fee during the term of the Securities, up to (and including) the Final Valuation Date.

"k" means [the number of actual calendar days in the calendar year (actual).] [*insert alternative definition:* ●]

The Management Factor is commercially rounded to [●] decimal places on a daily basis.] [●]

[Management Fee]

[The Management Fee for  $i=1$  equals the Initial Management Fee. The Issuer has the right to adjust the Management Fee with effect on each Business Day up to the level of the Maximum Management Fee. The adjustment of the Management Fee and the effective date of the adjustment are notified in accordance with Section 10 of the General Conditions. Each reference to the Management Fee (i) in the Conditions is regarded, with the effective date of the adjustment, as a reference to the adjusted Management Fee (i+1).]

Maximum Management Fee

[●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

Multiplier

[●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

[Quanto Fee]

[The Quanto Fee for  $i=1$  equals the Initial Quanto Fee. The Issuer has the right to adjust the Quanto Fee with effect on each Business Day, if in the reasonable discretion of the Calculation Agent this is necessitated by an increase or decrease of the costs to the Issuer arising from the hedging of currency risks, taking into account the interest rate of the Reference Currency, the interest rate for the Settlement Currency on which the currency hedge is based, the volatility of the Underlying, the volatility of the exchange rate between the Reference Currency and Settlement Currency, and the correlation between the price of the Underlying and the path of the foreign exchange rate. The adjustment to the Quanto Fee and the effective date of the adjustment are notified in accordance with Section 10 of the General Conditions. Each reference to the Quanto Fee (i) in the terms and conditions is regarded, with the effective date of the adjustment, as a reference to the adjusted Quanto Fee



(i+1).] [●]

Reference Price [Underlying Price on the Final Valuation Date] [●] [As specified in Table 1 in the Annex to the Issue Specific Terms]

**Part B - General terms<sup>1</sup>**
**Terms in relation to Security Right, Status, Guarantee, Definitions (Section 1 of the General Conditions)**

Currency Conversion	[Applicable][Not applicable] [As specified in Table 1 in the Annex to the Issue Specific Terms]
Exchange Rate	[●] [As specified in Table 1 in the Annex to the Issue Specific Terms] [Not applicable]
Exchange Rate Sponsor	[●] [As specified in Table 1 in the Annex to the Issue Specific Terms] [Not applicable]
Final Valuation Date	[●] [As specified in Table 1 in the Annex to the Issue Specific Terms] [Not applicable]
Initial Valuation Date	[●]
Reference Currency	[●][As specified in Table 1 in the Annex to the Issue Specific Terms]
Relevant Exchange Date	[●][Not applicable]
Settlement Amount Rounding	[●][Not applicable]
Settlement Currency	[●][As specified in Table 1 in the Annex to the Issue Specific Terms]
Settlement Date	[●][[Third (3 <sup>rd</sup> )][Fifth (5 <sup>th</sup> )] [●] Payment Date following (a) [the Final Valuation Date][the last occurring Valuation Date] or (b) the Termination Date]
Valuation Date	[●] [As specified in Table 1 in the Annex to the Issue Specific Terms] [Not applicable]
Date of Programme Agreement	[●][Not applicable]
Date of Agency Agreement	[●][Not applicable]

<sup>1</sup> If a Section in the General Conditions or an Annex to the General Condition is not relevant for a Series of Securities then the respective terms relating to such Section or Annex will not be replicated in the applicable Final Terms and it will be indicated that the respective Section or Annex is "Not applicable".

Date of Deed of Covenant	<input type="checkbox"/> [Not applicable]
Italian Listed Securities	<input type="checkbox"/> [Applicable] <input type="checkbox"/> [Not applicable]

***Terms in relation to Exercise (Section 2 of the General Conditions)***

Automatic Exercise	<input type="checkbox"/> [Applicable] <input type="checkbox"/> [Not applicable]
Renouncement Notice Cut-Off Time	<input type="checkbox"/> [Not applicable]
Bermuda Exercise Dates	<input type="checkbox"/> [Not applicable]
Business Day	<input type="checkbox"/>
Minimum Exercise Amount	<input type="checkbox"/> [Not applicable]
Integral Exercise Amount	<input type="checkbox"/> [Not applicable]
Maximum Exercise Amount	<input type="checkbox"/> [Not applicable]
Exercise Period	<input type="checkbox"/> [As specified in Table 1 in the Annex to the Issue Specific Terms] <input type="checkbox"/> [Not applicable]
Exercise Style	<input type="checkbox"/> [American Exercise Style] <input type="checkbox"/> [Bermudan Exercise Style]
Exercise Time	<input type="checkbox"/> [(local time <input type="checkbox"/> )] <input type="checkbox"/> [Not applicable]
ICSD Prescribed Time	<input type="checkbox"/> [Not applicable]
Local Exercise Time	<input type="checkbox"/> [Not applicable]

***Terms in relation to Settlement (Section 3 of the General Conditions)***

Clearing System	<input type="checkbox"/> [Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn] <input type="checkbox"/> [Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, and/or Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg] <input type="checkbox"/> [Euroclear Finland Oy, the Finnish Central Securities Depository Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, Finland] <input type="checkbox"/> [Euroclear Sweden AB, the Swedish Central Securities Depository, Klarabergsviadukten 63, Stockholm, 11164, Sweden] <input type="checkbox"/> [Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch Central Securities Depository, Herengracht 459, 1017BS Amsterdam, the Netherlands] <input type="checkbox"/> [Verdipapirsentralen ASA, the Norwegian Central Securities Depository, Biskop Gun-
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nerus'gt 14A, Oslo, 0185, Norway][●]

***Terms in relation to Ordinary Termination Right of the Issuer (Section 5 of the General Conditions)***

Ordinary Termination Right of the Issuer	[Applicable][Not applicable]
[Optional Redemption Date]	[●]
[Termination Amount in the case of an ordinary termination]	[insert Termination Amount in the case of an ordinary termination allocated to the respective Optional Redemption Date: ●]
[Termination Notice Date]	[●]
[Termination Notice Time Span]	[One month][●]
[Termination Period]	[●]

***Terms in relation to Transferability, Security Holder (Section 6 of the General Conditions)***

Minimum Trading Number	[●] [(corresponding to ● Securities)]
Permitted Trading Multiple	[Not applicable] [●]

***Terms in relation to Agents (Section 7 of the General Conditions)***

Calculation Agent	[Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main][Goldman Sachs International, Peterborough Court, 133 Fleet Street, London EC4A 2BB, England][●]
Principal Programme Agent	[Goldman Sachs AG, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main][●]
Registrar	[Citigroup Global Markets Deutschland AG][Not applicable][●]
[Norwegian Paying Agent]	[Skandinaviska Enskilda Banken AB (publ), Oslo Branch (GTS Banks), P.O. Box 1843, Vika NO-0123 Oslo, Norway][●][Not applicable]
[Finnish Paying Agent]	[Skandinaviska Enskilda Banken AB (publ), Helsinki Branch (GTS Banks), Unioninkatu 30, F1-00100 Helsinki, Finland][●][Not applicable]
[Swedish Paying Agent]	[Skandinaviska Enskilda Banken AB (publ) (GTS

	Banks), Sergels Torg 2, ST H1 SE-106 40 Stockholm, Sweden][●][Not applicable]
[Dutch Paying Agent]	[Citibank International plc, 33 Canada Square, E14 5LB London, UK][●][Not applicable]
Additional Agent(s)	[insert additional paying agent, if applicable: ●]

***Terms in relation to Notices (Section 10 of the General Conditions)***

Website	[www.gs.de/service/bekanntmachungen][●]
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***Terms in relation to Modifications (Section 11 of the General Conditions)***

Securities Exchange	[●][Not applicable]
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***Terms in relation to Governing Law, Place of Jurisdiction (Section 12 of the General Conditions)***

Securities	[German Securities] [English Securities]
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[Nordic Registered Securities]	[Euroclear Finland Registered Securities] [Euroclear Sweden Registered Securities] [VPS Registered Securities] [Not applicable]
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[Euroclear Netherlands Registered Securities]	[Applicable] [Not applicable]
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Governing Law	[German Law] [English Law] [, subject to Section 12 (3) of the General Conditions]
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***Terms in relation to Index Linked Provisions***

Single Index or Index Basket	[Single Index][Index Basket]
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Name of Index(ices)	[insert name of Index(ices): ●] [As specified in Table [1] [and] [2] in the Annex to the Issue Specific Terms] [(ISIN: ●) [Bloomberg Code(s): ●][Reuters Code: ●]] [(each] the " <b>Index</b> " or [the " <b>Underlying</b> "] [the " <b>Basket Component</b> "])] [insert information relating to weighting of basket component: ●]
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Exchange(s)	[●] [As specified in Table 2 in the Annex to the Issue
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	Specific Terms]
Calculation Date	[●]
Calculation Hours	[●] [As specified in Table 2 in the Annex to the Issue Specific Terms]
Index Sponsor	[●] [As specified in Table 2 in the Annex to the Issue Specific Terms]
Underlying Price	[●]
Scheduled Reference Date(s)	[Final Valuation Date][●]
Single Index and Reference Dates - Consequences of Disrupted Days	[Applicable - as specified in Index Linked Provision 1.1][Not applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Single Index and Averaging Reference Dates - Consequences of Disrupted Days	[Applicable - as specified in Index Linked Provision 1.2][Not applicable]
Omission	[Not applicable][Applicable]
Postponement	[Not applicable][Applicable]
Modified Postponement	[Not applicable][Applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Index Basket and Reference Dates – Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day)	[Applicable - as specified in Index Linked Provision 1.3][Not applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Index Basket and Averaging Reference Dates – Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day)	[Applicable - as specified in Index Linked Provision 1.4][Not applicable]
Omission	[Not applicable][Applicable]
Postponement	[Not applicable][Applicable]

Modified Postponement	[Not applicable][Applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Index Basket and Reference Dates – Basket Valuation (Common Scheduled Trading Day but Individual Disrupted Day)	[Applicable - as specified in Index Linked Provision 1.5][Not applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Index Basket and Reference Dates – Basket Valuation (Common Scheduled Trading Day and Common Disrupted Day)	[Applicable - as specified in Index Linked Provision 1.6][Not applicable]
Maximum Days of Disruption	[●] [Not applicable]
No Adjustment	[Not applicable][Applicable]
Fallback Valuation Date	[Not applicable] [●]
Change in Law	[Applicable][Not applicable]
Hedging Disruption	[Applicable][Not applicable]
Increased Cost of Hedging	[Applicable][Not applicable]
Correction of Underlying Price	[Not applicable][Applicable]
Correction Cut-off Date	[Not applicable] [●]

## Annex to the Issue Specific Terms

**Table 1**

[WKN]	[Underlying]	[Multiplier]	[Initial Management Fee]	[Currency Conversion]	[Final Valuation Date]
[ISIN]		[Initial Reference Price]		[Exchange Rate]	[Exercise Period]
[Valor]		[Reference Price]	[Maximum Management Fee]	[Exchange Rate Sponsor]	
[Common Code]		[Nominal]	[Initial Quanto Fee]		
[ <i>additional Securities Identification Number: •</i> ]		[Reference Currency]			
		[Settlement Currency]			
[•]	[•]	[•]	[•]	[•]	[•]

**Table 2**

[Name of Index(ices)]	[ISIN]	[Index Sponsor]	[Reference Currency]	[Initial Reference Price]
	[Bloomberg Code(s)]			
	[Reuters Code]			
[•]	[•]	[•]	[•]	[•]

**VI. GUARANTEE**

THIS GUARANTEE is made on November 14, 2017 by THE GOLDMAN SACHS GROUP, INC., a corporation duly organized under the laws of the State of Delaware (the "**Guarantor**").

**WHEREAS**

- (A) Goldman, Sachs & Co. Wertpapier GmbH (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of securities (the "**Securities**") in connection with which they have prepared a prospectus dated November 14, 2017 (the "**Prospectus**", which expression shall include any supplements thereto).
- (B) From time to time, the Issuer may issue Tranches of Securities under the Programme subject to the terms and conditions described in the Prospectus.
- (C) The Guarantor has determined to execute this Guarantee of the payment obligations of the Issuer in respect of the Securities issued by the Issuer under the Programme.

THE GUARANTOR hereby agrees as follows:

1. For value received, the Guarantor hereby unconditionally guarantees to the Holder of each Security (the "**Security Holder**") the payment of any redemption amount and any other amount payable under the terms and conditions of the Securities. In the case of failure by the Issuer punctually to make payment of any redemption amount or any other amounts payable under the terms and conditions of the Securities, the Guarantor hereby agrees to cause any such payment to be made promptly when and as the same shall become due and payable as if such payment was made by the Issuer in accordance with the terms and conditions of the Securities.
2. This Guarantee is one of payment and not of collection.<sup>1</sup>
3. The Guarantor hereby waives notice of acceptance of this Guarantee and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonour or non-payment of any such obligation or liability, suit or the taking of other action by any Security Holder against, and any notice to, the Issuer or any other party.
4. The obligations of the Guarantor hereunder will not be impaired or released by (1) any change in the terms of any obligation or liability of the Issuer under the Securities or (2) the taking or failure to take any action of any kind in respect of any security for any obligation or liability of the Issuer under the Securities or (3) the exercising or refraining from exercising of any rights against the Issuer or any other party or (4) the compromising or subordinating of any obligation or liability of the Issuer under the

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<sup>1</sup> This means that all that is required to trigger the Guarantee is the failure by the Issuer punctually to make payment of any redemption amount or any other amounts payable under the terms and conditions of the Securities (guarantee of payment). It is not necessary for Holders to first make an (unsuccessful) attempt to enforce any claims for payment under the Securities against the Issuer (guarantee of collection).



Securities, including any security therefore.

5. Upon any assignment or delegation of the Issuer's rights and obligations under the Securities pursuant to the terms and conditions of the Securities to a partnership, corporation or other organization in whatever form (the "**Substitute**") that assumes the obligations of such Issuer under the Securities by contract, operation of law or otherwise, this Guarantee shall remain in full force and effect and thereafter be construed as if each reference herein to the Issuer were a reference to the Substitute.
6. The Guarantor may not assign its rights nor delegate its obligations under this Guarantee in whole or in part, except for an assignment and delegation of all of the Guarantor's rights and obligation hereunder to another entity in whatever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operations of law or otherwise. Upon any such delegation and assumption of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder.
7. This Guarantee shall be governed by and construed in accordance with New York law.

**THE GOLDMAN SACHS GROUP, INC.**

by: \_\_\_\_\_

(Authorized Officer)

**VII. IMPORTANT INFORMATION ABOUT THE ISSUER**

With respect to the required information about Goldman, Sachs & Co. Wertpapier GmbH as Issuer of the Securities, reference is made pursuant to Section 11 German Securities Prospectus Act to the Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 28 February 2017 (as supplemented by the supplements dated 18 April 2017, 12 May 2017, 30 June 2017, 19 July 2017, 7 August 2017, 1 September 2017, 19 September 2017, 18 October 2017 and 6 November 2017) (the "**Registration Document**") which has been filed with the Competent Authority (detailed information about the pages in the Registration Document, to which reference is made with respect to the required information about the Issuer, can be found in section "XIII. Information incorporated by reference").

**VIII. IMPORTANT INFORMATION ABOUT THE GUARANTOR**

With respect to the required information about The Goldman Sachs Group, Inc. as Guarantor of the Securities, reference is made pursuant to Section 11 German Securities Prospectus Act to the Registration Document (detailed information regarding the pages in the Registration Document, to which reference is made with respect to the required information about the Guarantor, can be found in section "XIII. Information incorporated by reference"). The Guarantor files documents and reports with the US Securities and Exchange Commission (the "SEC"). With respect to further substantial information in respect of The Goldman Sachs Group, Inc. as the Guarantor of the Securities reference pursuant to Section 11 German Securities Prospectus Act is made to the following documents filed with the SEC (the "**SEC Documents**") and which are also filed with the *Commission de Surveillance du Secteur Financier* (CSSF) (the "**CSSF**") in Luxembourg:

- the Proxy Statement relating to the Annual Meeting of Shareholders on 20 May 2016 (the "**Proxy Statement 2016**"), filed with the SEC on 8 April 2016;
- the Annual Report on Form 10-K for the fiscal year ended 31 December 2016 (the "**Form 10-K 2016**", containing financial statements relating to the fiscal years ended 31 December 2016 and 31 December 2015, which includes Exhibit 21.1 thereto), filed with the SEC on 27 February 2017;
- the Report on Form 8-K dated 18 April 2017 (the "**Form 8-K 18 April 2017**"), filed with the SEC on 18 April 2017;
- the Quarterly Report on Form 10-Q for the fiscal quarter ended 31 March 2017 (the "**Form 10-Q First Quarter 2017**"), filed with the SEC on 4 May 2017;
- the Report on Form 8-K dated 28 June 2017 (the "**Form 8-K 28 June 2017**"), filed with the SEC on 28 June 2017;
- the Report on Form 8-K dated 18 July 2017 (the "**Form 8-K 18 July 2017**"), filed with the SEC on 18 July 2017;
- the Quarterly Report on Form 10-Q for the fiscal quarter ended 30 June 2017 (the "**Form 10-Q Second Quarter 2017**"), filed with the SEC on 4 August 2017;
- the Report on Form 8-K dated 12 September 2017 (the "**Form 8-K 12 September 2017**"), filed with the SEC on 12 September 2017;
- the Report on Form 8-K dated 17 October 2017 (the "**Form 8-K 17 October 2017**"), filed with the SEC on 17 October 2017;
- the Quarterly Report on Form 10-Q for the fiscal quarter ended 30 September 2017 (the "**Form 10-Q Third Quarter 2017**"), filed with the SEC on 3 November 2017.

The SEC Documents specified above are produced in English. They have been filed with the SEC by the Guarantor and are available from the SEC website at [www.sec.gov](http://www.sec.gov). In addition, the SEC Documents are available from the website of the Luxembourg stock exchange at [www.bourse.lu](http://www.bourse.lu). In addition, the SEC Documents are available free of charge from Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frank-

furt am Main.

**IX. FORM OF FINAL TERMS**

**Final Terms dated**

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in relation to the

Base Prospectus

in accordance with Section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

**GOLDMAN, SACHS & CO. WERTPAPIER GMBH**

**Frankfurt am Main**

**(Issuer)**

*[Issue Size to be inserted: •]*

**Open End Factor Certificates**

linked to

[•]

[ISIN: •]

[WKN: •]

[Valor: •]

[Common Code: •]

*[Additional Securities Identification Number: •]*

[Issue Price: •]

*[insert table with name of Underlying, ISIN, WKN, Valor, Common Code as well as additional Securities Identification Number and Issue Price where applicable: •]*

unconditionally guaranteed by

**The Goldman Sachs Group, Inc.**

**United States of America**

**(Guarantor)**

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Goldman Sachs International, Frankfurt Branch

(Offeror)

*These Final Terms relate to the Base Prospectus dated 14 November 2017 ([as supplemented by the Supplement[s] dated • and] as [further] supplemented from time to time).*

*[insert in the case of an increase of the Series: Final Terms dated [●] relating to [insert Securities: ●] (the "[First][●] Increase", which are consolidated with the outstanding [insert designation of the Securities: ●] ([WKN ●][●]) issued on [insert date of the first issue: ●][insert additional issue, if applicable: ●] under the Base Prospectus for Open End Factor Certificates dated 14 November 2017 and constitute a single issue.]*

*[In case of Securities for which a continued public offer is intended following the expiry of the validity of the Base Prospectus dated 14 November 2017 insert: The validity of the Base Prospectus dated 14 November 2017 (the "**Initial Base Prospectus**") under which the public offer for the Securities described in these Final Terms is continued, expires on [insert date on which the validity of the Base Prospectus dated 14 November 2017 expires: ●]. Following this date, the public offer will be continued on the basis of one or more succeeding base prospectuses (each a "**Succeeding Base Prospectus**"), to the extent the Succeeding Base Prospectus envisages a continuation of the public offer of the Securities. In this context, these Final Terms are, in each case, to be read in conjunction with the most recent Succeeding Base Prospectus. The respective Succeeding Base Prospectus will be approved and published prior to the expiry of the validity of the respective preceding base prospectus. The respective Succeeding Base Prospectus will be published electronically on the website [www.gs.de (see www.gs.de/service/wertpapierprospekte)] [insert other website(s): ●].]*

The subject of the Final Terms are Open End Factor Certificates (Product No. [●] in the Base Prospectus – Open End Factor Certificates with [Multiplier][Nominal]) linked to [●] (categorised as [a][an] [Basket of] [Index][Indices] in the Base Prospectus) (the "**Securities**" or the "**Open End Factor Certificates**"), which are issued by Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main, Federal Republic of Germany, (the "**Issuer**").

*[in the case of an increase of issue size of Securities issued under this Base Prospectus, insert: The [insert number: ●] Securities [(corresponding to an aggregate nominal amount of [●])] together with the [insert number: ●] Securities [(corresponding to an aggregate nominal amount of [●])] with the securities identification number [WKN ●][●], issued under the Final Terms dated [insert date: ●] (the "**First Final Terms**") [insert additional issue where appropriate: ●] to the Base Prospectus dated 14 November 2017 as supplemented from time to time, form a single issue within the meaning of § 9 of the General Conditions, i.e. they have the same [WKN][●] and [– with the exception of their number –] the same features (referred to together as the "**Securities**" or the "**Open End Factor Certificates**").]*

**The Final Terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010) (the "Prospectus Directive") and must be read in conjunction with the Base Prospectus dated 14 November 2017 ([as supplemented by the Supplement[s] dated ● and] as [further] supplemented from time to time) (the "Base Prospectus") including the information incorporated by reference.**

**Full information on the Issuer, the Guarantor and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus, including the information incorporated by reference.**

The Final Terms to the Base Prospectus are represented in the form of a separate document according to Article 26(5) of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the "**Prospectus Regulation**").

**The Base Prospectus, any supplements thereto and the Final Terms are published by making them available free of charge at Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, and in another form as may be required by law. Furthermore, these documents are published in electronic form on the website [www.gs.de (see www.gs.de/service/wertpapierprospekte and respective product site (retrievable by entering the relevant securities identification number for the Security in the search field))][insert other website(s): ●].**

**An issue-specific summary, fully completed for the Securities, is annexed to these Final Terms.**



**ISSUE SPECIFIC TERMS**

*The following "Issue Specific Terms" of the Securities shall, for the Series of Securities, supplement and complete the General Conditions for the purposes of such Series of Securities.*

*[Insert Issue Specific Terms applicable to the respective Series of Securities as contained in Section "V. Form of Issue Specific Terms" of the Base Prospectus]*

**OTHER INFORMATION*****Interest of natural and legal persons involved in the issue/offer***

[insert information regarding conflicts of interest, if any, not known at the date of the Base Prospectus: ●]

***Conditions of the offer, Offeror and Issue Date of the Securities***

[Date of the underwriting agreement: [●]]

[Start of offer in Germany: [●]]

[Start of offer in Austria: [●]]

[Start of offer in Liechtenstein: [●]]

[Start of offer in Luxembourg: [●]]

[Start of offer in [insert other relevant offer jurisdiction(s), if any: ●]: [●]]

Issue Date: [●]

[The Subscription Period begins on [●] and ends on [●]. [The minimum/maximum amount of the subscription amounts to [●].] The Issuer reserves the right to terminate the Subscription Period early for any reason whatsoever. [Furthermore the Issuer is entitled to extend the Subscription Period.] [The Issuer is not required to accept subscription orders. Partial allocations are possible (particularly in the case of oversubscription). The Issuer is not required to issue subscribed Securities. [Particularly if [insert conditions under which the Issuer will not issue the Securities: ●], the Issuer will not issue the Securities.] If the Subscription Period is early terminated [or extended] or if no issuance occurs, the Issuer will publish a corresponding notice on [insert form of publication: ●]].]

***Listing and Trading***

[Frankfurt Stock Exchange][,][and] [Stuttgart Stock Exchange][,][and] [Luxembourg Stock Exchange] [●] [An admission to trading or listing of the Securities is not intended].

***Issue Price, Fees and Commissions***

The Issue Price [is [●]] [of the respective Security is as follows: [insert table: ●]].

[insert details on the type and amount of fees and/or commissions paid by the Issuer to third parties, as the case may be: ●]

***Non-exempt offer in the European Economic Area (EEA)***

[Not applicable.] [In respect of offering in the European Economic Area (EEA), an offer of the Securities may be made within the scope of the consent to use the prospectus granted below by the offeror [and/or each further credit institution subsequently reselling or finally placing Securities] other than pursuant to Article 3(2) of the Prospectus Directive in [Austria][,] [and] [Belgium][,] [and] [Bulgaria][,] [and] [the Czech Republic][,] [and] [Denmark][,] [and] [Finland][,] [and] [France][,] [and] [Germany][,] [and] [Hungary][,] [and] [Ireland][,] [and] [Italy][,] [and] [Liechtenstein][,] [and] [Luxembourg][,] [and] [The Netherlands][,] [and] [Norway][,] [and] [Poland][,] [and] [Portugal][,] [and] [Slovakia][,] [and] [Spain][,] [and] [Sweden] [and] [the United Kingdom] (the "**Offer State(s)**") during the period from[, and including] [the start of the offer in the respective Offer State] [insert date: ●] [to[, and including,] [insert date: ●]] [the

expiring of the validity of the Base Prospectus pursuant to Section 9 of the German Securities Prospectus Act]] [[and/or] [expectedly] [to a termination of the Products by the Issuer] [*insert other information related to the offering period: ●*] (the "**Offer Period**")]] [*insert further/ other details in relation to non-exempt offer: ●*]

### ***Consent to use of Prospectus***

[Not applicable.] [*insert in the case of a general consent: The Issuer consents to the use of the Base Prospectus and these Final Terms by all financial intermediaries (general consent). General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to the Offer State(s) during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus [(and/or Succeeding Base Prospectus)] is still valid according to Section 9 of the German Securities Prospectus Act. [In the case of an Offer Period which exceeds the duration of the validity of the Base Prospectus, the subsequent resale and final placement of the Securities by financial intermediaries can be made during the period in which a Succeeding Base Prospectus exists. In this case, the consent to the use of the Base Prospectus also applies to the use of the Succeeding Base Prospectus.]*]

[*insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in all Offer States: The Issuer consents to the use of the Base Prospectus and these Final Terms by the following financial intermediaries (individual consent): [*insert name and address of specific intermediary: ●*]. Individual consent for the subsequent resale or final placement of Securities by the specified financial intermediaries is given in relation to the Offer State(s) during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus [(and/or Succeeding Base Prospectus)] is still valid according to Section 9 of the German Securities Prospectus Act. [In the case of an Offer Period which exceeds the duration of the validity of the Base Prospectus, the subsequent resale and final placement of the Securities by financial intermediaries can be made during the period in which a Succeeding Base Prospectus exists. In this case, the consent to the use of the Base Prospectus also applies to the use of the Succeeding Base Prospectus.] Any new information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [[www.gs.de/service/bekanntmachungen](http://www.gs.de/service/bekanntmachungen)] [[www.gsmarkets.nl/turbo/aankondigingen/](http://www.gsmarkets.nl/turbo/aankondigingen/)] [[www.gspip.info](http://www.gspip.info)].*]

[*insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in selected Offer States only: The Issuer consents to the use of the Base Prospectus and these Final Terms by the financial intermediaries set out in the table below (individual consent) for the subsequent resale or final placement of Securities in relation to such Offer State(s) as selected in the table below during the Offer Period during which subsequent resale or final placement of the Securities can be made, provided however, that the Base Prospectus [(and/or Succeeding Base Prospectus)] is still valid according to Section 9 of the German Securities Prospectus Act. [In the case of an Offer Period which exceeds the duration of the validity of the Base Prospectus, the subsequent resale and final placement of the Securities by financial intermediaries can be made during the period in which a Succeeding*

Base Prospectus exists. In this case, the consent to the use of the Base Prospectus also applies to the use of the Succeeding Base Prospectus.]

Name and address of financial intermediary      Selected Offer State[s]

[•]

[•]

[•]

[•]

Any new information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [www.gs.de/service/bekanntmachungen]      [www.gsmarkets.nl/turbo/aankondigingen/] [www.gspip.info].]

[Further, such consent is subject to and given under the condition [•].]

***Information relating to the Underlying and/or the Basket Component***

[The information about the relevant Index which is the Underlying and/or the Indices which are Basket Components consists of excerpts and summaries of publicly available sources, which may have been translated into the English language. The Issuer confirms that this information has been accurately reproduced and that – as far as the Issuer is able to ascertain from publicly available information – no facts have been omitted, which would render the reproduced information, which may have been translated into the English language, inaccurate or misleading. Neither the Issuer nor the Offeror accepts any other or further responsibilities in respect of this information. In particular, neither the Issuer nor the Offeror accepts any responsibility for the accuracy of the information in relation to the relevant Underlying and/or the Basket Components or provide any guarantee that no event has occurred which might affect the accuracy or completeness of this information.]

[insert description of the Underlying and/or the Basket Components: •]

Information about the past and future performance and volatility of the Underlying and/or of the respective Basket Components is [available on the following website(s): [•]] [available by the Issuer under •].

***Publication of post-issuance information***

[Except for the notices referred to in the Conditions, the Issuer does not intend to publish any post-issuance information.][insert different rule, if applicable: •]

***Information in relation to Section 871(m) of the Internal Revenue Code***

[insert further information in relation to Section 871(m) of the Internal Revenue Code, if applicable: •]]

**[EXPLANATION OF MECHANISM OF SECURITIES]**

*[Insert examples in order to explain how the value of the Securities is affected by the value of the Underlying taking into account the explanations given in the Base Prospectus under III.2 (if any)]*

**ANNEX – ISSUE SPECIFIC SUMMARY**

(Issuer to annex issue specific summary to the Final Terms)

## **X. TAXATION**

All taxes or other charges in connection with the payment of the Settlement Amount and the Coupon Amount (if applicable) that may be due are to be borne by the Security Holders.

The following is a general description of certain German, Austrian, United Kingdom, Liechtenstein, Luxembourg, Belgian, Bulgarian, Czech, Danish, Dutch, Finnish, French, Hungarian, Irish, Italian, Norwegian, Polish, Portuguese, Slovak, Spanish, Swedish and United States tax considerations relating to the Securities. It does not constitute legal or tax advice. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in the Germany, Austria, United Kingdom, Liechtenstein, Luxembourg, Belgium, Bulgaria, the Czech Republic, Denmark, The Netherlands, Finland, France, Hungary, Ireland, Italy, Norway, Poland, Portugal, Slovakia, Spain, Sweden and the United States of America or elsewhere. Prospective purchasers of Securities should be aware that ownership of the Securities, and any transactions involving the Securities, including the issue of any Security, any purchase, disposal, lapse or redemption of, or other dealings in, the Securities and any transaction involved in the exercise and settlement of the Securities, may have tax consequences (including but not limited to withholding taxes and possible liabilities to stamp duties, transfer and registration taxes). The tax consequences may depend, amongst other things, upon the status and circumstances of the prospective purchaser, the terms and conditions of the particular Security specified to be applicable in the relevant Final Terms, and the applicable law and practice of taxation authorities in relevant jurisdictions.

This description is based on the legal situation in the Germany, Austria, United Kingdom, Liechtenstein, Luxembourg, Belgium, Bulgaria, the Czech Republic, Denmark, The Netherlands, Finland, France, Hungary, Ireland, Italy, Norway, Poland, Portugal, Slovakia, Spain, Sweden and the United States of America that is applicable at the date of this Base Prospectus. The applicable legal situation and its interpretation by the tax authorities may be subject to change, and under some circumstances these changes may also be retroactive.

Potential Security Holders should consult their own tax advisers in the relevant jurisdictions in order to obtain additional information regarding the tax consequences of the purchase, holding, sale or repayment of the Securities. Only these persons are also in a position to adequately take into account the particular individual tax situation of each Security Holder.

The Issuer assumes no responsibility for the withholding of taxes at the source.

### **International Exchange of Information**

Based on the so-called „OECD Common Reporting Standard“, the states which have committed themselves to implement this standard (**Participating States**) will exchange potentially taxation-relevant information about financial accounts which an individual holds in a Participating State other than his country of residence. This procedure will commence in 2017 with information for the year 2016. The same applies for the member states of the European Union. Due to an extension of the Directive 2011/16/EU on administrative cooperation in the field of taxation (**Mutual Assistance Directive**), the member states will from 2017 onwards (starting with the information for the year 2016) exchange financial information on notifiable financial accounts of individuals which are resident in another member state of the European Union.

So far, the exchange of information on savings interest income was mainly regulated by the EU Council Directive 2003/48/EC on taxation of savings income (**EU Savings Directive**). The EU Savings Directive provided for an exchange of information between authorities of the member states regarding interest payments and equivalent payments by paying offices of a member state to a private individual with domicile for tax purposes in another member state. In order to prevent an overlap between the EU Savings Directive and the amended Mutual Assistance Directive, with effect as of 1 January 2017 (Austria) or 1 January 2016 (all other member states), respectively, the EU Savings Directive was repealed (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on payments made before those dates).

A number of non-EU countries and certain dependent or associated territories of certain member states have adopted measures which are similar to the EU Savings Directive (either provision of information or transitional withholding). These measures apply until further amendments to the OECD common reporting standard and the amended Mutual Assistance Directive, respectively.

Prospective Security Holders are advised to consult their own tax advisors in relation to the further developments.

### **German Tax Considerations**

The following explanations take into account only the taxation of private individuals whose domicile or customary residence is in Germany, and who hold the Securities as private assets.

Interest payments and capital returns from the sale or repayment or exercise of the Securities for cash settlement are subject to a German withholding tax, if the Securities are kept or managed in an investment portfolio in a domestic credit or financial services institution (including a domestic branch office of a foreign credit or financial services institution) or in a domestic trading company or domestic trading bank, or if the sale is carried out through these institutions and the payment of interest or capital returns is paid out or credited by the respective institution (**paying office**).

In principle, the basis for calculation is the interest amount or the difference between the income from the sale or repayment after deduction of expenses that are directly related to the sale transaction or the repayment, and the acquisition costs. In the case of transactions that are not conducted in euros, the income must be converted into euros at the time of sale and the cost of purchase into euros at the time of purchase.

The withholding tax rate is 26.375% (including the solidarity surcharge, plus church tax if applicable).

In principle, the income tax is covered with respect to these revenues with the deduction of the withholding tax (so called final withholding tax). The actual expenses in connection with the capital gains are not deductible for tax purposes. For individuals subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected automatically by the paying office by way of withholding unless the Security Holder has filed a blocking notice (*Sperrvermerk*) with



the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Security Holder will be assessed to church tax.

If the capital returns are not paid out by a paying office and if, therefore, no withholding tax is due, the income is subject to a tax rate of 26.375% (including the solidarity surcharge, plus church tax if applicable).

A general assessment at the individual personal tax rate is possible if the personal marginal tax rate of the taxpayer does not exceed 25%. (*Günstigerprüfung*). However, also within this assessment procedure, no deduction of income-related expenses is possible.

In determining the overall revenues from the taxpayer's investment income, a lump-sum saver's deduction in the amount of EUR 801 (EUR 1,602 for joint assessments) is deducted.

*Implementation of the OECD Common Reporting Standard and the amended Mutual Assistance Directive in Germany*

In Germany, the amended EU Mutual Assistance Directive and the OECD Common Reporting Standard were implemented by the Act on the Exchange of Financial Accounts Information (*Finanzkonten-Informationsaustauschgesetz – FKAustG*) which became effective as of 31 December 2015. The main content of the act is a common reporting standard for automatic information exchange on financial accounts. In principle, the FKAustG imposes an obligation on financial institutes to transmit the necessary information to the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) starting on 31 July 2017 for the tax year 2016 and for the following tax years on 31 July of the respective subsequent year. For instance, necessary information are the name, the address, the member state/s of residence and the tax identification number(s).

## **Austria Tax Considerations**

*The following is a brief summary of Austrian (income) tax aspects in connection with the Securities. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Securities. In some cases a different tax regime may apply. As different types of securities may be issued under this Base Prospectus, the tax treatment of such securities can be different due to their specific terms. Further, this overview does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition, redemption, exercise or settlement of any of the Securities. Only personal advisors are in a position to adequately take into account special tax aspects of the particular securities in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. Tax risks resulting from the Securities (in particular from a potential qualification as a foreign investment fund within the meaning of section 188 of the Austrian Investment Funds Act) shall in any case be borne by the investors.*

*This overview is based on Austrian law as in force as of the date of this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. With regard to certain innovative or structured financial securities or*

*instruments there is currently hardly any case law or comments of the fiscal authorities as to the tax treatment of such financial securities and instruments. Accordingly, it cannot be ruled out that the Austrian fiscal authorities and courts or the Austrian paying agents adopt a view different from that outlined below.*

*An amendment to the tax legislation was passed by the Austrian National Council and published in the National Gazette on 14 August 2015. It contains an increase in the flat (special) tax rate and the withholding tax rate for individuals from 25% to 27.5% from 1 January 2016 for most investment income (limited exceptions apply in relation to certain investment income, mainly interest on bank accounts, for which the applicable rate remains at 25%). Loss compensation rules were also amended. Prospective investors are advised to consult their own professional advisors in this regard.*

#### **a) Individual Investors**

##### **(i) Individual is Austrian resident or has his/her habitual abode in Austria**

For the purpose of the below outlined principles regarding the taxation of investment income in Austria it is assumed that the Securities are securitized, legally and factually offered to an indefinite number of persons (public offering) and are neither equity instruments as shares or participation rights (*Substanzgenussrechte*) nor investment fund units. For private placements other principles apply. For non securitized derivatives the principles outlined below would be applicable if the custodian or paying agent (see below) withholds and pays tax as explained below on a voluntary basis.

If income from the Securities that is paid out by a custodian or a paying agent (credit institutions including Austrian branches of foreign credit institutions paying out the income to the holder of the securities (*depotführende oder auszahlende Stelle*)) located in Austria, the custodian or paying agent has to withhold and pay to the financial authorities 27.5% withholding tax. The term "income from the Securities" includes (i) interest payments as well as (ii) income, if any, realized upon redemption or prior redemption or (iii) income realized upon sale of the Securities (capital gains). In the case of securities that are performance linked (*e.g.*, structured notes, index certificates) with reference items such as shares, bonds, certificates, indices, currency exchange rates, fund shares, futures contract, interest rates or baskets of such assets including discounted share certificates and bonus certificates, the total capital gains would be treated as income from derivative financial instruments according to section 27 para 4 Austrian Income Tax Act ("**AITA**").

In case no withholding tax is levied on income from the Securities (*i.e.*, interest income is not paid out by a custodian or paying agent in Austria), Austrian resident individual investors will have to declare the income derived from the Securities in their income tax returns pursuant to the AITA. In this case the income from the securities is subject to a flat income tax rate of 27.5% pursuant to section 27a AITA.

Upon relocation abroad investment income until the time of relocation is taxable in Austria. However, in case of relocation within the European Union or the European Economic Area (under certain conditions regarding assistance among the authorities) taxation can be postponed upon actual realization of the income based on a respective application for notes held as

non-business assets. Special rules also apply to the transfer of a custodian account from Austria abroad. Since 1 January 2016 for Securities held as business assets exit tax arises upon relocation but generally may be paid over seven years.

The 27.5% withholding tax generally constitutes a final taxation (*Endbesteuerung*) according to section 97 para 1 AITA for all Austrian resident individuals, if they hold the Securities as a non-business asset. Final taxation means that no further income tax will be assessed and the income is not to be included in the investor's income tax return. In case of an average income tax rate below 27.5%, the income may, nevertheless, according to section 27a para 5 AITA be included in the individual tax return and the withholding tax is credited against income tax (progressive tax rate up to 55%) or paid back, respectively. Expenses in this regard (e.g., bank fees or commissions) are not tax deductible (*Abzugsverbot*) according to section 20 para 2 AITA. Loss compensation to a certain extent is applicable under certain conditions.

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively a Liechtenstein, paying agent has to withhold a tax amounting to 25% or 27.5% on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent, if the relevant holder of such assets (mainly individuals on their own behalf and beneficial owners of assets, held by a company domiciled in Switzerland or Liechtenstein) is tax resident in Austria. The same applies for assets of Austrian tax residents which are managed by a Liechtenstein paying agent. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the AITA provides for the effect of final taxation for such income. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return. With regard to the implementation of the International Exchange of Information (see below) the tax treaty with Liechtenstein was amended. As a result the tax treaty with Liechtenstein may continue to apply to certain financial accounts of tax transparent asset structures existing on 31 December 2016 and of non-transparent asset structures and such financial accounts may be exempt from the International Exchange of Information rules.

## (ii) Risk of Requalification

Further, subject to certain conditions, the Securities may be re-qualified as units of a foreign investment fund in the meaning of section 188 of the Austrian Investment Funds Act. Pursuant to section 188 of the Austrian Investment Funds Act, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities ("**UCITS**") the state of origin of which is not Austria, (ii) alternative investment funds ("**AIF**") pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria (except property AIF (*AIF in Immobilien*) according to AIFMG) and (iii) alternatively undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the

undertaking's articles or of customary exercise, in cases of abnormally low taxation in the state of residence. Uncertainties exist as to the precondition under which a foreign issuer has to be qualified as an AIF manager; regarding the definition of an AIF, the guidelines issued by the Austrian Financial Market Authority are applicable. Prospective investors are, therefore, advised to consult their tax advisors to obtain further information about the interpretation of the law and the application of the law by the tax authorities in this regard. In this respect it should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations 2008. Pursuant to these regulations, in case of index products, the performance of which is linked to certain securities, a foreign investment fund may not be assumed if (i) for the purpose of the issuance a predominant actual purchase of the reference asset by the issuer or a trustee of the issuer, if any, is not made (no "asset backing") and (ii) no actively managed assets exist. The term investment fund, however, does not encompass collective real estate investment vehicles pursuant to the Austrian Real Estate Funds Act (*Immobilien-Investmentfondsgesetz*).

In case of requalification of a financial instrument into a foreign investment fund, such foreign investment fund units are regarded as transparent for tax purposes. Both distributions as well as retained income are subject to income tax. Retained income may be deemed distributed for tax purposes (so called "*income equivalent to distributions*" (*ausschüttungsgleiche Erträge*)) as early as on 31 December of each year. In case a foreign investment fund does not have an Austrian tax representative or such income equivalent to distributions is not reported to the Austrian tax authorities by the investor itself, a lump sum calculation will take place. Such lump sum calculation generally results in a higher tax basis. Generally, the flat (special) income tax rate of 27.5% applies. Capital gains on a disposal of units in foreign investment funds are taxed by means of the 27.5% withholding tax or are taxed at the Special Income Tax Rate of 27.5%. In addition, on non-investment income the progressive tax rate is applicable.

(iii) Individual is neither Austrian resident nor has his/her habitual abode in Austria

In case the investor (natural person) is neither Austrian resident nor has his/her abode in Austria, Austrian income tax will not apply on interest payments as well as capital gains from the redemption or disposal of the Securities, provided that the issuer is not Austrian resident, does not have its seat or place of management in Austria or is not an Austrian branch of a foreign bank. If the non-resident individual investors are not subject to limited income tax liability in Austria, tax deduction can be omitted, subject to certain conditions. The Austrian custodian or paying agent may refrain from withholding already at source, if the non-resident investor furnishes proof of non-residency.

#### **b) Corporations / Private Foundations**

Corporate investors deriving business income from the Securities may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) in the meaning of section 94 no 5 of the AITA with the custodian or paying agent. Additionally the Securities have to be held in a custodial account with a credit institution. Otherwise the withholding tax is credited against corporate income tax. Generally, income from the Securities is subject to corporate income tax at a rate of 25%.

Generally, for private foundations holding the securities as non-business assets, the same tax rules as for individuals (see above) apply. However, in case of private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in section 13 subpara 1 of the Austrian Corporate Income Tax Act and holding the Securities as a non-business asset no withholding tax is levied on income on such Securities under the conditions set forth in section 94 no 12 of the AITA. Interest or income from the disposition, redemption, exercise or settlement of the securities is not subject to the Special Income Tax Rate of 27.5%. Instead, on such income an interim tax (*Zwischensteuer*) at a rate of 25% is levied. This interim tax can be credited against withholding tax for amounts granted to beneficiaries of the private foundation pursuant to the Austrian Private Foundations Act.

#### **c) International Exchange of Information**

Based on the so-called "OECD common Reporting Standard", the states which have committed themselves to implement this standard (Participating States) will exchange potentially taxation-relevant information about financial accounts which an individual holds in a Participating State other than his country of residence. This procedure will commence in 2017 with information for the year 2016. Austria was granted an additional year to implement the new rules.

Austria implemented the relevant directive of the European Council (2014/107/EU) with the Austrian Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz*, GMSG) which became effective on 1 January 2016. The GMSG determines for the purpose of the multilateral mechanism for automatic tax information exchange between Austria and the competent authorities of the other EU member states and of participating non EU countries reporting and due diligence requirements for reporting financial institutions regarding notification obligations via the competent Austrian tax authority. Generally, reporting requirements under the GMSG are applicable to periods starting on 1 January 2017. The notifications generally have to be made not later than by the end of June for the previous calendar year. However, certain notifications for the period from 1 October until 31 December 2016 have to be made until 30 June 2017.

The Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provided for a withholding tax on interest payments to recipients resident in other EU member states was repealed with effect upon expiry of 31 December 2016.

#### **d) Responsibility for Withholding of Taxes**

The Issuer is not liable for the withholding of taxes at source. Withholding tax is levied by an Austrian custodian or paying agent.

#### **e) Inheritance and Gift Tax**

In Austria, inheritance and gift tax is not levied any more.

Gifts are, however, to be notified to the tax authorities. This applies if the donor or the acquirer is an Austrian tax resident at the time of the donation. In case of corporations, the registered seat or the actual place of management in Austria is relevant. Exemptions apply to donations between close family members if the value of the gift(s) does not exceed EUR 50,000 within one year and to donations between other persons if the value of the gift(s) does not exceed

EUR 15,000 within five years. Although this disclosure requirement does not trigger any tax for the donation in Austria, breach of the disclosure requirement may be fined with an amount of up to 10% of the value of the gift.

Certain gratuitous transfers of assets to (Austrian and foreign) private foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) according to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if at the time of the transfer the transferor and/or the transferee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of certain financial assets according to section 27 para 3 and 4 AITA if income from such financial assets is subject to tax at the flat rate of 25% or 27.5%, respectively. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is 2.5% in general with a higher rate of 25% applying in special cases. Special provisions apply to transfers to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

Further, gratuitous transfers of securities pursuant to section 27 para 6 no 1 AITA may trigger income tax at the level of the transferor.

#### **f) Transfer Taxes**

There are no transfer taxes, registration taxes or similar taxes payable in Austria as a consequence of the issuance, acquisition, ownership, disposition or redemption of the Securities.

However, on 5 May 2014, the Ministers of Finance of 10 participating member countries of the European Union (including Austria, Germany, France, Italy and Spain) adopted a declaration for enhanced cooperation regarding the introduction of a financial transaction tax based on the proposal by the European Commission adopted on 14 February 2013. On 8 December 2015 a common statement of the participating countries was made to specify the plans. The first steps of implementation were planned for 2016, they were, however, not implemented as of the date of this Base Prospectus. Although no law has been passed so far in Austria, such financial transaction tax may be incurred on transactions such as the acquisition, disposition or redemption of the Securities in the future.

### **United Kingdom Tax Considerations**

*The following comments are of a general nature, relating only to the position of persons who are absolute beneficial owners of the Securities and is based on United Kingdom law and what is understood to be the current practice of Her Majesty's Revenue & Customs ("HMRC"), in each case at the date of this Base Prospectus, which may change at any time, possibly with retrospective effect. The following is a general overview only of the United Kingdom withholding taxation treatment at the date hereof in relation to income payments in respect of the Securities. The overview also contains some very general statements about stamp duty and stamp duty reserve tax ("SDRT"). The comments are not exhaustive, and do not deal with other United Kingdom tax aspects of acquiring, holding, disposing of, abandoning, exercising or dealing in Securities.*

***United Kingdom withholding tax******Interest payments***

Interest will only be subject to a deduction on account of United Kingdom income tax if it has a United Kingdom source in which case it may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

Whether or not interest has a United Kingdom source will depend on the facts. The most important factor will be the residence of debtor and the location of its assets. Interest on securities issued by a United Kingdom resident issuer or an issuer acting out of the United Kingdom are likely to have a United Kingdom source.

Where interest has a United Kingdom source, any payment of interest may nonetheless be made without withholding or deduction for or on account of United Kingdom income tax where any of the following conditions are satisfied:

- (i) if the Securities are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007. The Securities will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. Securities admitted to trading on a recognised stock exchange outside the United Kingdom will be treated as "listed" on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed in accordance with provisions corresponding to those generally applicable in European Economic Area states in a country outside the United Kingdom in which there is a recognised stock exchange;
- (ii) so long as the Issuer is authorised for the purposes of the Financial Services and Markets Act 2000 and its business consists wholly or mainly of dealing in financial instruments (as defined by section 984 of the Income Tax Act 2007) as principal, provided the payment is made in the ordinary course of that business; or
- (iii) if the relevant interest is paid on Securities with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Securities part of a borrowing with a total term of a year or more.

The references to "interest" above mean "interest" as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any Securities redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Securities or any related documentation.

HMRC has powers, in certain circumstances, to obtain information. The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a

payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities. The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

### *European Union savings directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income payments ("**Savings Income**") made by a person within its jurisdiction to or collected by such a person for an individual or to certain non-corporate entities, resident in that other Member State (interest payments on the Notes will for these purposes be Savings Income). However, for a transitional period, Austria is instead applying a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding - a withholding system in the case of Switzerland) in relation to payments of Savings Income made by a person within its jurisdiction to an individual, or to certain non-corporate entities, resident in a Member State.

In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to an individual, or to certain non-corporate entities, resident in certain dependent or associated territories or non-EU countries.

Where an individual Holder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual Holder may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual Holder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. Provided that the other Tax Authority receives all of the necessary information the payment will not suffer a



withholding under EC Council Directive 2003/48/EC or the relevant law conforming with the directive in a dependent or associated territory.

Prospective Security Holders should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014 (the "**Amending Directive**"), which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

The Organisation for Economic Co-operation and Development ("**OECD**") has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Common Reporting Standard**"), which calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted the revised Directive on Administrative Cooperation 2011/16/EU (the "**ACD**") (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard. EU Member States are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the ACD by 31 December 2015. They are required to apply these provisions from 1 January 2016 and to start the automatic exchange of information no later than end of September 2017.

Therefore, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and the ACD (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

#### *United Kingdom Stamp Duty and Stamp Duty Reserve Tax*

##### **Issue**

No UK stamp duty or stamp duty reserve tax ("**SDRT**") should generally be payable on the issue of Securities save that SDRT at 1.5% is likely to be payable on an issue of Securities where all three of the conditions in (a), (b) and (c) below are met:

- (a) the Securities do not constitute exempt loan capital (see below);

- (b) the Securities are not covered by article 5(2) of the capital duties directive (Council Directive 2008/7/EC); and
- (c) the Securities are issued to an issuer of depositary receipts or a clearance service (or their nominees).

For the purposes of this UK tax section, the clearing systems run by Euroclear Bank and Clearstream Luxembourg constitute a "clearance service" however the CREST system run by Euroclear UK & Ireland does not.

Securities will constitute "exempt loan capital" if the Securities constitute "loan capital" (as defined in section 78 Finance Act 1986) and do not carry (and in the case of (ii)-(iv) below have never carried) any one of the following four rights:

- (i) a right for the holder of the securities to opt for conversion into shares or other securities or to acquire shares or other securities, including loan capital of the same description;
- (ii) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital;
- (iii) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property; or
- (iv) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange.

#### *Transfer of Securities*

Transfers of interests in Securities held through a clearance service do not attract UK stamp duty or SDRT provided that no section 97A election has been made.

Where Securities do not comprise exempt loan capital and are not held through a clearance service, then, where the issuer of the Securities is a body corporate incorporated in the United Kingdom or where the Securities are registered in a register kept in the United Kingdom by or on behalf of the issuer or are the shares are "paired" with shares in a United Kingdom incorporated company within the meaning of section 99(6B) of the Finance Act 1986, agreements to transfer such Securities may attract SDRT at 0.5 per cent. of the chargeable consideration.

SDRT at 0.5 per cent. may also be payable in relation to any agreement to transfer Securities such as Warrants which give the holder the right on exercise to acquire stock, shares or loan capital in certain companies with a United Kingdom connection unless such stock, shares or loan capital would itself qualify as "exempt loan capital". A company will have a United Kingdom connection for these purposes if:

- (a) the company is incorporated in the United Kingdom;
- (b) a register of the relevant stock, shares or loan capital is kept in the United Kingdom by or on behalf of the company; or
- (c) the shares are "paired" with shares in a United Kingdom incorporated company within the meaning of section 99(6B) of the Finance Act 1986.

In addition, stamp duty at 0.5 per cent. may arise in respect of any document transferring any Security that does not comprise exempt loan capital. However, where a liability to stamp duty is paid within six years of a liability to SDRT arising the liability to SDRT will be cancelled or repaid as appropriate.

### **Redemption or Settlement of Securities**

Stamp duty or SDRT at 0.5 per cent. may arise on Physical Settlement in certain cases.

### **Higher Rate Charges**

Where stamp duty is payable as outlined above, it may be charged at the higher rate of 1.5 per cent. (rather than at the 0.5 per cent. rate) in respect of any document transferring or agreement to transfer Securities to a depositary receipts system or clearance service.

## **Taxation in the Principality of Liechtenstein**

*This section contains a general summary regarding tax in the Principality of Liechtenstein which may be of relevance to holders who have subscribed Securities issued under the Base Prospectus. This summary does not purport to be a comprehensive and conclusive discussion of all tax aspects that may be relevant for investors in the Principality of Liechtenstein. The tax aspects will always depend on the personal situation of each individual investor. This summary furthermore is not intended to be, nor should it be construed to be, tax advice.*

*The summary is based on tax law and its application in the Principality of Liechtenstein as of the date of the Base Prospectus. Applicable are the Tax Act of 23 September 2010 (SteG) and the relevant Tax Ordinance of 21 December 2010 (SteV) in their valid versions.*

### **a) Taxation of individuals**

Natural persons are subject to unrestricted tax liability in the Principality of Liechtenstein with regard to their total worldwide assets and their total worldwide income if they have their residence or habitual abode in Liechtenstein (section 6 (1) SteG).

Wealth tax is levied on the whole movable and immovable property of the natural person (section 9 (1) SteG), while personal income tax is levied on all forms of income consisting of money or money's worth (section 14 (1) SteG). Income from those assets on which the taxpayer pays wealth tax is exempt from personal income tax (section 15 (1) lit. a SteG).

Wealth tax is calculated upon the market value respectively the quotation of the Securities as of 1 January of the respective tax year (section 12 (1) SteG). Wealth tax is assessed by a standardized notional interest on the taxable assets at a percentage which is defined annual-

ly in the Budget Act and which is then added to the taxable income base and thus co-determines the applicable tax rate (section 5 and 14 (2) lit. 1 as well as section 19 (1) SteG). As wealth tax is levied on the Securities, any interest payments on the Securities are therefore not subject to personal income tax.

Moreover, capital gains from the sale of the Securities are not subject to personal income tax if they are held as part of the taxpayer's private assets (section 15 (2) lit. m SteG). Conversely, capital losses are not tax deductible.

Wealth tax is assessed on the Securities in the context of the yearly tax return filed by the individual.

Natural persons which are not subject to unrestricted tax liability in Liechtenstein are not taxed in relation to the Securities, neither in respect of wealth tax nor in respect of personal income tax.

#### **b) Taxation of legal persons**

Legal persons are subject to unrestricted tax liability with regard to their worldwide income if their domicile or effective place of management is in the Principality of Liechtenstein (section 44 (1) SteG).

Corporate income tax is levied on the annual taxable net corporate income, which is the total corporate income reduced by expenses incurred in the course of business (section 47 SteG). The corporate income tax rate amounts to 12.5 per cent of taxable net corporate income. As income and capital gains on the financial products will be deemed part of the net corporate income, they are subject to corporate income tax.

Liechtenstein tax law permits the application of a modified equity interest deduction on the legal person's equity capital adjusted by certain factors at a uniformly defined standardized rate which is set yearly by the Budget Act.<sup>3</sup> For tax purposes, the modified equity capital interest deduction is an expense incurred in the course of business which, as the case may be, reduces the assessment basis for corporate income tax.

In the case of an exit respectively transfer of seat of a legal person abroad, an exit tax is levied on the hidden reserves in the Securities. However, the tax is deferred until the effective realization provided that the enforcement of the tax claim is guaranteed (e.g. by means of a DTT, TIEA or bank guarantee). The taxpayer must prove annually that the requirements for deferral are met (section 52 (2) SteG).

#### **c) Private asset structures**

Legal persons who fulfill the requirements to be taxed as private asset structures pursuant to section 64 SteG are merely subject to minimum corporate income tax of currently CHF 1,800 p.a. (section 62 SteG). Any interest income or capital gains from the Securities is deemed taxed through the payment of the minimum corporate income tax and is not taxed separately taxed in such case.

#### **d) Trusts**

Trusts (special endowments not qualifying as legal entity) which are either domiciled in Liechtenstein or managed there are not subject to the corporate tax whereas they are subject to an annual tax of currently CHF 1,800 p.a. (section 65 SteG).

<sup>3</sup> Art. 2 of the Budget Act of 5 November 2015 relating to the fiscal year 2016 sets the rate at 4 per cent

**e) Securities transfer stamp tax**

The Swiss Federal Act on stamp tax<sup>4</sup> and the Regulation issued thereunder<sup>5</sup> are applicable also in Liechtenstein due to the Customs Union Treaty with Switzerland entered into by Liechtenstein. The power to levy the Swiss stamp tax thus lies on the Swiss Federal Tax Authority.

Generally, the non-gratuitous transfer of title to taxable securities like bonds, stocks, shares in limited liability companies, share certificates in cooperative societies, participation certificates, certificates of beneficial interest and shares in undertakings for collective investments issued by a domestic (i.e. Swiss or Liechtenstein) issuer triggers securities transfer stamp tax if one of the contracting parties or one of the intermediaries is a Swiss or Liechtenstein securities dealer as defined under the Swiss Federal Stamp Tax legislation. The term “securities dealer” is defined to include not only professional traders, banks, brokers and the like, but also all Swiss and Liechtenstein entities and pension funds whose assets consist, as per the last annual balance sheet, of taxable securities in excess of 10,000,000 Swiss Francs (CHF).

The securities transfer stamp tax is levied on the amount paid in return for the securities transferred at the rate of 0.15% for Swiss or Liechtenstein securities and 0.3% for foreign securities.

Securities transfer stamp tax is also levied on instruments issued by a foreign issuer and the financial function of which is equivalent to the above instruments. The issuance of securities by foreign debtors which are denominated in a foreign currency (Euro-Bonds) is exempt from securities transfer stamp tax. Are deemed as Euro-Bonds those securities where and the payment of interest and the repayment of capital occurs in a foreign currency. If the issuer is neither a Swiss nor a Liechtenstein securities dealer and the securities are not Euro-Bonds within the meaning of the Swiss Federal Act on stamp tax, no securities transfer stamp tax is due on the transfer of title to securities with consideration.

In general, the issue of and trading in pure derivatives is exempt from securities transfer stamp tax. With regard to structured products, it must be examined whether the financial product is deemed a taxable security within the meaning of the Swiss Federal Act on stamp tax or not. Certificates are as a rule not taxable instruments within the meaning of stamp tax law.

**f) Automatic Exchange of Information on tax matters**

The former rules applicable under the EU Savings Tax have been superseded from 1.1.2016 by the Automatic Exchange of Information on tax matters between Liechtenstein and the member states of the European Union (“AEI-Agreement”).<sup>6,7</sup> Thus the duty of the Liechtenstein paying agent to withhold taxes has ended. With respect to Austria, the Automatic Exchange of Information has started on 1.1.2017, subject to the following explanations in lit. g).

<sup>4</sup> Swiss Federal Act of 27 June 1973 relating to stamp tax (StG) as currently applicable

<sup>5</sup> Swiss Regulation of 3 December 1973 relating to stamp tax (StV) as currently applicable

<sup>6</sup> Liechtenstein Law Gazette 2015 no. 360 issued on 6 November 2015

<sup>7</sup> The implementation into national law is via Liechtenstein Law Gazette 2015 no. 355 issued on 5 November 2015 and Liechtenstein Law Gazette 2015 no. 358 issued on 15 December 2015

### g) Tax Treaty between Austria and Liechtenstein

If the recipient of income from the Securities is a wealth structuring vehicle, established before 31.12.2016 and deemed transparent for tax purposes with a beneficial owner resident in Austria within the meaning of the Tax Treaty between Austria and Liechtenstein<sup>8</sup> ("Tax-Treaty"), a withholding tax of 27,5% is levied at source by the Liechtenstein paying agent. The withholding tax is final. According to the Liechtenstein AEI-Ordinance respective accounts will be considered as so called "exempt accounts" and will not be reported. No tax is withheld if the recipient of the income has explicitly authorized the Liechtenstein paying agent to report the amount of interest paid annually to the Liechtenstein Tax Authority who will forward the information to the competent Austrian authority. Such reporting will follow the rules of the Tax Treaty, however, according to the Protocol, are considered as exchange of information according to Art. 2 of the AEI-Agreement.

Are deemed as Liechtenstein paying agents pursuant to section 2 Abs. 1 lit. e) of the Tax Treaty i) banks under Liechtenstein banking law and securities dealers, ii) natural and legal persons resident or established in Liechtenstein including partnerships and permanent establishments of foreign companies which even accept, hold, invest or transfer assets of third parties or merely pay interest or secure the payment of interest in the course of their business. Are included also natural and legal persons holding a license pursuant to the Trustee Act and pursuant to section 180a PGR<sup>9</sup>, provided they are members of a governing body of a wealth structuring vehicle.

### Luxembourg Tax Considerations

*The following is a general description of certain Luxembourg tax considerations relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere neither to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This overview is based upon the law as in effect on the date of this Base Prospectus. It is subject to any change of the law that may apply after such date. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas. References in this section to the holders of the Securities include the beneficial owner(s) of the Securities. Prospective purchasers of the Securities should consult their own tax advisers as to the consequences of making an investment in, holding or disposing of the Securities and the receipt of any amount under the Securities.*

#### **Luxembourg withholding tax**

##### *Non-Luxembourg tax resident holders*

Under the Luxembourg general tax laws currently in force, there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident holders. Nor is any

<sup>8</sup> Treaty between Liechtenstein and Austria regarding cooperation in tax matters dated 29 January 2013 ("the Tax Treaty") as well as the Protocol to the Modifications of the Tax Treaty dated 17.1.2016 ("the Protocol")

<sup>9</sup> Liechtenstein Law Gazette 1926 no. 4 issued on 19 February 1926

Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

#### *Automatic Exchange of Information*

Under the law of 18 December 2015 (the "**Law**") implementing (i) Council Directive 2014/107/EU amending and extending the scope of Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (the "**DAC2**") and (ii) the OECD Common Reporting Standard (the "**CRS**"), Luxembourg reporting financial institutions, as defined in the Law, are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating with the CRS, details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC2 and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Potential holders of Securities should consult their own tax advisor with respect to the application of the DAC2 and the CRS in light of their own individual circumstances.

#### *Luxembourg tax resident holders*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (hereinafter "**Law**"), there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is tax resident of Luxembourg will be subject to a withholding tax of 20 per cent. In case the individual beneficial owner is an individual acting in the course of the management of his/her private wealth, said withholding tax will be in full discharge of income tax. Responsibility for the withholding tax will be assumed by the Luxembourg Paying Agent. Payments of interest under Securities coming within the scope of the Law would be subject to withholding tax at a rate of 20 per cent.

#### *Registration tax*

Neither the issuance nor the transfer of Securities will give rise to any Luxembourg stamp duty, issuance tax, registration tax, transfer tax or similar taxes or duties. Notwithstanding, documents relating to the Securities, other than the Securities themselves, presented in a

notarial deed or in the course of litigation may require registration. In this case, and based on the nature of such documents, registration duties may apply.

## **Belgian Tax Considerations**

### ***Taxation of income in Belgium***

If the Issuer is making payments in respect of the Securities, which qualify as "interest" for Belgian tax purposes, and these payments are made to investors via a Belgian paying agent or other financial intermediary established in Belgium, then a 30 per cent. withholding tax will normally apply, save where an exemption is applicable (e.g. for interest payments made by non-residents (like the Issuer) to non-resident investors which are not imputed on the results of a Belgian establishment of the debtor and which are made through regulated financial intermediaries (including licensed clearing or settlement institutions) established in Belgium, subject to compliance with some certification requirements regarding conditions applicable to the investors). The withholding tax is the final tax for private individuals and non-profit legal entities resident in Belgium and constitutes an advance tax payment for individual professional investors and companies established in Belgium, which is creditable against their final income tax assessment and any excess withholding may be refundable.

If the payments made by the Issuer on the Securities would qualify as "dividends" for Belgian tax purposes and these payments are made to investors via a Belgian paying agent or other financial intermediary established in Belgium, then a 30 per cent. withholding tax will normally apply, save where an exemption is applicable (e.g. for non-Belgian source dividends received by Belgian resident companies or Belgian establishments of non-resident companies resident in another Member State of the EEA). The withholding tax is in principle the final tax for private individuals and non-profit legal entities resident in Belgium and constitutes an advance tax payment for individual professional investors and companies established in Belgium, which is creditable against their final income tax assessment and any excess withholding may be refundable.

As non-residents of Belgium, not acting through a Belgian establishment or branch office, the Issuers do not assume responsibility for the Belgian withholding tax referred to above.

## **Bulgarian Tax Considerations**

### ***Withholding Tax***

To the extent that (a) the Securities will be issued by non-Bulgarian entities and (b) any interest payments will be paid by such non-Bulgarian entities, there will be no withholding tax in Bulgaria.

To the extent the Securities under the Base Prospectus will not be issued by Bulgarian legal entities, the capital gains derived from the transfer of such Securities would not attract Bulgarian withholding tax.



### **Czech Tax Considerations**

There is no Czech withholding tax arising in connection with the Securities. It is assumed that the Issuer of the Securities is not a resident of the Czech Republic for Czech tax purposes, has not a permanent establishment in the territory of the Czech Republic and has not employed its employees here for more than 183 days, except for cases of providing services.

### **Danish Tax Considerations**

*The following summary relates only to Danish withholding tax issues for payments made in respect of the Securities to Danish tax residents. For the Danish tax consequences as described herein, it is assumed that the Issuer of the Securities is neither a Danish resident nor deemed to be a Danish resident.*

#### *Withholding Tax*

No Danish withholding tax will be imposed on inbound payments of interest or principal or other amounts due on the Securities.

Under existing Danish tax laws, no general withholding tax or coupon tax will apply to outbound payments of interest or principal or other amounts due on the Securities, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in The Danish Corporation Tax Act (*Selskabsskatteloven*) of 14 November 2012 (as amended). This will not have any impact on Security Holders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the Security Holders and the Issuer are not controlled by the same group of persons or shareholders.

### **Dutch Tax Considerations**

For the purposes of the Netherlands withholding tax consequences as described below, it is assumed that the Issuer of the Securities is neither a resident nor deemed to be resident of the Netherlands for Netherlands tax purposes.

#### *Withholding Tax*

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### **Finnish Tax Considerations**

*The following overview relates only to Finnish withholding tax issues for payments made in respect of the Securities to persons who are generally liable to tax on Finland (i.e. persons that are resident of Finland for tax purposes). The overview does not deal with any other Finnish tax implications of acquiring, holding or disposing of the Securities. Investors are advised to*

*seek professional advice relating to other tax implications in respect of acquiring, holding or disposing of the Securities.*

As the Issuer is not resident in Finland for tax purposes, there is no Finnish withholding tax (*Fi. lähdevero*) applicable to the payments made by the Issuer in respect of the Securities.

However, Finland operates a system of preliminary taxation (*Fi. ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. In the context of the Securities, a tax of 30 per cent. will be deducted and withheld from all payments that are treated as interest or as compensation comparable to interest, when such payments are made by a Finnish Paying Agent to individuals. Any preliminary tax (*Fi. ennakonpidätys*) will be used for the payment of the individual's final taxes (which means that they are credited against the individual's final tax liability).

If, however, the Securities are regarded as warrants or certificates for Finnish tax purposes, any profits on warrants or certificates would, based on current Finnish court practice, be considered a capital gain (as opposed to interest or compensation comparable to interest). Therefore, any payments made in respect of Securities that are regarded as warrants or certificates may be made without deduction or withholding for or on account of Finnish tax and should, accordingly, not be subject to any preliminary taxation (*Fi. ennakonpidätys*) by a Finnish Paying Agent.

### **French Tax Considerations**

*The following is a general description of the French withholding tax treatment of income from the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in France or elsewhere. In particular, it does not describe the French tax treatment applicable to holders of Securities who are tax residents of France, except in relation to French withholding tax on interest and does not discuss any other French tax such as French registration duties or French tax on financial transactions. Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of France. This overview is based upon the law as in effect on the date of this Base Prospectus, which may change at any time, possibly with retrospective effect.*

Payments of interest (and principal) by the Issuer under the Securities may in principle be made without any compulsory withholding or deduction for or on account of French income taxes to the extent that the Issuer is not incorporated in France or otherwise acting through a French establishment.

However, if such payments are made to French resident individuals and regarded as interest or assimilated income (e.g. reimbursement premium) for French tax purposes, the paying agent could be subject to withholding obligations. In that case, social contributions of currently 15.5 per cent. and the 24 per cent. income tax prepayment, applicable in principle to interest and assimilated income received by French resident individuals, would generally need to be

withheld and reported by the paying agent, if the paying agent is established in France (exceptions may however apply depending on level of income of the taxpayer). If the paying agent is established outside France, it is in principle not involved in this withholding obligation, unless it is established in an EU or EEA member state and has been expressly appointed by the French taxpayer to do so.

### **Hungarian Tax Considerations**

Hungary applies special personal income tax and social contribution taxation to the following kinds of income, each defined or detailed further in Act CXVII of 1995 on Personal Income Tax: interest income, income from securities lending, dividend income and capital gains income and income from controlled capital market transactions. Incomes which do not fit into the definitions of these incomes belong to the general tax base of private individuals, which is taxed at the same level of personal income tax, but is subject to higher social contribution burden.

For income realized on capital investments Hungarian tax residents shall pay personal income tax at the rate of 16 per cent, and healthcare contribution, at the rate of 6-14 per cent, depending on the nature of the income. The tax base determination depends on the nature of the capital investment income (e.g. in case of interest revenues the amount credited at the bank account shall be treated as income, whereas in case of capital gains the income is the difference between the acquisition and sales value of the security).

As regards non private individual investors, with the exception of special cases and apart from the maintenance of a permanent establishment by a foreign corporation in Hungary, legal entities are not subject to any corporate income tax withholdings in connection with capital gains (interest, dividend and return on security sales revenues) on the basis of Act LXXXI of 1996 on Corporate Income Tax.

### ***Hungarian withholding tax***

Unless otherwise provided for in the applicable convention on the avoidance of double taxation between Hungary and another State where the private individual has its tax residency the income of a foreign private individual received from a Hungarian Payer is subject to Hungarian personal income tax, which is withheld in the form of withholding tax. A foreign private individual is subject to withholding taxation of certain capital incomes, if such capital income is paid to the private individual taxpayer by a legal person, other organization, or private entrepreneur resident in Hungary that (who) provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution) (a "**Hungarian Payer**").

- In respect of interest, Hungarian Payer shall mean the person who pays any interest income to any private individual according to the Personal Income Tax Act, the borrower of a loan or the issuer of a bond.
- In respect of dividends, Hungarian Payer shall mean the taxpayer from whose assets such dividends are paid.

- In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Hungarian Payer shall mean such stockbroker (consignee).
- In respect of income that is earned in a foreign country and taxable in Hungary, Hungarian Payer shall mean the person (legal person, other organization, or private entrepreneur) commissioned in Hungary, with the exception of transaction orders given to a credit institution solely for the performance of a transfer (payment).
- In respect of any taxable payment made by a non-resident company through its branch or commercial representation, such branch or commercial representation shall be considered a Hungarian Payer.

*Hungarian implementation of the Savings Tax Directive 2003/48/EC*

As the transposition of Directive 2003/38/EC, Section 52 (2) and Annex No. 7 of Act XCII of 2003 on the Rules of Taxation regulates the exchange of information between authorities of the EU member states regarding interest payments and equivalent payments on the basis of the following principles:

- A payer shall supply to the state tax authority the information on the beneficial owner and the amount of interest paid.
- For the purposes of the information exchange obligation, payer means any economic operator or other organization who pays interest to or secures the payment of interest for the immediate benefit of a beneficial owner established in another Member State of the European Union.
- An economic operator paying interest to members of an organization who qualify as beneficial owners, via the same organization resident in another EU Member State shall also provide information to the state tax authority, except for certain cases.
- For the purposes of the information exchange, Schedule No. 7 defines the notion of interest payment and beneficial owner.
- The payer shall take all reasonable steps to establish the identity of the beneficial owner if a representative is acting in the name and on behalf of the beneficial owner. The identification requirements are further detailed in Schedule No. 7.
- The Hungarian tax authority transfers the data provided to the tax authority of the member state of the beneficial owner's tax residence.

### **Irish Tax Considerations**

*The following comments are of a general nature, relating only to the position of persons who are the absolute beneficial owners of the Securities. The following is a general overview only of the Irish withholding tax treatment on the date of this Base Prospectus in relation to income payments in respect of the Securities. This overview is based on Irish law and what is understood to be the practice of the Irish Revenue Commissioners, in each case as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change. The comments are not exhaustive and do not deal with any other Irish tax aspects of acquiring,*

*holding, disposing of, abandoning, exercising or dealing in the Securities. Prospective investors in the Securities should consult their own advisers as to the Irish tax consequences of acquiring, holding, disposing of, abandoning, exercising or dealing in the Securities.*

#### *Irish withholding tax on interest payments*

Irish interest withholding tax should not apply to interest payments which have their source outside Ireland. On the basis that the Issuer is not resident in Ireland and has no presence in Ireland, that no interest payments will be made from Ireland, that no Irish situate assets will be secured and that the Securities will not be deposited with an Irish depositary, interest payments on the Securities should not have an Irish source and, thus, no Irish interest withholding tax should arise.

#### *Irish withholding tax on annual payments*

Irish withholding tax can also apply to payments, other than interest payments, which are annual payments for Irish tax purposes. However, Irish withholding tax should not apply to annual payments which have their source outside Ireland. On the basis that the Issuer is not resident in Ireland and has no presence in Ireland, that no payments will be made from Ireland, that no Irish situate assets will be secured, and that the Securities will not be deposited with an Irish depositary, any annual payments on the Securities should not have an Irish source and, thus, no Irish withholding tax should arise on such payments.

#### *Irish encashment tax*

Irish encashment tax may be required to be withheld at the standard rate (currently 20 percent.) from any interest payments or annual payments paid in respect of the Securities where such payments are paid or collected by a person in Ireland on behalf of any holder of the Securities. Holders of the Securities should therefore note that the appointment of an Irish collection agent or an Irish paying agent could result in the deduction of 20 per cent. encashment tax by such agent from interest payments or annual payments on the Securities. A holder of the Securities that is not resident in Ireland for tax purposes may claim an exemption from this form of withholding tax by submitting an appropriate declaration of non-Irish tax residency to the Irish agent.

### **Italian Tax Considerations**

*The following is a general overview of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities by Italian resident investors and does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant tax considerations surrounding or connected to the purchase, ownership or disposal of the Securities by Italian or non-Italian resident investors. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of*

*prospective beneficial owners of Securities, some of which may be subject to special rules. This overview is based upon Italian tax laws and published practice in effect as at the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect and assumes that the Securities are issued on or after 1 July 2014.*

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each client: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

***Italian tax treatment of the Securities (Warrants, Certificates and Notes)***

The Securities may be subject to different tax regimes depending on whether:

- (a) they represent a debt instrument implying a use of capital (*impiego di capitale*), through which the investors transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity; or
- (b) they represent derivative financial instruments or bundles of derivative financial instruments, through which the investors purchase indirectly underlying financial instruments.

**1. Securities representing debt instruments implying a "use of capital"**

**Securities having 100 per cent. capital protection guaranteed by the Issuer**

*Italian resident investors*

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident Issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for interim payments) and that do not give any right to directly or indirectly participate in the management of the Issuer or of the business in relation to which they are issued nor any type of control on the management.

*Where an Italian resident Investor is:*

- (a) an individual not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected (unless he has opted for the application of the *risparmio gestito* regime – see "Capital Gains Tax" below);

- (b) a non-commercial partnership pursuant to Article 5 of the Presidential Decree No. 917 of 22 December 1986 ("**TUIR**") (with the exception of general partnerships, limited partnerships and similar entities);
- (c) a public or private entity (other than a company) or a trust not carrying out a commercial activity; or
- (d) an investor exempt from Italian corporate income taxation;

interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax referred to as *imposta sostitutiva*. In the event that the investors described above are engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the final income tax due by the relevant Investor.

The current rate of the *imposta sostitutiva* is 20 per cent. However, under Law Decree No. 66/2014, to be converted into law within 23 June 2014, the rate will be increased to 26 per cent. with reference to interest, premium and other income accrued as of 1 July 2014.

Where an Italian resident Investor is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy - to which the Securities are effectively connected - of a non - Italian resident entity and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Investor's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the "status" of the Investor, also to regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.9 per cent., even though regional surcharges may apply).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent. on distributions made by real estate investment funds. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

If an Investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Securities are deposited with an authorised intermediary, interest, premium and other income accrued during such Investor's holding period will not be subject to *imposta sostitutiva* but must be included in the management result of the Fund or the SICAV. A withholding tax may apply in certain circumstances at the rate of 26 per cent on

distributions made by the Fund or the SICAV to certain categories of investors. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Where an Italian resident Investor is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) and the Securities are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent, substitute tax applicable to Italian pension funds, as increased by Law No. 190 of 23 December 2014.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must

- (a) be resident in Italy; or
- (b) be resident outside Italy, with a permanent establishment in Italy; or
- (c) be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and
- (d) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or a transfer of the Securities to another deposit or account held with the same or another Intermediary.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to an Investor. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) (inclusive) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26 per cent.. The Italian individual Investor may elect instead to pay ordinary personal income tax ("**IRPEF**") at the applicable progressive rates in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.



*Non-Italian resident investors*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Investor of interest or premium relating to the Securities, provided that, if the Securities are held in Italy, the non-Italian resident Investor declares itself to be a non-Italian resident according to Italian tax regulations.

*Securities not having 100 per cent. capital protection guaranteed by the Issuer*

In the case of Securities representing debt instruments implying a "use of capital" do not guarantee the total reimbursement of the principal, under Italian tax law they should qualify as "atypical securities" (*titoli atipici*) and payments in respect of such Securities received by Italian investors would be subject to the following regime:

- (e) if the Securities are placed (*collocati*) in Italy, payments made to individual investors holding the Securities not in connection with a trade (*esercizio di attività commerciali*) will be subject to a 26 per cent. final withholding tax. This withholding tax is levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Securities, in the repurchase or in the transfer of the Securities;
- (f) if the Securities are not placed (*collocati*) in Italy or in any case where payments on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Investor may elect instead to pay ordinary IRPEF at the progressive rates applicable to them in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

*Capital Gains Tax*

Any gain obtained from the sale, early redemption or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Investor, also as part of the net value of production for IRAP purposes) if realised by: (i) the Italian resident company; (ii) an Italian resident commercial partnership; (iii) an Italian permanent establishment of foreign entities to which the Securities are effectively connected; or (iv) Italian resident individuals engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected.

Where an Italian resident Investor is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Investor from the sale, early redemption or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, investors may set off losses with gains. This rule applies also to certain other entities holding the Securities. In

respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

- (a) Under the tax declaration regime (*regime della dichiarazione*), which is the ordinary regime for taxation of capital gains realised by Italian resident individuals not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual. The Investor holding Securities not in connection with a commercial activity (*esercizio di attività commerciali*) must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Under Law Decree No. 66/2014 capital losses can be carried forward against capital gains realized as of 1 July 2014 (i) for 48.08 per cent. of their amount, if the losses were realized until 31 December 2011; or (ii) for 76.92 per cent. of their amount, if the losses were realized between 1 January 2012 and 30 June 2014.
- (b) As an alternative to the tax declaration regime, the Italian resident individual Investor holding the Securities not in connection with a commercial activity (*esercizio di attività commerciali*) may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Securities (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree 21 November 1997, No. 461 as a subsequently amended, the "**Decree No. 461**") Such separate taxation of capital gains is allowed subject to (1) the Securities being deposited with Italian Banks, SIMs or certain authorised financial intermediaries; and (2) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Investor. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian Tax Authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Investor or using funds provided by the Investor for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities management, in the same tax year or in the following tax years up to the fourth. Capital losses can be carried forward against capital gains realized as of 1 July 2014 (i) for 48.08 per cent. of their amount, if the losses were realized until 31 December 2011; or (ii) for 76.92 per cent. of their amount, if the losses were realized between 1 January 2012 and 30 June 2014. Under the *risparmio amministrato* regime, the Investor is not required to declare the capital gains in its annual tax return.

- (c) Any capital gains realised or accrued by Italian resident individual investors holding the Securities not in connection with a commercial activity (*esercizio di attività commerciali*) who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (the regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. *imposta sostitutiva*, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Depreciation of the managed assets accrued as of 30 June 2014 and not yet compensated can be carried forward against increase in value of the managed assets accrued as of 1 July 2014 (i) for 48.08 per cent. of its amount, if accrued until 31 December 2011; or (ii) for 76.92 per cent. of its amount, if the registered between 1 January 2012 and 30 June 2014. Under the *risparmio gestito* regime, the Investor is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by an Investor which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. The same tax regime applies to capital gains realized by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an Investor which is a Fund or a SICAV will neither be subject to *imposta sostitutiva* nor to any form of taxation in the hands of the Fund or of the SICAV, but any income paid by a Fund or by a SICAV in favour of its participants will be subject to taxation in accordance with the specific rules provided for the different kind of participants. The same tax regime applies to capital gains realized by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an Investor which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the special 20 per cent. substitute tax, as increased by Law No. 190 of 23 December 2014.

#### *Non-Italian resident investors*

Capital gains realised by non-Italian resident investors from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (1) are transferred on regulated markets, or (2) if not transferred on regulated markets, are held outside Italy.

Moreover, even if the notes are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a country which recognizes the Italian tax authorities' right to an adequate exchange of information.

The provisions of applicable tax treaties against double taxation entered into by Italy apply if more favourable and provided that all relevant conditions are met.

## 2. **Securities representing derivative financial instruments or bundles of derivative financial instruments**

Payments in respect of Securities qualifying as securitised derivative financial instruments

Pursuant to the generally followed interpretation, payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian investors (not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected) as well as capital gains realised by such Italian investors on any sale or transfer for consideration of the Securities or redemption thereof are subject to a 20 per cent. capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital Gains Tax" above.

Payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian investors which carry out commercial activities are not subject to the 26 per cent capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

Securities that cannot be qualified as securitised derivative financial instruments may qualify as "atypical securities" (*titoli atipici*), whose tax regime is described under section "Securities representing debt instruments implying a "use of capital"- *Securities not having 100 per cent. capital protection guaranteed by the Issuer*" above.

## 3. **Inheritance and gift tax**

Transfers of any valuable assets (including the Securities) as a result of death or *inter vivos* gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose (*vincoli di destinazione*) are taxed as follows:

- (a) four per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part the of value that exceeds EUR 1,000,000 (per beneficiary);
- (b) six per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of the value that exceeds EUR 100,000 (per beneficiary);
- (c) six per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and

- (d) eight per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of the value that exceeds EUR 1,500,000.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Securities, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Securities for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

#### 4. **Transfer tax**

Transfer tax previously generally payable on the transfer of the Securities has been abolished. A EUR 200.00 registration tax may be applicable to the transfer of the Securities under certain circumstances.

#### 5. **Stamp Duty**

Pursuant to Law Decree No. 201 of 6 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients and relating to securities and financial instruments. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the securities held. The stamp duty cannot exceed the amount of Euro 14,000 if the recipient of the periodic reporting communications is an entity (i.e. not an individual).

It may be understood that the stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the notes are held with an Italian-based financial intermediary.

#### 6. **Wealth Tax**

Pursuant to Law Decree No. 201 of 6 December 2011, Italian resident individuals holding the notes abroad are required to pay a wealth tax (IVAFE) at a rate of 0.20 per cent. for each year. This tax is calculated on an annual basis on the market value of the notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held abroad.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

#### 7. **Financial Transaction Tax (FTT) depending on the features of the Securities**

Pursuant to Law No. 228 of 24 December 2012, a FTT applies to (a) transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the Relevant Securities), (b) transactions

on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transaction on certain securities (i) which allow to mainly purchase or sell one or more Relevant Securities or (ii) implying a cash payment determined with main reference to one or more Relevant Securities.

Securities could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (titoli similari alle obbligazioni) are not included in the scope of the FTT.

The FTT on derivative instruments is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between Euro 0.01875 and Euro 200 per transaction. The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU and EEA member States. The FTT on derivatives is due by each of the parties to the transactions. FTT exemptions and exclusions are provided for certain transactions and entities.

The FTT is levied and paid by the subject (generally a financial intermediary) that is involved, in any way, in the execution of the transaction. Intermediaries which are not resident in Italy but are liable to apply the FTT can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the execution of the transaction, the FTT must be paid by the taxpayers. Investors are advised to consult their own tax advisers also on the possible impact of the FTT.

#### 8. Tax monitoring obligations

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes, the amount of Securities held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, Securities are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required with respect to Securities deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, provided that the same intermediaries apply a withholding tax or *imposta sostitutiva* on any income derived from the Securities.

#### 9. European Savings directive

Legislative decree No. 84 of 18 April 2005 ("**Decree No. 84**") implemented in Italy, as of 1 July 2005, the European Council Directive No. 2003/48/EC on the taxation of savings income.

Under the Directive, Member States, if a number of important conditions are met, are required to provide to the tax authorities of another Member State details of payments of interest (or

similar income) paid by a person within their 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).

The same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date. However, Belgium announced that it had decided to apply information exchange as per the EC Council Directive 2003/48/EC as from 1 January 2010. Therefore, with regard to Belgium the transitional period ended on 31 December 2009. Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

### **Norwegian Tax Considerations**

*The following is an overview of certain Norwegian tax consequences for Security Holders who are resident in Norway for tax purposes. The overview is based on legislation as at the date of this document. The overview is intended to provide general information only and does not deal comprehensively with all tax consequences that may occur for holders of the Notes or the Instruments. The tax treatment of each Security Holder partly depends on the Holder's specific situation. Special tax consequences that are not described below may apply for certain categories of tax payers, including, mutual funds and persons who are not resident in Norway. It is recommended that prospective applicants for the Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding the Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable. Any changes to applicable tax laws may have a retrospective effect.*

### **Taxation of the Notes**

#### *Classification*

The Notes will normally be classified as debt instruments for Norwegian tax purposes, and this is assumed in the following. It is also assumed that the Notes are debentures (*mengdegjeldsbrev*). In preparatory works, "*mengdegjeldsbrev*" is defined as several debt instruments issued at the same time with identical text.

A convertible bond is a combination of a bond and a warrant giving the right to subscribe for shares by way of setting off against the bond (conversion). In December 2011, the Norwegian

Supreme Court ruled that convertible bonds (including the warrant) shall be taxed according to the rules applicable to debt instruments. However, if the holder is entitled to divide the convertible bond into a separate bond and a separate warrant, there are arguments that the warrant should be taxed separately from the bond, even if no split is carried out. The warrant will in any case be taxed according to the rules applicable to equity instruments, see "Taxation of the Certificates and Warrants" below.

#### *Taxation of return on the Notes prior to disposal*

Any kind of return received on the Notes prior to the disposal is taxable as "ordinary income" subject to the flat rate of 27 per cent. Return on the Notes is taxed on an accruals basis (i.e. regardless of when the return is actually paid).

#### *Taxation upon disposal or redemption of the Notes*

Redemption at the end of the term as well, as prior disposal, is treated as realisation of the Notes and may result in a capital gain or loss. Capital gains will be taxable as "ordinary income", subject to the flat rate of 27 per cent. Losses will normally be deductible in the noteholder's "ordinary income".

Any capital gain or loss is computed as the difference between the amount received by the Holder on realisation and the cost price of the Notes. The cost price is equal to the price for which the Holder acquired the Notes. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from the Holder's taxable income in the year of the realisation.

#### *Norwegian withholding tax*

Payments on the Notes will not be subject to Norwegian withholding tax.

#### *Net wealth taxation*

The value of the Notes at the end of each income year will be included in the computation of the Holder's taxable net wealth for municipal and state net wealth tax purposes. Listed Notes are valued at their quoted value on 1 January in the assessment year, while non-listed Notes are valued at their estimated market value on 1 January in the assessment year. The marginal tax rate is currently 0.85 per cent.

Limited companies and similar entities are not subject to net wealth taxation.

#### *Transfer taxes etc. – VAT*

There are currently no Norwegian transfer taxes, stamp duty or similar taxes connected to purchase, disposal or redemption of the Notes. Furthermore, there is no VAT on transfer of the Notes.



## ***Taxation of the Certificates and Warrants***

### ***Separate or integrated taxation***

Whether the Certificates and Warrants will be subject to separate taxation on settlement or integrated taxation with the underlying assets depends *inter alia* on the nature of the underlying object of the Certificates and Warrants. Financial options, i.e. options on shares, debentures, foreign currency, quoted financial instruments and index options are always taxed separately from the underlying asset. Whether other financial instruments than financial options shall be taxed separately or integrated, must be evaluated in each case. However, financial instruments will as a starting point be subject to separate taxation if the purpose of the instrument is not mainly to arrange for the transfer of the underlying object of the instrument. On this basis the Certificates and Warrants will most likely be subject to separate taxation in Norway. This is assumed in the following.

### ***Individuals***

#### ***Tax liability***

Both return received on the Certificates and Warrants (in the form of payments from the issuer) and capital gains received on realisation (including sale) of the Certificates and Warrants are as a main rule taxable as ordinary income, which is currently taxed at a flat rate of 27 per cent. for Norwegian individuals. Losses on realisation of the Certificates and Warrants are deductible in the ordinary income of the individual.

#### ***Calculation of capital gains and losses***

Capital gain or loss is computed as the difference between the consideration received on realisation and the cost price of the Certificates and Warrants. The cost price of the Certificates and Warrants is equal to the price for which the Holder acquired the Certificates and Warrants. Costs incurred in connection with the acquisition and realisation of the Certificates and Warrants may be deducted from the Holder's ordinary income in the year of realisation. In the case of physical settlement of the Certificates and Warrants, the capital gain will be computed as the difference between the market value of the underlying asset and the cost price of the Certificates and Warrants (premium) including the exercise price.

#### ***Settlement, sale and lapse of Warrants***

Capital gains taxation is triggered on settlement or sale of the Warrant. The calculation of capital gains and losses is accounted for above.

If the Warrant should lapse, it is deemed realised, incurring a loss equal to the acquisition cost. A loss is deductible as set out above.

*Settlement and sale of Certificates*

Settlement at the end of the term as well as prior disposal is treated as realisation of the Certificates and will trigger a capital gain or loss. The calculation of capital gains and losses is accounted for above.

*Net wealth taxation*

The value of the Certificates and Warrants at the end of each income year will be included in the computation of the Holder's taxable net wealth for municipal and state net wealth tax purposes. Listed Certificates and Warrants are valued at their quoted value on 1 January in the assessment year, while non-listed Certificates and Warrants are valued at their estimated market value. The marginal tax rate is currently 0.85 per cent.

*Transfer taxes etc. – VAT*

There is currently no Norwegian transfer taxes, stamp duty or similar taxes connected to purchase, disposal or settlement of the Certificates and Warrants. Holders who are resident in Norway for tax purposes are not subject to withholding taxes in Norway in relation to the Certificates and Warrants. Furthermore, there is no VAT on transfer of the Instruments.

*Legal entities*

Both return received on the Instruments in the form of payments from the Issuer and capital gains received on realisation (including sale) of the Instruments are as a main rule taxable as ordinary income, which is currently taxed at a flat rate of 27 per cent. for Norwegian legal entities such as limited companies and similar entities. Losses on realisation of the Instruments are deductible in the ordinary income of the entity. The taxation is as a starting point triggered and calculated as described in the section concerning "Individuals", see above.

However, legal entities may benefit from the Norwegian exemption method. The exemption method is as a main rule applicable to gains and yields on shares/ownership interests in companies, mutual funds and similar entities located within the EEA, as well as financial instruments with such shares/ownership interests as an underlying. Gains and yields covered by the exemption method are exempt from taxation, and losses are correspondingly not tax deductible. However, three per cent of dividends from shares as a main rule are taxed at the ordinary rate of 27 per cent., meaning that dividends from shares covered by the exemption method are effectively taxed at a rate of 0.81 per cent. ( $27 \times 0.03$ ).

Stock index options will also comprise the exemption method, but only as long as the index substantially (i.e. 90 per cent. or more according to statements of the tax authorities) is related to companies resident within the EU/EEA.

As mentioned above, there are no transfer taxes, stamp duty or similar taxes connected to purchase, disposal or settlement of the Instruments. Holders who are resident in Norway for tax purposes are not subject to withholding taxes in Norway in relation to the Instruments.

Furthermore, there is no VAT on the transfer of the Instruments. Limited companies and similar entities are not subject to net wealth taxation.

### **Polish Tax Considerations**

*The following information on certain Polish taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following information does not purport to be a comprehensive description of all the tax consequences and considerations that may be relevant to acquisition, holding, disposing and redeeming of or cancelling (as applicable) the Securities, and does not purport to deal with the tax consequences applicable to all categories of investors. The following information is based on the assumption that no Agent is located in Poland. The following information is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that potential purchasers of the Securities consult with their legal and tax advisers as to the tax consequences of the purchase, holding, sale or redemption of Securities.*

#### **Withholding tax**

There is no withholding tax in Poland in relation to the Securities.

#### **Taxation of income**

##### *Polish resident individuals*

Individuals having their place of residence in Poland ("Polish Resident Individuals") are subject to Polish Personal Income Tax ("PIT") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Individuals on the disposal or redemption of Securities should not be combined with income from other sources but will be subject to the 19 per cent. flat PIT rate. The income is calculated as the difference between the revenue earned on the disposal or redemption of Securities (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price). The tax is settled by Polish Resident Individuals on an annual basis. Interest under Securities earned by a Polish Resident Individuals should not be combined with income from other sources and will be subject to the 19 per cent. flat PIT rate. The tax is settled by Polish Resident Individuals on an annual basis. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided for by the provisions of the Double Tax Treaty concluded between Poland and the country where the tax was withheld.

##### *Polish resident entities*

Entities having their seat or place of management in Poland ("Polish Resident Entities") are subject to Polish Corporate Income Tax ("CIT") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Entities on

the disposal or redemption of Securities is subject to the 19 per cent. CIT rate. The income is calculated as the difference between the revenue earned on the disposal or redemption of Securities (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price).

The amount of interest earned by a Polish Resident Entity under Securities is subject to the 19 per cent. CIT rate. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided for by the provisions of the Double Tax Treaty concluded between Poland and country where the tax was withheld.

#### *Non-resident individuals and entities*

Individuals and entities that are Polish non-residents will not generally be subject to Polish taxes on income resulting from the disposal or redemption of Securities unless such income is attributable to an enterprise which is either managed in Poland or carried on through a permanent establishment in Poland. However, some double tax treaties concluded by Poland may provide for a different tax treatment (for example, in case of the disposal of share/securities in a real estate company). In addition, in the case of individuals resident in a country which does not have a double tax treaty with Poland, there may be a risk of taxation of the types of income referred to in this paragraph, in the case of the disposal/redemption of Securities quoted on the Warsaw Stock Exchange.

#### *Taxation of inheritances and donations*

The Polish tax on inheritance and donations is paid by individuals who received title to Securities by right of succession, as legacy, further legacy, testamentary instruction or gift only if at the moment of the acquisition of the Securities the acquirers were the Polish citizens or had residence within the territory of Poland. The rates of tax on inheritances and donations vary depending on the degree of kinship by blood, kinship through marriage or other types of personal relationships existing between the testator and the heir, or between the donor and the donee (the degree of the kinship is decisive for the assignment to a given tax group). The tax rate varies from 3 per cent. to 20 per cent. of the taxable base depending on the tax group to which the recipient was assigned. Acquisition of ownership of Securities by a spouse, descendants, ascendants, stepchildren, siblings, stepfather or stepmother is tax exempt if the beneficiary notifies the head of the competent tax office of the acquisition within six months of the day when the tax liability arose or, in the case of an inheritance, within six months of the day when the court decision confirming the acquisition of the inheritance becomes final.

#### *Tax on civil law transactions*

Generally tax on civil law transactions at the rate of one per cent. is levied on the sale or exchange of the rights exercised in Poland. The taxpayer of this tax is only the purchaser of the rights. The tax is also imposed on agreements for the sale or exchange of the rights exercised outside Poland (including Securities) only if the sale or exchange agreement is concluded in Poland and the purchaser has a place of residence or seat in the territory of Poland. However, the sale of Securities (i) to investment firms (including foreign investment firms within the

meaning of the Polish Act on Trading in Financial Instruments), or (ii) via investment firms (including foreign investment firms) acting as intermediaries, or (iii) the sale of the Securities either on the Warsaw Stocks Exchange or on any multilateral trading facility operating in accordance with relevant regulations (i.e. in the "Organised trading"), or (iv) outside the Organised trading by investment firms (including foreign investment firms) if the Securities had been acquired by such firms as a part of Organised trading - is exempt from tax on civil law transactions.

### ***Other Taxes***

No other Polish taxes should be applicable to the Securities.

### ***Polish implementation of the EU Savings Tax Directive***

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, Poland will provide to the tax authorities of another EU member state (and certain non-EU countries and associated territories specified in that directive) details of payments of interest or other similar income paid or made available by a person having its seat within Poland to, or collected by such a person for, an individual resident in such other state.

### **Portuguese Tax Considerations**

*The following is a general description of certain Portuguese withholding tax considerations relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Portugal or elsewhere, neither does it purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This overview is based upon the*

*law as in effect on the date of this Base Prospectus. It is subject to any change of the law that may apply after such date. The information contained within this section is limited to withholding taxation on income paid to Portuguese resident entities, and prospective investors should not apply any information set out below to other areas. Prospective purchasers of the Securities should consult their own tax advisers as to the consequences of making an investment in, holding or disposing of the Securities and the receipt of any amount under the Securities.*

Payments of interest (and principal) and other income by the Issuer under the Securities may in principle be made without any withholding for or on account of Portuguese taxes to the extent that the Issuer are not residents of Portugal or are not otherwise acting through a Portuguese permanent establishment.

However, interest and other income (excluding capital gains) arising from the Securities is subject to withholding tax at a 28 per cent. rate when paid or made available by Portuguese resident entities (acting on behalf of the Issuer or of the holders of the Securities) to Portuguese resident individuals, in which case tax should be withheld by the former.

In this case, the holder of the Securities may choose to treat the withholding tax as a final tax or to tax the income at the general progressive income tax rates of up to 48 per cent. (plus (i)

an additional surcharge of 2.5 per cent. applicable on income exceeding € 80,000 and up to € 250,000 and of 5 per cent. applicable on income exceeding € 250,000 and (ii) a surtax of 3.5 per cent. on income exceeding the annual national minimum wage), in which case the withholding will be considered as a payment on account of the final tax liability.

Such income when paid or made available to accounts in the name of one or more resident accountholders acting on behalf of unidentified third parties is subject to a final withholding tax rate of 35 per cent. unless the relevant beneficial owners of the income are identified, in which case the general tax rules apply.

A withholding tax rate of 35 per cent. also applies to income due by non-resident entities domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list (approved by Ministerial order no. 150/2004, of 13 February 2004, as amended) and paid or made available by Portuguese resident entities to individuals resident in Portugal.

### ***EU Savings Directive***

Under EC Council Directive no. 2003/48/EC, of 3 June 2003, on taxation of savings income in the form of interest payments, Member States are required 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.

A number of non-EU countries and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Portugal has implemented the above Directive on taxation of savings income in the form of interest payments into the Portuguese law through Decree-Law no. 62/2005, of 11 March 2005, as amended by Law no. 39-A/2005, of 29 July 2005.

The Council of the European Union has approved the Council Directive no. 2014/48/EU, of 24 March 2014, amending the EC Council Directive no. 2003/48/EC, of 3 June 2003, on taxation of savings income in the form of interest payments. Portugal shall implement the Council Directive no. 2014/48/EU by no later than 1 January 2016.

### **Slovak Tax Considerations**

In the case where (a) payments vis-à-vis Slovak investors and related to the specific Securities - notes and/or treasury bills (dlhopisy a/alebo pokladničné poukážky) issued on the basis of the Base Prospectus will be made either by an non-Slovak resident entity not having a permanent

establishment (stála prevádzkareň) in Slovakia and (b) neither Slovak entities nor Slovak resident transfer/payment agents will take care of the payments related to the specific securities (notes and/or treasury bills), such payments related to the above Securities (notes and/or treasury bills) will not be subject to the withholding or securing tax in the Slovak Republic.

If the payments related to the specific Securities (notes and/or treasury bills, except state notes and/or state treasury bills) are paid by the paying agent resident or having a permanent establishment in the Slovak Republic, the interest or any other similar income paid (i) to individuals, (ii) to a taxable party not established or founded to conduct business (e.g. associations of legal entities, chambers of professionals, civic associations, including trade union organisations, political parties and movements, churches and religious communities recognised by the State, etc.), (iii) to the National Property Fund of the Slovak Republic, (iv) to the National Bank of Slovakia or (v) to a non-resident legal entity not conducting business in the territory of the Slovak Republic through a permanent establishment (i.e. a legal entity not having its registered office or its place of actual management or its permanent establishment in the territory of the Slovak Republic – non-Slovak tax resident) could be subject to the 19 per cent. withholding tax (or 35 per cent. in the case of countries that are not protected by bilateral double taxation treaty).

Furthermore, any interest paid or any other similar income from notes paid by the paying agent resident or having a permanent establishment in the Slovak Republic to other non-Slovak tax resident not mentioned in the previous paragraph may still be subject to 19 per cent. (or 35 per cent.) securing or withholding tax, unless the non-Slovak tax resident is a tax resident of an EU Member State (in which case no tax securing is required). No tax securing is required if a non-Slovak tax resident proves that he already pays Slovak income tax prepayments; the respective tax administrator may however decide otherwise. In any case, such tax security would be subsequently credited against the final Slovak tax liability of the non-Slovak tax resident. The applicable double taxation treaty may further provide for exemption or credit of the whole amount of such tax paid in Slovakia or part thereof.

If the payments related to the specific Securities being state notes and/or state treasury bills are paid by the paying agent resident or having a permanent establishment in the Slovak Republic, the interest paid (i) to a taxable party not established or founded to conduct business (e.g. associations of legal entities, chambers of professionals, civic associations, including trade union organizations, political parties and movements, churches and religious communities recognized by the State, etc.), (ii) to the National Property Fund of the Slovak Republic or (iii) to the National Bank of Slovakia could be subject to the 19 per cent. withholding tax (self-assessed by these taxpayers).

Similarly, the payments related to the specific Securities being state notes and/or state treasury bills which are paid by the paying agent resident or having a permanent establishment in the Slovak Republic to individuals, are generally subject to Slovak personal income tax at the 19 per cent. to 25 per cent. rate through their Slovak income tax return.

Furthermore, please note that the tax consideration of the regime of interest paid to other types of taxable parties, as mentioned above or the tax consideration of the regime of interest paid

from others types of securities as notes and/or treasury bills, if applicable, would be much more complex and would require separate more detailed consideration.

### ***Capital Gains***

Capital gain of a non-Slovak tax resident, not holding the specific Securities through a permanent establishment in the Slovak Republic, from the sale of the specific Securities issued by Slovak tax residents: (i) to a Slovak tax resident, or (ii) to a Slovak permanent establishment of another non-Slovak tax resident will be subject to taxation in the Slovak Republic, unless an applicable Double Taxation Treaty provides for other taxation of income or capital gains realised from the sale of the specific Securities by such non-Slovak tax resident. Most of the applicable Double Taxation Treaties do not permit taxation of such income in the Slovak Republic at all.

If such income realised by a non-Slovak tax resident still remains taxable in the Slovak Republic under the previous paragraph, i.e. the applicable Double Taxation Treaty does not state otherwise, a 19 per cent. securing tax (or 35 per cent. in the case of countries that are not protected by the bilateral double taxation treaty) is deducted by the purchaser, unless the non-Slovak tax resident is a tax resident of an EU Member State (in which case no tax securing is required). Furthermore, no tax securing should be required if a non-Slovak tax resident proves that he already pays Slovak income tax prepayments; the respective tax administrator may however decide otherwise. In any case, such tax security would be subsequently credited against the final Slovak tax liability of the non-Slovak tax resident. The applicable Double Taxation Treaty may further provide for exemption or credit of the whole amount of such tax paid in Slovakia or part thereof.

Income realized by Slovak tax residents from the sale of the specific Securities is generally subject to Slovak corporate income tax at 22 per cent. flat rate or personal income tax at the 19 per cent. - 25 per cent. rate. Losses from the sale of the specific Securities are generally tax non-deductible and could only be tax deductible if the strict conditions prescribed by Act No. 595/2003 Coll. on Income Tax, as amended are met.

Capital gain from the sale of the specific Securities (notes and/or treasury bills) obtained by (i) a taxable party not established or founded to conduct business (e.g. associations of legal entities, chambers of professionals, civic associations, including trade union organisations, political parties and movements, churches and religious communities recognised by the State, etc.), (ii) the National Property Fund of the Slovak Republic or (iii) the National Bank of Slovakia could be subject to the 19 per cent. withholding tax (self-assessed by these taxpayers).

### ***Revaluation differences***

Slovak tax residents that prepare their financial statements under the Slovak Accounting Standards for Entrepreneurs or under the International Financial Reporting Standards may be required to revalue the specific Securities to fair value for accounting purposes. If the



revaluation is accounted for as revenue or expense, such revenue is generally taxable and the corresponding expense should be generally tax deductible for Slovak tax purposes.

### ***Other applicable taxes***

No Slovak stamp duty, registration, transfer or similar taxes will be payable in connection with the acquisition, ownership, sale or disposal of the specific Securities.

### ***Slovak implementation of EU Savings Directive***

Under the Directive 2003/48/EC on the taxation of savings income that has been implemented in the Slovak law, Member States are required to provide to the tax authorities of another Member State details of payments of interest (as defined in the Savings Directive) made by a paying agent (as defined in the Savings Directive) within its jurisdiction to an individual resident in that other Member State. During a transitional period, Austria and Luxembourg are required (unless during that period they require otherwise) to apply a withholding tax on interest payments instead of providing details of payments of interest to the tax authorities of other Member States. The rate of such withholding tax from July 2011 until the end of the transitional period defined by the Savings Directive is 35%.

A number of third countries and dependent or associated territories have adopted similar measures with effect from 1 July 2005.

## **Spanish Tax Considerations**

*The following is a general description of the Spanish withholding tax treatment and indirect taxation of payments under the Securities. The statements herein regarding Spanish taxes and withholding taxes in Spain are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which could be made on a retrospective basis. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Spain or elsewhere, which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of Spain. This overview regarding Spanish taxes and withholding taxes in Spain is based upon Spanish law, as well as administrative interpretations, as in effect on the date of this Base Prospectus, which may change at any time, possibly with retrospective effect.*

## **Personal Income Tax ("PIT") / Corporate Income Tax ("CIT") / Non Resident Income Tax ("NRIT")**

(A) *Spanish resident individuals*(i) *Warrants*

Following the criterion of the Spanish Directorate-General for Taxation in several rulings (amongst others, rulings dated 27 August 2007 and 23 May 2007), income earned by Spanish resident individuals under Warrants should be considered as capital gains, in which case no withholdings on account of PIT will have to be deducted.

## (i) Tax rates in force during 2015:

- Amounts up to EUR 6,000.00: 20 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 22 per cent.
- Amounts exceeding EUR 50,000: 24 per cent.

## (ii) Tax rates in force as from 2016 onwards:

- Amounts up to EUR 6,000.00: 19 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
- Amounts exceeding EUR 50,000: 23 per cent.

(ii) *Certificates and Notes*(a) *Interest payments under the Certificates and Notes*

Income earned by Spanish resident individuals under Certificates and Notes should qualify as interest payments. In general, interest payments obtained by Spanish resident individuals should be subject to withholding tax at 20 per cent. in 2015 and 19 per cent. as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding the above, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, interest payments under Certificates and Notes should be only subject to withholding tax in Spain in case they are deposited in a depository entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derived from the Certificates and Notes, provided that such income had not been previously subject to withholding tax in Spain.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT – to be declared in their annual tax returns – according to the following rates:

## (i) Tax rates in force during 2015:

- Amounts up to EUR 6,000.00: 20 per cent.

- Amounts between EUR 6,000.01 and EUR 50,000: 22 per cent.
- Amounts exceeding EUR 50,000: 24 per cent.

(ii) Tax rates in force as from 2016 onwards:

- Amounts up to EUR 6,000.00: 19 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
- Amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(b) *Income upon transfer or redemption of the Certificates and Notes*

Income earned upon transfer or redemption of the Certificates and Notes should be subject to Spanish withholding tax at 20 per cent. in 2015 and 19 per cent. as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, income upon transfer or redemption of the Certificates and Notes should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not been previously subject to withholding tax in Spain.

However, when the Certificates and Notes (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, holders can benefit from a withholding tax exemption in respect of the income arising from the transfer or reimbursement of the Certificates and Notes. However, under certain circumstances, when a transfer of the Certificates and Notes has occurred within the 30-day period immediately preceding any relevant coupon payment date such holders may not be eligible for such withholding tax exemption.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, to be declared in their annual tax returns, according to the following rates:

(i) Tax rates in force during 2015:

- Amounts up to EUR 6,000.00: 20 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 22 per cent.

- Amounts exceeding EUR 50,000: 24 per cent.
- (ii) Tax rates in force as from 2016 onwards:
  - Amounts up to EUR 6,000.00: 19 per cent.
  - Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
  - Amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(B) *Spanish resident companies*

(i) *Warrants*

Income earned under Warrants shall be considered as capital gains, in which case no withholdings on account of CIT will have to be deducted.

(ii) *Certificates and Notes*

Interest payments under the Certificates and Notes shall be subject to withholding tax at 20 per cent. in 2015 and 19 per cent. as from 2016 onwards on account of CIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, interest payments under Certificates and Notes should be only subject to withholding tax in Spain in case they are deposited in a depositary entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derive from the Certificates and Notes, provided that such income had not been previously subject to withholding tax in Spain.

Income upon transfer or redemption of the Certificates and Notes should be subject to Spanish withholding tax at 20 per cent. in 2015 and 19 per cent. as from 2016 onwards account of CIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, income upon transfer or redemption of the Certificates and Notes should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not been previously subject to withholding tax in Spain.

However, when (i) the Certificates and Notes are represented in book-entry form and are admitted to trading on a Spanish secondary stock exchange or on the Spanish Alternative Fixed Income Market (*MARF*); or (ii) the Certificates and Notes are listed on an OECD market; a withholding tax exemption should apply in respect of the income arising from the transfer or redemption of the Certificates and Notes, exception made of income derived from accounts entered into with financial entities, provided that such income were based on financial instruments, such as Certificates and Notes.

Spanish resident companies earning income under the Warrants, Certificates or Notes will be subject to CIT, to be declared in their annual tax returns, at a general 28 per cent. rate in 2015 and 25 per cent. as from 2016 onwards. However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the CIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount that should have been paid in Spain in the case that such income had been obtained in Spain.

(C) *Individuals and companies with no tax residency in Spain*

(i) *Income obtained through a permanent establishment*

The tax rules applicable to income deriving from the Securities under NRIT in this scenario are, generally, the same as those previously set out for Spanish resident companies, subject to the provisions of any relevant double tax treaty.

(ii) *Income obtained without a permanent establishment*

Income obtained by investors residing outside Spain and without a permanent establishment within the Spanish territory would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain.

**Net Wealth Tax ("NWT")**

Only individual holders of Securities would be subject to the NWT as legal entities are not taxable persons under NWT.

Relevant taxpayers will be (i) individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised; and (ii) non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain, when in both cases their net wealth is higher than EUR 700,000, as this amount is considered as exempt from NWT.

Taxpayers should include in their NWT self-assessment the Securities for the following amounts:

- (i) if they are listed in an official market, the average negotiation value of the fourth quarter; and

- (ii) in other case, its nominal value (including redemption premiums).

The value of the Securities together with the rest of the taxpayer's wealth, once reduced by the deductible in rem liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 2.5 per cent.

Finally, please note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory.

### **Inheritance and Gift Tax ("IGT")**

#### **(A) *Individuals with tax residency in Spain***

Individuals resident in Spain who acquire ownership or other rights over any Securities by inheritance, gift or legacy will be subject to IGT. The applicable effective tax rates range between 7.65 per cent. and 81.6 per cent., depending on several factors such as family relationship and pre-existing heritage. However, it is necessary to take into account that the IGT (including certain tax benefits) has been transferred to the Spanish regions. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

#### **(B) *Companies with tax residency in Spain***

Companies resident in Spain are not subject to IGT, as income obtained will be subject to CIT.

#### **(C) *Individuals and companies with no tax residency in Spain***

Non-Spanish resident individuals that acquire ownership or other rights over the Securities by inheritance, gift or legacy, will not be subject to IGT provided that the Securities were not located in Spain and the rights deriving from them could not be exercised within Spanish territory.

The acquisition of Securities by non-resident companies is not subject to the IGT, as income obtained will be subject to the NRIT.

### **Value Added Tax, Transfer Tax and Stamp Duty**

Acquisition and transfer of Securities, in principle, shall not trigger Transfer Tax and Stamp Duty, nor will they be taxable under Value Added Tax.

### **Swedish Tax Considerations**

There is no Swedish withholding tax at source (källskatt) applicable on payments made by the issuer in respect of the Securities. However, Sweden operates a system of preliminary tax (preliminärskatt) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments of interest in respect of the Securities made to any individuals, or estates, that are resident in Sweden for tax purposes provided the paying entity is subject to reporting obligations. A preliminary tax of 30 per cent. will also be deducted from any other payments in respect of the Securities not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

## **United States Tax Considerations**

### **Foreign Account Tax Compliance Withholding**

On 18 March 2010, the Foreign Account Tax Compliance Act (commonly known as "FATCA") was signed into law. Under certain circumstances, FATCA could impose a withholding tax of 30% on payments made with respect to the Securities. The withholding tax may be imposed at any point in a series of payments unless the payee complies with certain information reporting and related requirements. In the case of a foreign financial institution, no withholding generally will be imposed if it enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners). Other payees, including individuals, may be required to provide proof that they are not U.S. persons or, in the case of non-financial foreign entities, certain certification or information relating to U.S. ownership of the entity. In some cases, the ultimate recipient of payments might be eligible for refunds or credits of any withheld taxes. However, even if such recipient is entitled to have any such withholding refunded, the required procedures could be cumbersome and significantly delay the receipt of any withheld amounts. Investors should also consult their bank or broker through which they would hold the Securities about the likelihood that payments to it (for credit to the investor) may become subject to withholding in the payment chain.

In general, FATCA will only apply to payments made on or after 1 January 2019, and will generally not apply to Securities unless they are treated as giving rise to "foreign passthru payments" and are (i) issued after the date that is six months after the U.S. Treasury Department issues final regulations defining "foreign passthru payments" (provided that after this date, the terms of the Securities are not modified in a way that could cause the Securities to be treated as reissued for U.S. tax purposes) or (ii) lack a stated expiration or term (including, for example, Open End Securities). Prospective purchasers of Securities should consult their own tax advisers regarding FATCA.

A number of countries have entered into, and other countries are expected to enter into, agreements with the U.S. to facilitate the type of information reporting required under FATCA. While the existence of such agreements will not eliminate the risk that Securities will be subject to the withholding described above, these agreements are expected to reduce the risk of the withholding for investors in (or investors that indirectly hold Securities through financial institutions in) those countries. The U.S. has entered into such agreements with the United Kingdom and Germany. Under these agreements, a financial institution that is resident in the United Kingdom or Germany and meets the requirements of the applicable agreement will not be subject to FATCA withholding on payments it receives and generally will not be required to withhold from non-U.S. source income payments that it makes, including payments on the Securities.

The Issuer will not pay any additional amounts in respect of this withholding tax (or any other tax), so if this withholding applies, the investor will receive less than the amount that it would have otherwise received.

#### Dividend Equivalent Payments

Section 871(m) of the Internal Revenue Code provides for a 30 per cent. withholding tax (subject to reduction under an applicable treaty) on "dividend equivalent" payments that are paid to foreign investors with respect to certain financial instruments that reference the performance of a United States equity. Under these rules, if a Security that is issued after 1 January 2017 provides for "delta-one" exposure to the performance of shares of a United States corporation, the Issuer is obligated to impose United States withholding tax in respect of the actual dividends that are paid on the shares of the corporation (or corporations) that are referenced by the Securities even if the Issuer does not actually transmit such amounts to the holder. This tax will also apply if Securities provides for delta-one exposure to an index or basket that includes shares of a United States corporation, unless as discussed below, the index or basket constitutes a "qualified index". If the index or basket is not a "qualified index", the tax will only apply to the dividends on shares of the United States corporations that are included in the index. A Security will generally be treated as providing for a "delta-one" position if it provides for 100 per cent. participation in all of the appreciation and depreciation in the performance of the shares that are referenced by the Security during the term of the Security. The Issuer will state in the Final Terms for a Security that references the performance of a United States equity if the Issuer has determined that the Security is a "delta-one" Security that is subject to Section 871(m) withholding tax.

If a Security is subject to the Section 871(m) withholding tax described above, each dividend that is paid on a U.S. equity that is referenced by the Security will be subject to a withholding tax at the time that the dividend is paid (or, in certain cases, at the close of the quarter upon which the dividend is paid) even though the Issuer will not make any distributions on the Security until the redemption or maturity of the Security. The Issuer will remit the withholding tax to the Internal Revenue Service. The Issuer will not reduce the amount that is due under the Security by the amount of the Section 871(m) withholding tax. Rather, the Issuer will be deemed to have paid the amount of the Section 871(m) tax to the holder and then paid such



amount on your behalf to the Internal Revenue Service. The Issuer expects, however, that as a general matter, any Security that is subject to the Section 871(m) tax will reference a net dividend index or basket in which the dividend amount that is included in the index or basket will be reduced by the amount of withholding tax that would be imposed on a direct foreign holder of the United States stocks that are referenced by the Security (which is the same rate as the Section 871(m) tax). In addition, the withholding tax rate that will be used to determine the Section 871(m) withholding tax as well as the net dividend that is included in the index or basket that is referenced by the Security will not take into account any reduced rate to which a holder may be entitled under an applicable tax treaty. In such a case, the asset, index or basket that is referenced by the Security will only be increased by the "net" dividends that are paid with respect to the equities that are referenced by the Security (i.e., the increase will be net of the withholding tax described in this paragraph). The tax will be imposed at the full withholding tax rate even if the holders are otherwise eligible for a reduction in the rate under an applicable treaty. In addition, the holder may not receive the necessary information reporting to enable the holder to claim a refund for the excess of the withholding tax over the tax that would be imposed under an applicable treaty. Furthermore, the holder may not be able to claim a credit for the payment of the Section 871(m) withholding tax in the holder resident tax jurisdiction, and therefore it should consult a tax advisor in such jurisdiction as to whether he will be able to claim such a credit. The withholding tax that the Issuer collect will completely satisfy a Security holder's Section 871(m) tax liability and therefore no other withholding agent (including any financial intermediaries in the chain of ownership for the Securities) will be obligated to impose any additional Section 871(m) tax with respect to the Securities.

Section 871(m) withholding tax will generally not apply to a Security that references a qualified index even if it is otherwise a "delta-one" Security. A "qualified index" is an index that is passive, diverse, widely used by numerous market participants, and that satisfies a number of technical requirements that are set forth in Treasury Regulations. Even if an index otherwise constitutes a "qualified index", a Security may not be treated as referencing a "qualified index" with respect to a particular holder if the holder holds a related short position in one or more of the component securities in the index (other than a short position in the entire index, or a "de minimis" short position with a value of less than 5 per cent. of the value of the long positions in the index). Because of this possibility, custodians and other withholding agents may require a holder of a Security that references a "qualified index" to make representations or certifications regarding the nature of any short positions that it holds with respect to the components of the index and it is possible that a custodian or other withholding agent will impose the Section 871(m) withholding tax if it does not receive a satisfactory representation or certification or if it otherwise concludes that the holder may hold a related short position described above.

In addition, a holder may be subject to Section 871(m) even if it holds a Security that is not a "delta-one" Security under the rules described above if (a) the holder's position under the Security would be "delta-one" when combined with other related positions that are held by the holder or (b) if a principal purpose for the holder's investment in the Security is to avoid the

application of Section 871(m), in which case a special Section 871(m) anti-abuse rule could apply to the holder's investment in the Securities. In such a case, a United States alien holder may be liable for Section 871(m) tax in respect of its Securities even when no withholding is required in respect of the Securities.

Furthermore, Securities that are issued on or after 1 January 2019 may be subject to Section 871(m) even if they are not a "delta-one" Security under the rules described above. It is possible that the Internal Revenue Service could assert that a Security that is issued before such date could be deemed to be reissued for tax purposes after 1 January 2019 upon (i) a rebalancing or adjustment of the asset, position, index or basket that is referenced by the Security or (ii) the substitution of a New Issuer in place of the Issuer of a Security. In such a case, a Security that is originally issued before 1 January 2019 and is not "delta-one" (and is thus originally not subject to Section 871(m)) could be subject to Section 871(m) after the deemed reissuance.

In addition, while Securities that are issued before 1 January 2019 should generally be grandfathered from FATCA (as described above under "*Foreign Account Tax Compliance Withholding*"), any payments on the Securities that are subject to the Section 871(m) withholding tax may also be subject to FATCA withholding if an investor or intermediary does not comply with the applicable FATCA certification and identification requirements.

The application of Section 871(m) to the Securities is complex, and there may be uncertainties regarding the application of Section 871(m) to the Securities. If the holder is a United States alien holder, he should consult his tax advisor about the application of Section 871(m) to the Securities.

It has to be noted that according to a circular IV B 5 – S 1301-USA/07/10005 dated 23 December 2016 of the German Federal Ministry of Finance with respect to dividend equivalent payments pursuant to Section 871(m) of the Internal Revenue Code, US-withholding tax on dividend equivalent payments is not creditable against German income tax of an investor. In the absence of a crediting, a double taxation of the investor might arise.

Further information (if any) may be specified under "Information in relation to Section 871(m) of the Internal Revenue Code" under "Other information" in the applicable Final Terms.

**XI. SELLING RESTRICTIONS**

Save for the approval of this Base Prospectus by the Competent Authority, and the notification of such approval to the competent authorities of Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom, no action has been or will be taken by the Issuer or the Guarantor that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers or sales of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer or the Guarantor.

**The United States**

Neither the Securities nor the Guarantee in respect of the Issuer's obligations in relation to the Securities has been or will be registered under the Securities Act and neither the Securities nor the Guarantee may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in transactions exempt from the registration requirements of the Securities Act. Trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act or by any other state securities commission nor has the Commodity Futures Trading Commission or any other state securities commission passed upon the accuracy or the adequacy of the Base Prospectus. The Base Prospectus may not be used in the United States and may not be delivered in the United States.

The Securities will not be directly or indirectly offered, sold, traded or delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act).

Each dealer is required to agree that it will not offer or sell the Securities, (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Series of which such Securities are a part, as determined and certified to the Issuer by the dealer (or, in the case of a Series of Securities sold to or through more than one dealer, by each of such dealers as to Securities of such Series purchased by or through it, in which case such Issuer shall notify each such dealer when all such dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons. Each dealer is obliged to send to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities in the United States or to, or for the account or benefit of, U.S. persons.

The term "**United States**" as used herein means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities. The term "**U.S. person**" as used

herein means any person who is a U.S. person as defined in Regulation S under the Securities Act.

Unless otherwise specified in the Final Terms relating to a Security the purchaser (or transferee) and each person directing such purchase (or transfer) on behalf of such holder will represent, or will be deemed to have represented and warranted, on each day from the date on which the purchaser (or transferee) acquires the Securities through and including the date on which the purchaser (or transferee) disposes of its interest in the Securities, that the funds that the purchaser (or transferee) is using to acquire the Securities are not the assets (i) of an "employee benefit plan" (as defined in Section 3(3) of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibility provisions of ERISA, (ii) a "plan" that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), (iii) any entity whose underlying assets include "plan assets" by reason of any such employee plan's or plan's investment in the entity, or (iv) a governmental, church, non-U.S. or other plan that is subject to any law or regulation that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

#### *Transfer Restrictions*

Each purchaser of any Security, or interest therein, offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (a) the purchaser (i) is, and the person (if any) for whose account it is acquiring such Security is, outside the United States and is not a U.S. person, and (ii) is acquiring the offered Securities in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Securities have not been and will not be registered under the Securities Act and that the Securities are being distributed and offered outside the United States in reliance on Regulation S;
- (c) by its purchase of the Securities, on each day from the date on which the purchaser acquires the Securities through and including the date on which the purchaser disposes of its interest in the Securities, the funds that the purchaser is using to acquire the securities are not the assets of an "employee benefit plan" (as defined in Section 3(3) of Title I of ERISA) that is subject to the fiduciary responsibility provisions of ERISA, a "plan" that is subject to Section 4975 of the Code, any entity whose underlying assets include "plan assets" by reason of any such employee plan's or plan's investment in the entity, or a governmental, church, non-U.S. or other plan that is subject to any law or regulation that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code;
- (d) the purchaser acknowledges that the Issuers, the dealer(s), their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements; and
- (e) the purchaser understands that such Security will bear legends substantially in the form set forth in capital letters below.

Each Security offered and sold in reliance on Regulation S will bear legends to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO U.S. PERSONS (AS THOSE TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR ANY OTHER JURISDICTION.

BY ITS PURCHASE OF THE SECURITIES, THE PURCHASER (OR TRANSFEREE) AND EACH PERSON DIRECTING SUCH PURCHASE (OR TRANSFER) ON BEHALF OF SUCH HOLDER WILL REPRESENT, OR WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER (OR TRANSFEREE) ACQUIRES THE SECURITIES THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER (OR TRANSFEREE) DISPOSES OF ITS INTEREST IN THE SECURITIES, THAT THE FUNDS THAT THE PURCHASER (OR TRANSFEREE) IS USING TO ACQUIRE THE SECURITIES ARE NOT THE ASSETS OF AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY, OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE."

#### **Public Offer Selling Restrictions Under The Prospectus Directive**

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

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of this Base Prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any this Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in the Base Prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

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

For the purposes of this provision, the expression "**offer of the Securities to the public**", in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information about the conditions of the offer and the Securities to be offered to enable an investor to decide whether to purchase or subscribe the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

#### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Any offeror of Securities will be required to represent and agree that:

- (a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reason-

able to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the relevant Guarantor or, in the case of GSI, would not if it was not an authorised person, apply to GSI; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### **Argentina**

The offering of Securities has not been authorised by, and the Securities have not been registered with, the Argentine Securities Commission (*Comisión Nacional de Valores*, "CNV"). The CNV has not approved any document related to the offering of the Securities in Argentina. The Securities will not be offered or sold in Argentina except in transactions that will not constitute a public offering of securities within the meaning of Sections 2 and 83 of the Capital Markets Law No. 26,831, as amended.

### **Austria**

For selling restrictions in respect of Austria, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

### **Bahamas**

This Base Prospectus in connection with the offer of Securities by the Issuer has not been filed with the Securities Commission of The Bahamas because such offering is exempted from prospectus filing requirements of the Securities Industry Act, 2011. No offer or sale of any Securities of the Issuer can be made in The Bahamas unless the offer of the Securities is made by or through a firm which is registered with the Securities Commission of The Bahamas to engage in the business of dealing in securities in The Bahamas and in compliance with Bahamian Exchange Control Regulations.

The Securities can be offered outside of The Bahamas, without restriction, provided that all relevant documentation is signed outside of The Bahamas, except that persons or entities designated or deemed "resident" for the purposes of Bahamian Exchange Control Regulations will require the prior approval of The Central Bank of The Bahamas.

### **Belgium**

For selling restrictions in respect of Belgium, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

In addition, any offeror of Securities will be required to represent and agree that it will not offer for sale, sell or market Securities to any person qualifying as a consumer within the meaning of Article I.1.2 of the Belgian Code of Economic Law, as amended from time to time, unless such offer, sale or marketing is made in compliance with this Code and its implementing regulation.

### **Brazil**

The Securities may not be offered or sold to the public in Brazil. Accordingly, the Securities have not been and will not be registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários), nor have they been submitted to the foregoing agency for approval. Documents relating to the Securities, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of Securities is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil. A seller of the Securities may be asked by the purchaser to comply with procedural requirements to evidence previous title to the Securities and may be subject to Brazilian tax on capital gains which may be withheld from the sale price. Persons wishing to offer or acquire the Securities within Brazil should consult with their own counsel as to the applicability of these registration requirements or any exemption therefrom.

### **British Virgin Islands ("BVI")**

This Base Prospectus is not an offer to sell, or a solicitation or invitation to make offers to purchase or subscribe for, the Securities or any other securities or investment business services in the BVI. This Base Prospectus may not be sent or distributed to persons in the BVI and the Securities are not available to, and no invitation or offer to subscribe, purchase or otherwise acquire the Securities will be made to, persons in the BVI. However, the Securities may be offered and sold to business companies incorporated in the BVI and international limited partnerships formed in the BVI, provided that any such offering and sale is made outside the BVI or is otherwise permitted by BVI legislation.

Although not currently in force, it is possible that Part II of the Securities and Investment Business Act, 2010 of the BVI ("**SIBA**") will be brought into force and become law in the BVI in the near future. Upon Part II of SIBA coming into force, the Securities may not, and will not, be offered to the public or to any person in the BVI for purchase or subscription by or on behalf of the Issuer. The Securities may continue to be offered to business companies incorporated in the BVI and international limited partnerships formed in the BVI, but only where the offer will be made to, and received by, the relevant company or limited partnership outside of the BVI. Once Part II of SIBA comes into force, the Securities may also be offered to persons located in the BVI who are "qualified investors" for the purposes of SIBA.

This Base Prospectus has not been reviewed or approved by, or registered with, the Financial Services Commission of the BVI and will not be so registered upon Part II of SIBA coming into force.



## **Bulgaria**

For selling restrictions in respect of Bulgaria, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

## **Cayman Islands**

None of the Preference Shares or the EIS Notes shall be sold to or offered by way of subscription to any member of the public in the Cayman Islands.

## **Chile**

The Issuer and the notes are not registered with the Chilean Securities and Insurance Commission (Superintendencia de Valores y Seguros, "SVS") pursuant to Ley No. 18,045 (Ley de Mercado de Valores, "**Securities Market Act**"), as amended, of the Republic of Chile and, accordingly, no person shall offer or sell the notes within Chile or to, or for the account or benefit of persons in Chile except in circumstances which have not resulted and will not result in a public offering and/or in the conduct of intermediation (*funciones de intermediación*) within the meaning of Chilean law.

This offer begins on the date of issuance of the Final Terms. This offer of securities complies with General Rule N°336 of the Chilean Superintendency of Securities and Insurances. Since the securities to which this offer refers have not been registered in the Foreign Securities Registry of the SVS, they are not subject to the supervision of such entity. As this offer of securities refers to not registered securities, there is no obligation of the issuer of the securities to deliver in Chile public information regarding the securities. These securities may not be publicly offered in Chile as long as they are not registered on the corresponding Securities Registry.

*The above paragraph has to be reproduced in Spanish in order to comply with the General Rule N°336. Therefore, the following paragraph is only a translation into Spanish of this paragraph's disclaimers and does not contain any additional statement.*

*Esta oferta comienza el día que se emitan los Final Terms. Esta oferta de valores cumple con la Norma de Carácter General 336 de la SVS. Dado que esta oferta versa sobre valores no inscritos en el Registro de Valores Extranjeros que lleva dicha Superintendencia, tales valores no están sujetos a la fiscalización de ésta. Como esta oferta de valores se refiere a valores no inscritos, no existe la obligación por parte de su emisor de entregar en Chile información pública respecto de dichos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.*

## **Colombia**

The issuance of the Securities, as well as trading and payments in respect of the Securities, will occur outside Colombia.

Any promotional material in respect of the Securities is for the sole and exclusive use of the purchaser of Securities and cannot be understood as addressed to, or be used by, any third party including those for which the purchaser may act as proxy, agent or representative.

The Securities have not been and will not be offered in Colombia through a public offering pursuant to Colombian laws and regulations and neither will they be registered in the Colombian National Registry of Securities and Issuers or on the Colombian Stock Exchange.

The purchaser of Securities acknowledges the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment made in connection with the Securities and represents that he/she/it is the sole liable party for full compliance with any such laws and regulations.

The investment in the Securities is a permitted investment for him/her/it under his/her/its corporate bylaws and/or particular investment regime that may be applicable.

### **Costa Rica**

This is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendence of Securities ("**SUGEVAL**"), pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities (Reglamento sobre Oferta Pública de Valores). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica.

The product being offered is not intended for the Costa Rican public or market and neither is it registered or will be registered before the SUGEVAL, nor can it be traded in the secondary market.

### **Czech Republic**

For selling restrictions in respect of the Czech Republic, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above, with the following exceptions:

"Qualified investors" for the purpose of Czech offering are (a) persons specified in Article 2a paragraph 1 and 2 of Act No. 256/2004 Coll., on Capital Markets Undertakings, as amended (the "**Czech Capital Markets Act**") and/or (b) persons which are considered as professional customers under Article 2b of the Czech Capital Markets Act, to the extent of trading or investment instruments relating to the offered securities.

The monetary amount relevant for the exemption from the obligation to publish a securities prospectus under Article 3 (2) (c), (d), and (e) of the Prospectus Directive is determined by the applicable governmental regulations, as amended and/or replaced from time to time.

### **Denmark**

This Base Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in the Kingdom of Denmark. The Securities have not been offered or sold and may not be offered, sold or delivered directly or indirectly in

Denmark, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities and executive orders issued pursuant thereto as amended from time to time.

### **Dominican Republic**

The issuance, circulation and offering of the Securities has a strictly private character, falling beyond the scope of article 4 of Law 19-00 dated 8 May, 2000 and therefore no governmental authorisations are required in this issuance, circulation and offering.

### **El Salvador**

The recipient of this documentation hereby acknowledges and states that the same has been provided by the Issuer under his direct and express request and instructions, and on a private placement basis.

### **Finland**

For selling restrictions in respect of Finland, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

### **France**

Any offeror of the Securities and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and that such offers, sales and distributions have been and shall only be made in France to (i) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, (iii) a restricted group of investors (*cercle restreint d'investisseurs*) acting for their own account and/or (iv) other investors in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French *Code monétaire et financier* and the *Règlement général* of the *Autorité des marchés financiers* ("AMF"), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1, D.411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* and other applicable regulations. Accordingly, the offer of the Securities in France does not require a prospectus to be submitted to the AMF for its prior approval, and this Base Prospectus has not been approved by the AMF.

The direct or indirect resale of Securities to the public in France may be made only as provided by and in accordance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

### **Germany**

For selling restrictions in respect of Germany, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

## Greece

The Securities have not been approved by the Hellenic Capital Market Commission for distribution and marketing in Greece. This Base Prospectus, the relevant documents and the information contained therein do not and shall not be deemed to constitute an invitation to the public in Greece to purchase the Securities.

Any offeror of the Securities and the Issuer has represented and agreed that it has complied and will comply with: (i) the provisions of the Public Offer Selling Restriction Under the Prospectus Directive, described above; (ii) all applicable provisions of Law 3401/2005, implementing into Greek Law the Prospectus Directive; and (iii) all applicable provisions of Law 3606/2007, with respect to anything done in relation to any offering of any Securities or advertisement, notice, statement or other action involving Securities in, from or otherwise involving the Hellenic Republic.

## Hong Kong

No advertisement, invitation or document relating to the Securities may be issued, or may be in the possession of any person for the purpose of issue, (in each case whether in Hong Kong or elsewhere), if such advertisement, invitation or document is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong, the "SFO") and any rules made thereunder. In addition, in respect of Securities which are not a "structured product" as defined in the SFO, the Securities may not be offered or sold by means of any document other than (i) to "professional investors" within the meaning of the SFO and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32, Laws of Hong Kong, the "CO") or which do not constitute an offer to the public within the meaning of the CO.

## Hungary

This offering of Securities is exempt from the obligation to publish a prospectus, if it complies with the terms regulated in Article 3 (2) of the Prospectus Directive (and, as transposed, in Section 14 (1) of Hungarian Act CXX of 2001 on the Capital Market) (hereinafter: "Exempt Offering"). This offering of Securities is an Exempt Offering under Section 14 (1) of Hungarian Act CXX of 2001 on the Capital Market in either of the below cases:

- (a) Securities are exclusively offered to qualified investors;
- (b) Securities are offered to less than one hundred and fifty persons not considered as qualified investors in each EEA Member State;
- (c) Securities are exclusively offered to investors each purchasing for at least one hundred thousand euro, or its equivalent in any other currency, from the Securities offered;

- (d) the face value of the Securities offered is at least one hundred thousand euro, or its equivalent in any other currency; or
- (e) the total consideration for all securities in the EU included in the offer does not exceed one hundred thousand euro, or its equivalent in any other currency, within twelve months from the date of announcement of the offer;
- (f) a limited company is created by the transformation of a cooperative society and its shares are offered exclusively to the members and shareholders of the predecessor.

If the Offering is an Exempt Offering, neither this Base Prospectus nor Hungarian law requires preliminary approval or notification to the Hungarian National Bank. However, on the basis of Sections 16 and 18 of Hungarian Act CXX of 2001 on the Capital Market the equal distribution of information to all investors on the material information of the market, economic, financial and legal situation and prospects of the issuer and the information necessary to assess the rights attaching to the underlying instruments must be ensured by the agents distributing the underlying instruments, and any written Base Prospectus must indicate the private nature of the offering. In line with Section 17 of Hungarian Act CXX of 2001 on the Capital Market the completion of the private placement in Hungary requires subsequent notification to the Hungarian National Bank within 15 days of completion.

The respective Security may also be offered in Hungary:

- (a) if the offering of Securities is an Exempt Offering; and
- (b) the Pricing Supplement of the respective Security provides that an Exempt Offering may be conducted in Hungary, and
- (c) the Issuer complies with the Hungarian rules applicable to the Exempt Offering of the respective Security.

If the offering of Securities is not an Exempt Offering and the approval of this Base Prospectus requires notification to the Hungarian National Bank, the Issuer(s) will only offer the Securities to the public in Hungary, if all rules specified in the Capital Market Act on such offering are complied with.

## **Ireland**

In addition to the circumstances referred to in the section entitled "Public Offer Selling Restrictions under the Prospectus Directive", each offeror of Securities will be required to represent, warrant and agree that it has not offered, sold, placed or underwritten and that it will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended by the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012) and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the "**2005 Act**");

- (ii) the Companies Acts 1963 to 2012;
- (iii) the European Communities (Markets in Financial Securities) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (iv) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of the 2005 Act, and will assist the Issuer in complying with its obligations thereunder; and
- (v) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under section 117(1) of the Central bank Act 1989.

## Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”), as implemented by Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of 15 May 1999, as amended (“CONSOB Regulation No. 11971”) and by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (“CONSOB Regulation No. 16190”); or in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and its implementing CONSOB Regulations, including Article 34-ter, first paragraph, of CONSOB Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Financial Services Act affects the transferability of the Securities in the Republic of Italy to the extent that any placing of the Securities is made solely with qualified investors and such Securities are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Securities who are acting outside of the course of their business or profession may be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Securities were purchased, unless an exemption provided for by the Financial Services applies.*

### **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "FIEA" and, accordingly, each Dealer has agreed and each further Dealer to be appointed under the Programme will be required to agree that it will not offer or sell any Securities, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Jersey**

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Securities and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

## **Liechtenstein**

For selling restrictions in respect of Liechtenstein, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

## **Luxembourg**

For selling restrictions in respect of Luxembourg, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

## **Mexico**

The Securities have not been and will not be registered with the Mexican National Securities Registry (Registro Nacional de Valores), maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria de Valores), and may not be offered or sold publicly in Mexico. The Securities may be sold in Mexico, by any person, including the Issuer, to Mexican institutional and accredited investors pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores).

## **Norway**

For selling restrictions in respect of Norway, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above.

In no circumstances may an offer of Securities be made in the Norwegian market without Securities being registered in the VPS in dematerialised form, to the extent such Securities shall be registered, according to the Norwegian Securities Registry Act (*Nw. Verdipapirregisterloven, 2002*) and ancillary regulations.

## **Panama**

The Securities have not been and will not be Registered with the Superintendence of Capital Markets of the Republic of Panama under Decree law No.1 of July 8, 1999 (as amended to date, the "**Panamanian Securities Act**") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. These Securities do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Superintendence of Capital Markets of the Republic of Panama.

Institutional investors that purchase the Securities pursuant to the institutional investor exemption must hold the Securities for a year and during that period may only sell these securities to other institutional investors.

## **Paraguay**

This Base Prospectus does not constitute a public offering of securities or other financial products and services in Paraguay. Each purchaser of Securities acknowledges that the securities and financial products to be offered under this Programme will be issued outside of Paraguay.



Each purchaser of Securities acknowledges that any legal matter arising from any offer of Securities shall not be submitted to any Paraguayan government authority. Each purchaser of Securities acknowledges as well that the Paraguayan Deposit Insurance legislation does not cover the products offered hereby or assets or funds allocated for these purposes. The Paraguayan Central Bank, the Paraguayan National Stock Exchange Commission and the Paraguayan Banking Superintendence do not regulate the offering of these products or their undertaking. Each purchaser of Securities should make his own decision whether this offering meets his investment objectives and risk tolerance level.

## Peru

The Securities and this Base Prospectus have not been registered in Peru under the *Decreto Supremo N° 093-2002-EF: Texto Único Ordenado de la Ley del Mercado de Valores, Decreto Legislativo No. 861* and cannot be offered or sold in Peru except in a private offering under the meaning of Peruvian securities laws. The Peruvian Securities Law (*Ley del Mercado de Valores*) provides that an offering directed exclusively to "institutional investors" (as such term is defined under the Seventh Final Disposition of the Peruvian Securities Market Commission's (*Comisión Nacional Supervisora de Empresas y Valores – "CONASEV"*) Resolution No. 141-987-EF/94-10) qualifies as a private offering. The Securities acquired by institutional investors in Peru cannot be transferred to a third party, unless such transfer is made to another institutional investor or the Securities have been registered with the *Registro Público del Mercado de Valores*.

## Poland

An offeror of Securities has represented and agreed, and each further offeror appointed under this Base Prospectus will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in Poland except that it may, make an offer of such Securities to the public in Poland:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than in situations mentioned in Article 7 section 4 of the Polish Act on Public Offers and conditions of introducing financial instruments to organised trading and on public companies of 29 July 2005 (as amended) ("**Act on Public Offers**") (a "**Non-exempt Offer**"), when a Base Prospectus in relation to such Securities has been approved in another Member State of the European Economic Area and notified to the Polish Financial Supervision Authority, provided that the Base Prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Directive 2003/71/EC (as amended) and its implementing measure in the relevant Member State, in the period beginning and ending on the dates specified in the Base Prospectus or final terms as applicable, and an offeror has consented in writing to its use for the purpose of that Non-exempt Offer; or
- (b) at any time to any legal entity which is a professional client as defined in Article 3 item 39b) of the Polish Act on Trading in Financial Instruments of 29 July 2005 (as amended); or

(c) at any time in any other circumstances falling within Article 7 section 4 of the Act on Public Offers that described in (b) above.

For the purposes of this provision, the expression "an offer of Securities to the public" in relation to any Securities in Poland means public offer as defined in Article 3 section 1 of the Act on Public Offers, i.e. the communication in any form and by any means of sufficient information on the subscription terms and the Securities to be offered so as to enable an investor to decide to subscribe the Securities, which is at any time addressed to at least 150 natural or legal persons or an unspecified addressee. An offeror of Securities acknowledges that the acquisition and holding of Securities by residents of Poland may be subject to restrictions imposed by Polish law (including foreign exchange regulations) and that the offers and sales of Securities to Polish residents or within Poland in secondary trading may also be subject to restrictions.

### **Portugal**

The Securities may only be offered in Portugal in compliance with the provisions of the Portuguese Securities Code (*Código dos Valores Mobiliários*, approved by the Decree-Law 486/99, of November 13, as amended) and other laws and regulations applicable to the offer and sale of the Securities in Portugal. This Base Prospectus has not been verified by the Portuguese Securities Exchange Commission (*Comissão do Mercado de Valores Mobiliários*, or the "CMVM") and the Securities are not registered therewith for public offer in Portugal. The recipients of this Base Prospectus and other offering materials in respect of the Securities are qualified investors, targeted exclusively on the basis of a private placement, all as defined in and in accordance with articles 30, 109 and 110 of the Portuguese Securities Code. Accordingly, the Securities must not be, and are not being, offered or advertised, and no offering or marketing materials relating to the Securities may be made available or distributed in any way that would constitute a public offer under the Portuguese Securities Code (whether at present or in the future).

### **Saudi Arabia**

Securities may not be offered or sold to any person (which term includes any individual or legal entity) in the Kingdom of Saudi Arabia, and the Base Prospectus and the relevant Final Terms may not be made available or delivered to any person (which term includes any individual or legal entity) in the Kingdom of Saudi Arabia in connection with the offering, sale or advertising of the Securities.

### **Singapore**

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA").

Where the Securities are:

- (i) linked to Underlying Assets which are shares or units of shares (other than shares or other units of a fund or a collective investment scheme) of a corporation (whether incorporated in Singapore or elsewhere) or debentures or units of debentures of an entity, interests in a limited partnership or limited liability partnership formed in Singapore or elsewhere, or such other product or class of products prescribed by the MAS ("**Non-CIS Reference Items**"); or
- (ii) linked to Underlying Assets which fall within the ambit of a "collective investment scheme" (as defined in the SFA) (the "**CIS Reference Items**"), but do not entitle the holder of the Securities to physical delivery of the CIS Reference Items:

This Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities or the Non-CIS Reference Items may not be circulated or distributed, nor may the Securities or the Non-CIS Reference Items be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities or Non-CIS Reference Items are subscribed for or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities or Non-CIS Reference Items pursuant to an offer made under Section 275 or the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;

- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Securities are linked to CIS Reference Items and do provide for a right to physical delivery of the CIS Reference Items (whether such right is contingent on the fulfilment of any condition or not), the offer or invitation of the Securities and CIS Reference Items, which is the subject of this Base Prospectus, does not relate to a collective investment scheme which is authorised under Section 286 of the SFA or recognised under Section 287 of the SFA. The Programme and the Issuer are not authorised or recognised by the MAS and the Securities and the CIS Reference Items are not allowed to be offered to the retail public. This Base Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA, and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you.

This Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities or CIS Reference Items may not be circulated or distributed, nor may the Securities or CIS Reference Items be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities or CIS Reference Items are subscribed for or purchased under Section 305 by a relevant person which is:

- (c) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (d) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities or CIS Reference Items pursuant to an offer made under Section 305 of the SFA except:

- (6) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;

- (7) where no consideration is or will be given for the transfer;
- (8) where the transfer is by operation of law;
- (9) as specified in Section 305A(5) of the SFA; or
- (10) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

### **Slovak Republic**

For selling restrictions in respect of the Slovak Republic, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above, with the following exemption:

"Qualified investors" for the purpose of Slovak offering of securities are persons specified in Article 120 paragraph 6 of Act No. 566/2001 Coll., on Securities and Investment Services and on amendment of another laws, as amended.

### **South Africa**

This Base Prospectus does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and subscribe for securities to the public as defined in the South African Companies Act, 2008 (as amended) (the "**South African Companies Act**"). This Base Prospectus does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in section 95(1)(k) of the South African Companies Act) prepared and registered under the South African Companies Act.

This Base Prospectus may only be distributed in South Africa to banks, mutual banks or insurers as registered under the applicable South African legislation and acting as principals and to a wholly owned subsidiary of a bank, mutual bank or long-term or short-term insurer acting as agent in the capacity of an authorised portfolio manager for a pension fund (registered in terms of the South African Pension Funds Act, 1956) or as a manager for a collective investment scheme (registered in terms of the South African Collective Investment Schemes Control Act, 2002) as prospective investors pursuant to section 96(1)(a) of the South African Companies Act or where the total contemplated acquisition cost of securities, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Base Prospectus should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, 2002.

### **Spain**

This Base Prospectus has not been and it is not envisaged to be approved by, registered or filed with, or notified to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores). It is not intended for the public offering or sale of Securities in Spain and does not constitute a prospectus (registration document or securities note) for the public

offering of Securities in Spain. Accordingly, no Securities may be offered, sold, delivered, marketed nor may copies of this Base Prospectus or any other document relating to the Securities be distributed in Spain, and investors in the Securities may not sell or offer such Securities in Spain other than in compliance with the requirements set out by articles 30 bis of the Securities Markets Law and 38 of Royal Decree 1310/2005 so that any sale or offering of the Securities in Spain is not classified as a public offering of securities in Spain.

The Securities may not be listed, offered, sold or distributed in Spain, except in accordance with the requirements set out in Spanish laws transposing the Prospectus Directive, in particular Law 24/1988 of 28 July of Securities Markets, (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated (the "**Securities Markets Law**"), and Royal Decree 1310/2005, of 4 November, on admission to trading of securities in official secondary markets, public offerings and prospectus, (*Real Decreto 1310/2004, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated (the "**Royal Decree 1310/2005**"), or any other related regulations that may be in force from time to time, as further amended, supplemented or restated.

### **Sweden**

For selling restrictions in respect of Sweden, please see "Public Offer Selling Restrictions Under The Prospectus Directive" above, with the difference that in addition to the exemptions in Article 3(2) of the Prospectus Directive, an offer of securities may be made to the public under the condition that the aggregated sum which the investors shall pay during a 12-month period within the EEA does not exceed an amount equivalent to EUR 2.5 million, cf. the Swedish Financial Instruments Trading Act (Sw: lag (1991:980) om handel med finansiella instrument), Chapter 2 Section 4 clause 5.

### **The Netherlands**

For selling restrictions in respect of The Netherlands, please see "Public Offer Selling Restrictions Under the Prospectus Directive" above.

### **Uruguay**

These Securities have not been registered with the Central Bank of Uruguay and will not be offered or sold in Uruguay through public offerings.

### **Venezuela**

The Securities may not be offered to the public in Venezuela and may not be sold or offered in Venezuela in any manner that may be construed as a public offering, as determined under Venezuelan securities laws. The Securities may be sold by means of a private offer through sales that do not constitute a public offering, as determined under Venezuelan securities laws.

## **XII. GENERAL INFORMATION**

### **1. Responsibility for the information in the Base Prospectus**

Goldman, Sachs & Co. Wertpapier GmbH, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany and Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany accept responsibility for the information provided in the Base Prospectus. They furthermore declare that the information contained in the Base Prospectus is, to the best of their knowledge, in accordance with the facts and that no material circumstances have been omitted.

### **2. Information from third parties**

The Issuer confirms that where information in the Base Prospectus has been sourced from third parties, such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. If additional information in the Final Terms has been sourced from third parties, the source from which such information has been obtained is mentioned in each case at the corresponding location.

### **3. Availability of the Base Prospectus**

The Base Prospectus and any supplements thereto are published by making them available free of charge at the office of the Issuer, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany and in such other form as may be required by law. Furthermore, the documents will be published on the website [www.gs.de/service/wertpapierprospekte](http://www.gs.de/service/wertpapierprospekte) and in case of offerings outside of Germany on the website specified in the applicable Final Terms. The Base Prospectus has been approved in this form by the Competent Authority. The Competent Authority has reviewed the formal completeness of the Base Prospectus as well as the coherence and clarity of the presented information. The Competent Authority has not examined the accuracy of the contents. The Final Terms of the Securities will not be fixed until shortly before the public offering and will be published at the latest on the first day of the public offering by making them available free of charge at the offices of the Issuer and in such other form as may be required by law. Furthermore, the Final Terms will be published on the website [www.gs.de](http://www.gs.de) (see relevant product site - retrievable by entering the relevant securities identification number for the respective Security in the search field) and/or on any other website set out in the applicable Final Terms.

### **4. Consent to use the Prospectus**

The Issuer consents, to the extent and under the conditions, if any, as specified in the relevant Final Terms, to the use of this Base Prospectus and accept responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of Securities by any financial intermediary which was given consent to use the Base Prospectus. Such consent is given for the duration of the Offer Period specified in the applicable Final Terms. In the case of an Offer Period which exceeds the duration of the validity of the Base Prospectus, the subsequent resale and final placement of the Securities by financial intermediaries can be made during the period in which a Succeeding Base Prospectus (as defined in the relevant Final Terms) exists. In this case, the consent to the use of the Base Prospectus also applies to the use

of the Succeeding Base Prospectus. Such consent may, as specified in the relevant Final Terms, be given for the duration of the Offer Period specified in the relevant Final Terms to:

- (1) all financial intermediaries (general consent) and for all Offer States; or
- (2) one or more specified financial intermediaries (individual consent) and either
  - (a) for all Offer States; or
  - (b) for selected Offer States only.

**"Offer States"** means one or more of the following Member States, as specified in the relevant Final Terms: Germany Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden and/or the United Kingdom.

The above consent is subject to compliance with the selling restrictions applicable to the Securities and with any applicable law. Each financial intermediary is obliged to only provide the Base Prospectus together with any supplement thereto (if any) to any potential investor.

**In the event that a financial intermediary makes an offer, that financial intermediary will inform investors at the time the offer is made of the terms and conditions of the offer as set out in the Final Terms.**

**If the relevant Final Terms state that the consent to use the Base Prospectus is given to all financial intermediaries in the respective Offer States (general consent), any financial intermediary using the Base Prospectus has to state on its website that it uses the Base Prospectus with the consent of the Issuer and in accordance with the conditions attached thereto.**

**If the relevant Final Terms state that the consent to use the Base Prospectus is given to one or more specified financial intermediaries in the respective Offer States (individual consent), any new information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the relevant Final Terms will be published on the website [www.gs.de/service/bekanntmachungen](http://www.gs.de/service/bekanntmachungen) for investors in Germany and Austria and/or [www.gsmarkets.nl/turbo/aankondigingen/](http://www.gsmarkets.nl/turbo/aankondigingen/) for investor in the Netherlands, Luxembourg, France and Belgium and/or [www.gspip.info](http://www.gspip.info) for investors in Liechtenstein.**



**XIII. INFORMATION INCORPORATED BY REFERENCE**

With respect to the information on Goldman, Sachs & Co. Wertpapier GmbH as Issuer of the Securities, reference in section "VII. Important information about the Issuer" is made pursuant to Section 11 German Securities Prospectus Act to pages 5 to 6, 12 to 17, F-1 to F-14 and G-1 to G-14 of the Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 28 February 2017 which has been approved by the Competent Authority.

With respect to the information on The Goldman Sachs Group, Inc. as Guarantor of the Securities, reference in section "VIII. Important information about the Guarantor" is made pursuant to Section 11 German Securities Prospectus Act to pages 7 to 9, 18 to 25 of the Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 28 February 2017 which has been approved by the Competent Authority.

Insofar as reference is made above to certain parts of the Registration Document, only these parts shall form part of this Base Prospectus and all other information contained in the Registration Document is either not relevant for the investor or is covered elsewhere in this Base Prospectus.

The Registration Document is available free of charge at Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main.

With respect to the information about The Goldman Sachs Group, Inc. as Guarantor of the Securities reference in section "VIII. Important information about the Guarantor" is made pursuant to Section 11 of the German Securities Prospectus Act to the following SEC Documents:

- the Proxy Statement 2016, filed with the SEC on 8 April 2016;
- the Form 10-K 2016, filed with the SEC on 27 February 2017;
- the Form 8-K 18 April 2017, filed with the SEC on 18 April 2017;
- the Form 10-Q First Quarter 2017, filed with the SEC on 4 May 2017;
- the Form 8-K 28 June 2017, filed with the SEC on 28 June 2017;
- the Form 8-K 18 July 2017, filed with the SEC on 18 July 2017;
- the Form 10-Q Second Quarter 2017, filed with the SEC on 4 August 2017;
- the Form 8-K 12 September 2017, filed with the SEC on 12 September 2017;
- the Form 8-K 17 October 2017, filed with the SEC on 17 October 2017; and
- the Form 10-Q Third Quarter 2017, filed with the SEC on 3 November 2017.

The SEC Documents have been filed with the SEC by the Guarantor and are available from the SEC website at [www.sec.gov](http://www.sec.gov) (under "Filing" – "Company Filings"). In connection with the approval of the Base Prospectus relating to the Euro Medium-Term Notes, Series F of The Goldman Sachs Group, Inc. dated 20 April 2017 (as supplemented) the SEC Documents have

### XIII. INFORMATION INCORPORATED BY REFERENCE

also been filed with the *Commission de Surveillance du Secteur Financier* (CSSF) in Luxembourg and are available from the website of the Luxembourg stock exchange at [www.bourse.lu](http://www.bourse.lu). In addition, the SEC Documents are available free of charge from Goldman Sachs International, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main.

## **SIGNATORIES**

Frankfurt am Main, 14 November 2017

Goldman Sachs International, Frankfurt Branch

signed by Gencer Alp

Goldman, Sachs & Co. Wertpapier GmbH

signed by Gencer Alp

signed by Lennart Wilhelm