

FINAL TERMS

relating to

COMMERZBANK AKTIENGESELLSCHAFT

SEK 250,000,000 Structured Notes of 2008/2012

to be offered under the
Notes/Certificates Programme

of

COMMERZBANK AKTIENGESELLSCHAFT

Date of the Final Terms: 6 February 2008

Series No.: SA5

Tranche No.: 1 of that Series

This document constitutes the Final Terms relating to the issue of Notes under the Notes/Certificates Programme of Commerzbank Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with the Base Prospectus dated 29 May 2007 as supplemented from time to time. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and supplements thereto, if any. The Base Prospectus and any supplements as well as these Final Terms will be available free of charge at the head office of the Issuer, Kaiserplatz, 60261 Frankfurt am Main, Federal Republic of Germany and at the following website of Commerzbank Aktiengesellschaft: www.newissues.de.

I. Terms and Conditions:

The Programme Terms and Conditions dated 29 May 2007 (the "**Programme Terms and Conditions**") shall be amended by incorporating the terms of the Final Terms, and by deleting all provisions not applicable to the respective Tranche of the respective Series (the "**Consolidated Terms**") in the form attached hereto as Annex 1. The Consolidated Terms shall replace the Programme Terms and Conditions in their entirety. If and to the extent the Consolidated Terms deviate from the Programme Terms and Conditions, the Consolidated Terms shall prevail.

II. Other Conditions

Issue Date	17 April 2008
Issue Price	110.0%
Offer Period	6 February 2008 (inclusive) until 28 March 2008 (inclusive)
Minimum subscription amount	SEK 10,000
Maximum subscription amount	Not Applicable
German Securities Identification No.	CB5WUE
Common Code	Not Applicable
ISIN	SE0002341735
Other security code(s)	Not Applicable
Listing	Nordic Derivatives Exchange
Stabilising Agent	None
Market Making	Commerzbank Aktiengesellschaft will under normal market conditions provide on a daily basis a purchase price and, if possible, a sale price. Such prices will only be valid on the relevant date. The purchase price will be determined at the sole discretion of the Issuer and may not reflect the market value of the securities.
Targeted investor category	Swedish retail investors

Additional Selling Restrictions	Not Applicable
Right to cancel	<p>The Issuer reserves the right to cancel the offer if, during the selling period, the nominal amount of purchases is less than SEK 30,000,000.</p> <p>If the nominal amount of purchases is above SEK 30,000,000 the Issuer is willing to issue for a nominal amount of up to SEK 250,000,000. Issuing above that nominal amount is subject to the Issuer's capacity.</p> <p>The Issuer reserves the right to cancel the offer if the Performance Factor (as defined in the Terms and Conditions in <u>Annex 1</u>) is less than 90% on the Trade Date.</p>
Additional Risk Factors	Not Applicable
Additional Taxation Disclosure	Not Applicable
Additional further Information	Not Applicable
Ratings	The Notes to be issued have not been rated.
Interests of natural and legal persons involved in the issue/offer	So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
Reasons for the offer, estimated net proceeds and total expenses	
(i) Reasons for the offer	The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.
(ii) Estimated net proceeds	Not Applicable
(iii) Estimated total expenses	SEK 255,000
Indication of yield	Not Applicable
Floating Rate Notes only - past and future interest rates	Not Applicable
Redemption Structured and Interest Structured Notes only - performance of and other information concerning the Underlying, explanation of effect on value of investment and associated risks	The information included herein with respect to the Company, the Shares and the Index (as defined in the Terms and Conditions in <u>Annex 1</u>) (the " Underlying ") consists only of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, the Issuer accepts no

responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlying of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.

Past performances and further information on the Fund Companies, the Fund Shares and the Indices can be obtained from the following web pages:

<http://www.standardandpoors.com>

<http://www.sectorspdrs.com>

For further information see Annex 1.

Annex 1

The following terms and conditions apply to the Notes issued as Series No. SA5 and Tranche No. 1 of that Series under the Notes/Certificates Programme of Commerzbank Aktiengesellschaft (the "**Programme**").

§ 1 (FORM, TRANSFERABILITY)

- (1) This issue of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in Swedish Kronor ("**SEK**") (the "**Issue Currency**") represented by notes (the "**Notes**") payable to Notholder and ranking *pari passu* among themselves in the denomination of SEK 10,000 each.
- (2) The Notes will be issued in dematerialised form and will only be evidenced by book entries in the system of the Swedish Central Securities Depository VPC AB, Box 7822, 103 97 Stockholm, ("**VPC**") for registration of securities and settlement of securities transactions (the "**VPC System**") in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). There will be neither global bearer securities nor definitive securities.
- (3) Transfers of the Notes and other registration measures shall be made in accordance with the Swedish Financial Instruments Accounts Act (1998:1479), the regulations, rules and operating procedures applicable to and/or issued by VPC (the "**CSD Rules**")
- (4) Holder of the Notes shall be any person that is registered on a VPC-account as holder of a Note or, where applicable, any other person acknowledged as the holder pursuant to the CSD Rules (the "**Noteholder**"). For nominee registered Notes the authorised nominee shall be considered to be the Noteholder.
- (5) The Issuer reserves the right to issue from time to time without the consent of the Noteholders another tranche of Notes with substantially identical terms, so that the same shall be consolidated to form a single series and increase the aggregate principal amount of the Notes. The term "**Notes**" shall, in the event of such consolidation, also comprise such additionally issued notes.

§ 2 (INTEREST)

The Notes shall not bear any interest.

§ 3 (REPAYMENT)¹

- (1) The Notes will be redeemed at the Final Redemption Amount on 4 May 2012 (the "**Redemption Date**").
- (2) The "**Final Redemption Amount**" shall be determined by the Calculation Agent in accordance with the following formula:

¹ Definitions of terms in capital letters are contained in § 3 paragraph 3.

$$FRA = N \times \left(100\% + PF \times \text{Max} \left(0; \frac{\text{Basket}_{\text{final}}}{\text{Basket}_{\text{initial}}} - 1 \right) \right) \times \frac{\text{Spot Rate}_{\text{final}}}{\text{Spot Rate}_{\text{initial}}}$$

where

FRA	=	Final Redemption Amount per Note
N	=	SEK 10,000
PF	=	Performance Factor
Basket _{final}	=	The arithmetic mean of the Reference Levels of the Basket on the Averaging Dates
Basket _{initial}	=	Initial Basket Level (SEK 10,000)
Spot Rate _{final}	=	USD/SEK Spot Rate on the Valuation Date
Spot Rate _{initial}	=	USD/SEK Spot Rate on the Strike Date

- (3) For the purposes of these Terms and Conditions of the Notes, the following definitions shall apply:

"Averaging Date" means any of the following dates: 21 October 2010, 22 November 2010, 21 December 2010, 21 January 2011, 22 February 2011, 21 March 2011, 21 April 2011, 23 May 2011, 21 June 2011, 21 July 2011, 22 August 2011, 21 September 2011, 24 October 2011, 21 November 2011, 21 December 2011, 23 January 2012, 21 February, 2012, 21 March, 2012 and the Valuation Date (19 Averaging Dates in total.).

If with respect to an Averaging Date the closing level of a the Index or the Reference Price of the Shares is not determined and published or if in the opinion of the Issuer there is a Market Disruption Event with respect to the Index or the Shares on an Averaging Date, then the Averaging Date for the affected Index or the Shares, as the case may be, shall be deemed to be the next calendar day on which the closing level of the Index or the Reference Price of the Shares, as the case may be, is again determined and published and on which there is no Market Disruption Event with respect to such Index or such Shares, as the case may be. For the avoidance of doubt: the Averaging Date for the Index which was determined and published without the occurrence of a Market Disruption Event or the Averaging Date with respect to the Reference Price of the Shares which was determined and published without the occurrence of a Market Disruption Event shall not be postponed.

If according to the provisions above the Valuation Date for the Index is postponed until the third Banking Day prior to the Redemption Date and if on this day the closing level of such Index is still not determined and published or if, in the opinion of the Issuer, a Market Disruption Event occurs with regard to such Index, then the Issuer will calculate the closing level of the Index on such date by applying the calculation method for the Index last in effect. For the purpose of such calculation, the Issuer will calculate the closing level of the Index on the basis of the prices of the securities comprising the Index on such day at the time the closing level of the Index is usually determined (the "**Calculation Time**"). If the trading of one or more securities being relevant for such calculation is limited or suspended on such date, the Issuer will estimate at its own discretion the price of the relevant securities at the Calculation Time after consultation with an independent expert and in consideration of the prevailing market conditions.

If according to the provisions above the Reference Price of the Shares for the Valuation Date is not determined for whatever reason (other than in the case of an Adjustment Event or a Share Extraordinary Event according to paragraph (4) below) until the third Exchange Business Day prior to the Redemption Date, then the Issuer will determine, in its sole discretion, the Reference Price of the Shares which would represent its fair market value.

"Banking Day" means a day on which commercial banks in Frankfurt am Main are open for business.

"Basket" means a basket composed of the Basket Components (each of them multiplied with the respective Multipliers):

"Basket Component" means the Index and the Fund and its Share, respectively.

"Conversion Rate" means an exchange rate of USD 1 = SEK 1.

"Company" or **"Fund Company"** means Select Sector SPDR Trust, Inc., consisting of separate investment portfolios, as more fully described in the Memorandum.

"Exchange" means the American Stock Exchange LLC (the "AMEX"), subject to adjustment in accordance with paragraph (4) below.

"Exchange Business Day" with respect to a Share means a day on which the Exchange is open for trading during its regular trading sessions, notwithstanding the Exchange closing prior to its scheduled weekday closing time without regard to after hours or any other trading outside of the regular trading session hours.

"Extraordinary Event" means the Index Extraordinary Event and/or the Share Extraordinary Event.

"Index" means the S&P 500 Index (Bloomberg Ticker: SPX Index) as calculated and published by Standard & Poor's Corporation (the **"Index Sponsor"**).

If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer as the new Index Sponsor (the **"Successor Index Sponsor"**), the Redemption Amount will be calculated on the basis of the Index being calculated and published by the Successor Index Sponsor and any reference made to the Index Sponsor shall, if the context so admits, then refer to the Successor Index Sponsor.

If at any time the Index is cancelled or replaced, the Issuer will determine another index on the basis of which the Redemption Amount shall be calculated (the **"Successor Index"**). The Successor Index as well as the time of its first application will be notified as soon as possible pursuant to § 12. Any reference made to the Index in these Terms and Conditions of the Notes shall, if the context so admits, then refer to the Successor Index.

If in the opinion of the Calculation Agent (i) the determination of a Successor Index in accordance with the above paragraph is not possible or (ii) if the Index Sponsor materially modifies the calculation method of an Index with effect on or before the Valuation Date, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to securities comprising the Index or with respect to any other routine measures) (each of such events an **"Index Extraordinary Event"**), then the Issuer may (a) continue (itself or through an independent expert determined by the Issuer) the calculation of the Index on the basis of the former concept of the Index and its last determined level or (b) early terminate the Notes in accordance with § 4 paragraph (3).

Adjustments take effect as from the date determined by the Issuer. Adjustments as well as the effective date shall be notified by the Issuer in accordance with § 12. Adjustments pursuant to this paragraph are, in the absence of a manifest error, binding on all parties.

"Initial Basket Level" means SEK 10,000.

"Market Disruption Event" means the occurrence or existence of any suspension of, or limitation imposed on, trading (by reason of movements in price exceeding the limits permitted by the Exchange or otherwise) in (a) the Shares on the Exchange, or (b) any options contracts or futures contracts relating to the Shares on any exchange on which such contracts are traded, provided that, in the reasonable discretion of the Issuer, in any such case such suspension or limitation is material.

A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only be deemed to be a Market Disruption Event in the case that such limitation is still prevailing at the time of termination of the trading hours on such date.

"Memorandum" means the full prospectus in relation to Select Sector SPDR Trust dated 31 January, 2007, as amended and supplemented from time to time.

"Multiplier" means

- with respect to the Share in the The Consumer Discretionary Select Sector SPDR Fund (CUSIP 81369Y407) denominated in USD: (SEK 10,000 x 1/3) divided by the Reference Price of such Share on the Strike Date converted into the Issue Currency at the Conversion Rate; and

- with respect to the Share in The Financial Select Sector SPDR Fund (CUSIP 81369Y605: (SEK 10,000 x 1/3) divided by the Reference Price of such Share on the Strike Date converted into the Issue Currency at the Conversion Rate; and

- with respect to the Index: (SEK 10,000 x 1/3) divided by the Reference Price of the Index on the Strike Date.

"Performance Factor" means a percentage to be determined by the Issuer on the Trade Date.

"Reference Level of the Basket" with respect to an Averaging Date means the sum of the Reference Prices of the Basket Components as published with respect to an Averaging Date, each of such Reference Prices multiplied with the respective Multiplier.

"Reference Price" means

- with respect to the Shares the closing price of the Shares as determined and published by the Exchange converted into SEK at the Conversion Rate; and

- with respect to the Index the closing level of such Basket Index as determined and published by the relevant Sponsor expressed in SEK where one point of each Basket Index shall be equal to SEK 1.00.

"Related Exchange" means the options and futures exchange with the highest trading volume of option contracts relating to the Shares. If option contracts on the Shares are not traded on any exchange, the Related Exchange shall be the options and futures exchange with the highest amount of option contracts relating to shares of companies having their residence in the country in which the Company has its residence. If there is no options and futures exchange in the country in which the Company has its residence

on which option contracts on shares are traded, the Issuer will determine the Related Exchange in its own reasonable discretion.

"Share" means a Share in the The Consumer Discretionary Select Sector SPDR Fund (CUSIP 81369Y407) denominated in USD and a Share in The Financial Select Sector SPDR Fund (CUSIP 81369Y605) denominated in USD.

"Spot Rate"

The Spot Rate shall be

- with respect to Sport Rate_{initial} the ask price of USD 1.00 in SEK, as quoted on the International Interbank Spot Market and published on Bloomberg page USDSEK on the Strike Date at or about the time the Initial Level of the Basket is calculated (the **"USD/SEK Spot Rate_{initial}"**).

Should such USD/SEK Spot Rate_{initial} no longer be published on Bloomberg page USDSEK but on another page (the **"Successor Page"**), the Spot Rate shall be the USD/SEK Spot Rate_{initial} as published on the Successor Page. The Issuer shall publish the Successor Page according to § 12.

If on the Strike Date the USD/SEK Spot Rate_{initial} is not published on Bloomberg page USDSEK or on any Successor Page, the Issuer shall request four major banks in Frankfurt am Main at the Issuer's choice to quote ask prices for SEK in USD on such day at 1.00 pm (Frankfurt time). In this case, the Spot Rate shall be the arithmetic mean of such ask prices; and

- with respect to Sport Rate_{final} the ask price of USD 1.00 in SEK, as quoted on the International Interbank Spot Market and published on Bloomberg page USDSEK on Valuation Date at or about the time the Reference Levels of the Basket is calculated (the **"USD/SEK Spot Rate_{final}"**).

Should such USD/SEK Spot Rate_{final} no longer be published on Bloomberg page USDSEK but on the Successor Page, the Spot Rate shall be the USD/SEK Spot Rate_{final} as published on the Successor Page. The Issuer shall publish the Successor Page according to § 12.

If on the Valuation Date the USD/SEK Spot Rate_{final} is not published on Bloomberg page USDSEK or on any Successor Page, the Issuer shall request four major banks in Frankfurt am Main at the Issuer's choice to quote ask prices for SEK in USD on such day at 1.00 pm (Frankfurt time). In this case, the Spot Rate shall be the arithmetic mean of such ask prices.

"Strike Date" means 21 April 2008.

"Trade Date" means 11 April 2008.

"Valuation Date" means 23 April 2012, subject to postponement in accordance with the provisions stipulated in the definition of "Averaging Date".

- (4) If, with respect to the Shares, an Adjustment Event or a Share Extraordinary Event (both as defined below) has occurred, the Issuer is entitled, but not obligated, to make adjustments to the Terms and Conditions. The Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If a Share Extraordinary Event has occurred, the Issuer may (instead of an adjustment) terminate the Notes prematurely in accordance with § 4 paragraph (3).

In making adjustments to the Terms and Conditions, the Issuer is entitled, but not obligated, to take into consideration the adjustments made to option or futures contracts relating to the Share

that are traded at the Related Exchange. In the event that option or futures contracts relating to the Share are not traded at the Related Exchange, the Issuer is entitled, but not obligated, to take into consideration the manner in which adjustments would be made by the Related Exchange if such option or futures contracts were traded at the Related Exchange.

If the Issuer makes adjustments without taking into consideration the manner in which adjustments are or would be made by the Related Exchange, the Issuer shall make the adjustments in its reasonable discretion.

Any of the before-mentioned adjustments may, among others, relate to the Strike Price and may result in the Shares being replaced by other securities, a basket of securities and/or cash, and another stock exchange being determined as the Exchange. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles. Adjustments take effect as from the date determined by the Issuer, provided that (in case the Issuer takes into consideration the manner in which adjustments are or would be made by the Related Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Related Exchange if such option or futures contracts were traded at the Related Exchange.

Adjustments as well as the effective date shall be notified by the Issuer in accordance with § 12. Adjustments pursuant to this paragraph are, in the absence of a manifest error, binding on all parties.

- (a) **"Adjustment Event"** means:
- (i) any of the following actions taken by the Company: capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Company's reserves, issuance of securities with option or conversion rights related to the Share, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category (as long as this does not constitute a merger);
 - (ii) a spin-off of a part of the Company in such a way that a new independent entity is formed, or that the spun-off part of the Company is absorbed by another entity;
 - (iii) the adjustment of option or futures contracts relating to the Share at the Related Exchange or the announcement of such adjustment; or
 - (iv) any other adjustment event being economically comparable to the before-mentioned events with regard to their effects.
- (b) **"Share Extraordinary Event"** means any of the following events:
- (i) the termination of trading in, or early settlement of, option or futures contracts relating to the Share at the Related Exchange or the announcement of such termination or early settlement;
 - (ii) the becoming known of the intention of the Company or of the Exchange to terminate the listing of the Share at the Exchange due to a merger by absorption or by creation, a change of legal form into a company without shares or any other reason;
 - (iii) the termination of the listing of the Share at the Exchange or the announcement of the Exchange that the listing of the Share at the Exchange will terminate immediately or at a later date and that the Share will not be admitted, traded or listed at any other exchange, trading system or quotation system immediately following the termination of the listing;
 - (iv) the Issuer and/or its affiliates are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks

resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

- (v) a procedure by way of which all shares or the substantial assets of the Company need to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;
- (vi) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Company according to the applicable law of the Company;
- (vii) the cessation of the calculation and publication of the Index by the Sponsor or a change of the Fund Company's investment objective as set out in the Memorandum; or
- (viii) any other event being economically comparable to the before-mentioned events with regard to their effects.

§ 4

(EARLY REDEMPTION, REPURCHASE OF NOTES)

- (1) The Issuer shall not be entitled to redeem the Notes prior to the Redemption Date.
- (2) Except as provided in § 10, the Noteholders shall not be entitled to call for redemption of the Notes prior to the Redemption Date.
- (3) If an Extraordinary Event has occurred, the Issuer is entitled, but not obligated, (instead of an adjustment in accordance with § 3 paragraph (4)) to redeem the Notes prematurely by giving notice in accordance with § 12. If the Notes are called for redemption due to an Extraordinary Event or an event having occurred as described in § 10, as the case may be, they shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be calculated by the Issuer in its reasonable discretion - after consultation with an independent expert if the Issuer deems necessary - as the fair market value of the Notes at the date as determined by the Issuer in the notification of the termination. The rights arising from the Notes will terminate upon the payment of the Early Redemption Amount.
- (4) The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued, resold or surrendered to the Principal Paying Agent for cancellation.

§ 5

(PAYMENTS)

- (1) The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions in the Issue Currency.
- (2) All amounts payable pursuant to these Terms and Conditions shall be made to the Noteholder recorded as such on the fifth business day before the due date for such payment (as defined by the then applicable CSD Rules), or such other business day falling closer to the due date as then may be stipulated in said Rules.
- (3) All payments will be transmitted by the VPC to the Noteholders in accordance with the CSD Rules.
- (4) Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
 - (a) the Final Redemption Amount of the Notes at the Redemption Date; and

- (b) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 10.
- (5) All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives.

§ 6 (TAXES)

All present and future taxes, fees or other duties in connection with the Notes shall be borne and paid by the Noteholders. The Issuer is entitled to withhold from payments to be made under the Notes any taxes, fees and/or duties payable by the Noteholder in accordance with the previous sentence.

§ 7 (PRESCRIPTION)

Claims against the Issuer for any payment and/or any other amount payable in respect of the Notes shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due.

§ 8 (STATUS)

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

§ 9 (AGENTS)

- (1) Skandinaviska Enskilda Banken AB (publ), a banking institution incorporated under the laws of Sweden, whose corporate seat and registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden, acting through its division SEB Merchant Banking, Securities Services shall be the "**Paying Agent**". The Issuer shall procure that there will at all times be a Paying Agent. The Issuer is entitled to appoint other banks of international standing as Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of the Paying Agent. In the event of such termination or such bank being unable or unwilling to continue to act as Paying Agent, the Issuer shall appoint another bank of international standing as Paying Agent. Such appointment or termination shall be published without undue delay in accordance with § 12.
- (2) Commerzbank Aktiengesellschaft, Kaiserplatz, 60261 Frankfurt am Main, Federal Republic of Germany, shall be the "**Calculation Agent**". The Issuer shall procure that as long as determinations have to be made in accordance with these Terms and Conditions there shall at all times be a Calculation Agent. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent. In the event of such termination or of the appointed office of any such bank being unable or unwilling to continue to act as Calculation Agent (as the case may be) the Issuer shall appoint an appropriate office of another leading bank to act Calculation Agent. The appointment of another Calculation Agent shall be published without delay by the Issuer in accordance with § 12.
- (3) The Paying Agents and the Calculation Agent shall be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, they fail to act with the diligence of a conscientious businessman. All determinations and calculations made by the Paying Agents and the Calculation Agent shall be made in conjunction with the Issuer and

shall, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Noteholders.

- (4) The Paying Agents and the Calculation Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the Paying Agents and the Calculation Agent on the one hand and the Noteholders on the other hand. The Paying Agents and the Calculation Agent are hereby granted exemption from the restrictions of § 181 of the German Civil Code and any similar restrictions of the applicable laws of any other country.

§ 10 (TERMINATION)

- (1) Each holder of Notes is entitled to declare his Notes due and to require the redemption of his Notes at the Early Redemption Amount pursuant to § 4 Paragraph (3) as provided hereinafter, if:
- (a) the Issuer is in default for more than 30 days in the payment of principal under these Terms and Conditions;
 - (b) the Issuer violates any other obligation under these Terms and Conditions, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder;
 - (c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law);
 - (d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts;
 - (e) any insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors or the Federal Financial Supervisory Authority (*BaFin*) opens insolvency proceedings against the Issuer or
 - (f) in the case of a substitution of the Issuer within the meaning of § 11 Paragraph (4)(b) any of the events set forth in sub-paragraphs (c)-(e) above occurs in respect of the Guarantor.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

- (2) The right to declare Notes due pursuant to Paragraph (1) shall be exercised by a holder of Notes by delivering or sending by registered mail to the Principal Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent.

§ 11 (SUBSTITUTION OF ISSUER, BRANCH DESIGNATION)

- (1) Any other company may at any time during the lifetime of the Notes, subject to paragraph (2), assume upon notice by the Issuer to be given in accordance with § 12, all obligations of the Issuer under these Terms and Conditions of the Notes. Upon any such substitution, such substitute company (hereinafter called "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under these Terms and Conditions with the same

effect as if the New Issuer had been named as the Issuer herein, and, in the case of a repeated application of this § 11, each previous New Issuer shall be released from its obligations hereunder and from its liability as obligor under the Notes.

In the event of such substitution, any reference in these Terms and Conditions (except for this § 11) to the Issuer shall from then on be deemed to refer to the New Issuer.

- (2) Such assumption shall be permitted only if
- (a) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on the Noteholder in respect of such substitution;
 - (b) the Issuer (in this capacity hereinafter referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed fulfilment by the New Issuer of all payment obligations assumed by it for the benefit of the Noteholders and the terms of the Guarantee has been published in accordance with § 12;
 - (c) the New Issuer has obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions where the New Issuer is domiciled or the country under the laws of which it is organised; and
 - (d) VPC has given its consent to the substitution (which consent shall not be unreasonably withheld or delayed).
- (3) Following any substitution of the Issuer for a New Issuer, this § 11 shall continue to apply and may be used again.
- (4) The Issuer may at any time, designate by publication in accordance with § 12 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer's other obligations under the Notes then outstanding.

Paragraphs (2) and (3) of this § 11 shall apply *mutatis mutandis* to such designation.

§ 12 (NOTICES)

Notices to be sent by the Issuer to the Noteholders shall, at the discretion of the Issuer, be disseminated by using either or both methods set forth in (1) and (2) below:

- (1) Notices to the Noteholders relating to the Notes may be published in a newspaper with nationwide circulation in Sweden; and/or
- (2) Notices may be given to the Noteholders at the addresses registered in the VPC System in accordance with the CSD Rules. Such notices shall be deemed to have been received five business days after despatch.

§ 13
(FINAL CLAUSES)

- (1) The form and content of the Notes and the rights and duties of the Noteholders, the Issuer, the Calculation Agent and the Paying Agent shall in all respects be governed by the laws of the Kingdom of Sweden.
- (2) Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. Void provisions shall be replaced in accordance with the meaning and purpose of these Terms and Conditions.
- (3) Place of jurisdiction shall be Stockholm.
- (4) The English version of these Terms and Conditions shall be binding. Any translation is for convenience only.