Base Prospectus

pursuant to section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

of 21 June 2007

Société Générale Effekten GmbH
Frankfurt am Main
(Issuer)

[*Insert product name*: •]
Warrants

relating to the price of

shares / securities representing shares / indices / precious metals / non-ferrous metals / exchange rates / commodities / futures contracts / fund units

or

a basket comprising

shares / securities representing shares / indices / precious metals / non-ferrous metals / exchange rates / commodities / futures contracts / fund units

with the unconditional and irrevocable Guarantee of

Société Générale S.A.,
Paris, France
(Offeror and Guarantor)

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I. ZUSAMMENFASSUNG DES PROSPEKTS

Die nachfolgende Zusammenfassung soll als Einleitung zum Prospekt verstanden werden und ist in Verbindung mit den ausführlicheren Angaben über die Emittentin, die Garantin und die Wertpapiere, die im Rahmen des öffentlichen Angebotes verkauft werden, zu lesen. Die Entscheidung zum Kauf dieser Wertpapiere sollte der Anleger auf die Prüfung des gesamten Prospekts stützen.

Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozeßbeginn zu tragen haben. Bitte beachten Sie auch, dass die Société Générale Effekten GmbH als Emittentin und die Société Générale S.A., Paris als Anbieterin und Garantin für den Inhalt dieser Zusammenfassung, einschließlich einer ggf. angefertigten Übersetzung davon, haftbar gemacht werden können, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird.

1. Geschäftstätigkeit und Organisation der Emittentin

Geschichte und Entwicklung des Unternehmens

Die Société Générale Effekten GmbH (im Folgenden die "Emittentin" oder die "SGE" genannt) hat ihren Sitz in Frankfurt am Main und ist unter der Nummer HRB 32283 im Handelsregister des Amtsgerichts Frankfurt am Main eingetragen. Sie ist durch die am 05. Oktober 1990 durch Beschluss der Gesellschafterversammlung erfolgte Umfirmierung aus der LT Industriebeteiligungs-Gesellschaft mbH hervorgegangenen, die am 03. März 1977 gegründet wurde. Die Société Générale Effekten GmbH wurde unter dem Recht der Bundesrepublik Deutschland als Gesellschaft mit beschränkter Haftung gegründet.

Die Société Générale Effekten GmbH ist eine 100%ige Tochtergesellschaft der Société Générale S.A., Paris, Frankreich.

Überblick über die Geschäftstätigkeit

Der in dem Gesellschaftsvertrag der Société Générale Effekten GmbH bestimmte Geschäftsgegenstand ist die Begebung und der Verkauf von Wertpapieren und damit zusammenhängende Tätigkeiten mit Ausnahme erlaubnispflichtiger Tätigkeiten. Bankgeschäfte im Sinne des Kreditwesengesetzes gehören nicht zum Gesellschaftszweck. Die Emittentin ist ein Finanzunternehmen im Sinne von § 1 Abs. 3 Satz 1 Nr. 5 KWG.

Die Geschäftstätigkeit der Société Générale Effekten GmbH umfasst die Emission und Platzierung von Wertpapieren, überwiegend Optionsscheinen, und den damit zusammenhängenden Tätigkeiten. Dabei handelt es sich um Optionsscheine u.a. bezogen auf Aktien, Indizes, Edelmetalle, Buntmetalle, Wechselkurse, Rohstoffe, Future Kontrakte und Fondsanteile als Basiswert. Ferner begibt die Société Générale Effekten GmbH auch Zertifikate u.a. bezogen auf Aktien, Indizes, Edelmetalle, Buntmetalle, Wechselkurse, Rohstoffe, Future Kontrakte und Fondsanteile als Basiswert.

2. Identität der Geschäftsführer

Geschäftsführer der Société Générale Effekten GmbH sind gegenwärtig Herr Marc Braun, Frankfurt am Main, Herr Dr. Joachim Totzke, Frankfurt am Main, und Herr Günter Happ, Flieden. Prokura bestand in den Geschäftsjahren 2004 und 2005 für Frau Françoise Esnouf, Karben. Gemäß Gesellschafterbeschluss vom 8. Februar 2006 wurde Herr Marc Braun mit Wirkung zum 21. Februar 2006 zum Geschäftsführer der Gesellschaft bestellt, Frau Martine Jonghi mit Wirkung zum 21. Februar 2006 als Geschäftsführerin abberufen. Die Prokura für Frau Françoise Esnouf wurde mit Wirkung zum 21. Februar 2006 widerrufen. Außerdem wurden mit Gesellschafterbeschluss vom 08. Februar 2006 für Herrn Achim Oswald und Frau Jeanette Plachetka Prokura erteilt.

Herr Marc Braun, Herr Dr. Joachim Totzke, Herr Günter Happ, Frau Jeanette Plachetka, Herr Achim Oswald und Frau Jeanette Plachetka sind über die Société Générale S.A., Zweigniederlassung Frankfurt am Main, Mainzer Landstraße 36, 60325 Frankfurt am Main erreichbar.

3. Zusammenfassung der Finanzinformationen

Ertragslage

Aus den Gewinn- und Verlustrechnungen (Zahlen sind gerundet) der beiden letzten Geschäftsjahre 2005 und 2006 ergibt sich nach Zusammenfassungen und Verrechungen, die nach betriebswirtschaftlichen Gesichtspunkten vorgenommen wurden, die nachfolgende Ertragsübersicht.

	2006 TEUR	2005 TEUR	+/- TEUR	%
Erträge aus Options- und Zertifikategeschäften	7.038.073	6.618.502	419.571	6
Aufwendungen aus Options- und Zertifikategeschäften	-7.038.073	-6.618.502	-419.571	6
Betriebsleistung	0	0	0	0
Sonstiges betriebliches Ergebnis	132	42	90	>100
Personalaufwand	-71	0	-71	>100
Betriebsergebnis	61	42	19	45
Finanzergebnis	17	0	17	>100
Ergebnis vor Ertragsteuern	78	42	36	86
Ertragsteuern	-32	-17	-15	88
Jahresergebnis	46	25	21	84

Im Jahr 2006 erzielte die Gesellschaft aus ausgeübten, fälligen oder glattgestellten Optionsscheinen und aus zugehörigen Deckungsgeschäften Erträge und Aufwendungen in Höhe von jeweils Mio.EUR 7.038 (im Vorjahr Mio.EUR 6.619).

Die Erhöhung der Erträge und Aufwendungen aus Optionsgeschäften resultiert im Wesentlichen aus einer im Vergleich zum Vorjahr gestiegenen Anzahl an ausgeübten, fälligen oder glattgestellten Optionsscheinen. Aus fälligen Zertifikaten und zugehörigen Deckungsgeschäften erzielte die Gesellschaft im Berichtsjahr Erträge und Aufwendungen in Höhe von TEUR 851 (im Vorjahr TEUR 0).

Die sonstigen betrieblichen Erträge enthalten Erstattungen der Emissionskosten und eine Verwaltungsvergütung von der Muttergesellschaft Société Générale S.A., Paris.

Die sonstigen betrieblichen Aufwendungen enthalten insbesondere Kosten, die im Zusammenhang mit den Emissionen von Optionsscheinen und Zertifikaten angefallen sind.

Vermögens- und Kapitalstruktur

Nachfolgende Übersicht (Zahlen sind gerundet) ergibt sich nach Zusammenfassungen und Saldierungen, die nach betriebswirtschaftlichen Gesichtspunkten vorgenommen wurden, aus den Bilanzen der beiden letzten Geschäftsjahre.

	31.12.2006		31.12.2005		+/-
Vermögen	TEUR	%	TEUR	%	TEUR
Forderungen	7.888.652	45	25.190	0	7.863.462
Sonstige Vermögensgegenstände	9.798.649	55	6.910.586	100	2.888.063
Flüssige Mittel	91	0	69	0	22
	17.687.392	100	6.935.845	100	10.751.547

Kapital	TEUR	%	TEUR	%	TEUR
Eigenkapital	188	0	142	0	46
Rückstellungen	108	0	78	0	30
Verbindlichkeiten	17.687.096	100	6.935.625	100	10.751.471
	17.687.392	100	6.935.845	100	10.751.547

Die Forderungen resultieren in Höhe von Mio.EUR 7.299 aus mit der Société Générale S.A., Paris, abgeschlossenen Sicherungsgeschäften, welche zusammen mit den emittierten Zertifikaten eine Bewertungseinheit bilden. Darüber hinaus sind in den Forderungen Treuhandvermögen in Höhe von Mio.EUR 589 enthalten. Das Treuhandvermögen resultiert aus der Weiterleitung von Erlösen aus der Emission von Zertifikaten im eigenen Namen und für Rechnung der Gesellschafterin.

Die Sonstigen Vermögensgegenstände in Höhe von Mio.EUR 9.799 resultieren aus gezahlten Prämien zur Absicherung entsprechender Emissionen von Optionsscheinen.

Die Verbindlichkeiten beinhalten im Wesentlichen Verbindlichkeiten aus emittierten Zertifikaten (Mio.EUR 7.299), Treuhandverbindlichkeiten gegenüber der Gesellschafterin aus der Emission von Zertifikaten (Mio.EUR 589) sowie Verbindlichkeiten aus erhaltenen Optionsprämien aus der Emission von Optionsscheinen in Höhe von Mio.EUR 9.799.

Finanzlage

Die Veränderung des Finanzmittelbestands (Zahlen sind gerundet) sowie die dafür ursächlichen Mittelbewegungen werden anhand der nachfolgenden Kapitalflussrechnung aufgezeigt:

		2006 TEUR	2005 TEUR
	Jahresergebnis	46	25
+/-	Zunahme/Abnahme der Rückstellungen	30	-43
-/+	Zunahme/Abnahme der Forderungen gegen verbundene Unternehmen	-7,299,232	70
-/+	Zunahme/Abnahme der sonstigen Vermögensgegenstände	-2,888,062	-1,817,070
-/+	Zunahme/Abnahme des Treuhandvermögens	-564,231	0
+/-	Zunahme/Abnahme der Verbindlichkeiten	10,187,240	1,817,090
+/-	Zunahme/Abnahme sonstiger Passiva	0	-3
+/-	Zunahme/Abnahme der Treuhandverbindlichkeiten	564,231	0
=	Cash Flow aus der laufenden Geschäftstätigkeit	22	69
	Zahlungswirksame Veränderungen des Finanzmittelbestands	22	69
+	Finanzmittelbestand am Anfang des Geschäftsjahrs	69	0
=	Finanzmittelbestand am Ende des Geschäftsjahrs	91	69

Prüfung der Finanzinformationen

Die Jahresabschlüsse der Société Générale Effekten GmbH, Frankfurt am Main, wurden für die Geschäftsjahre 2005 und 2006 von der Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, 65760 Eschborn, gemäß den Vorschriften der §§ 316 ff. HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsgemäßer Abschlussprüfung geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

Wesentliche Gerichts- oder Schiedsverfahren

Etwaige staatliche Interventionen oder Gerichts- oder Schiedsverfahren, die einen erheblichen Einfluss auf die wirtschaftliche Lage der Gesellschaft haben können oder in den letzten zwei Geschäftsjahren gehabt haben, sind nicht anhängig gewesen, noch sind nach Kenntnis der Emittentin solche Verfahren anhängig oder angedroht.

Wesentliche Veränderungen in der Finanzlage oder der Handelsposition der Emittentin

Seit dem Ende des letzten Geschäftsjahres 2006 sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten.

4. Informationen zur Garantin

Die Société Générale S.A., Paris, Frankreich (im Folgenden die "Société Générale" oder die "Garantin") ist eine Kapitalgesellschaft mit beschränkter Haftung (*société anonyme*) nach französischem Recht und hat den Status einer Bank.

Die Société Générale wurde durch eine notarielle Urkunde, gebilligt mit Dekret vom 4. Mai 1864 errichtet. Die Dauer der Gesellschaft wurde zunächst auf 50 Jahre ab dem 1. Januar 1899 festgelegt und dann um 99 Jahre ab dem 1. Januar 1949 verlängert. Nach den gesetzlichen und regulatorischen Vorschriften für Kreditinstitute, insbesondere den entsprechenden Artikeln des Geld- und Finanzgesetzes ("*Code Monetaire et Financière*") unterliegt die Société Générale den Wirtschaftsgesetzen und insbesondere den Artikeln L. 210-1 ff. des Französischen Handelsgesetzbuches und der jeweiligen Satzung.

Die Geschäftsadresse der Société Générale lautet: Boulevard Haussmann 29, 75009 Paris, Frankreich.

Nach Maßgabe der für Kreditinstitute geltenden Gesetze und Vorschriften ist Geschäftszweck der Société Générale:

- das Betreiben von Bankgeschäften;
- die Durchführung von Transaktionen im Zusammenhang mit Bankgeschäften, insbesondere Dienstleistungen im Zusammenhang mit Kapitalanlagen und vergleichbare Dienstleistungen im Sinne der Artikel L. 321-1 und L. 321-2 des Geld- und Finanzgesetzes;
- der Erwerb von Beteiligungen an anderen Unternehmen

mit natürlichen oder juristischen Personen, in Frankreich oder im Ausland.

Die Société Générale kann regelmäßig auch an anderen als den vorgenannten Transaktionen beteiligt sein, insbesondere im Versicherungsvermittlungsgeschäft nach Maßgabe der Bestimmungen des französischen Bank- und Finanzregulierungskomitees ("*Comité de la Réglementation Bancaire et Financière*").

Grundsätzlich kann die Société Générale im eigenen Namen, im Namen von Dritten oder mit Dritten gemeinsam alle finanz-, handels-, industriewirtschaftlichen oder auf landwirtschaftliche Gesellschaften oder Grundstücke bezogenen Transaktionen durchführen, die direkt oder indirekt mit den zuvor genannten Aktivitäten in Zusammenhang stehen oder ihrer Durchführung dienen.

Wesentliche konsolidierte Finanzkennzahlen (gerundet) der Société Générale Gruppe nach IFRS:

	„2006	2005	Änderung	
	In Euro Mio.			
Nettoergebnis aus Bankgeschäften	22.417	19.166	+17,0%	+15,7%*
Betriebsaufwand	(13.703)	(12.156)	+12,7%	+11,8%*
Brutto-Betriebsergebnis	**8.714**	**7.010**	**+24,3%**	**+22,2%***
Zuführung (netto) in Rückstellungen	(679)	(448)	+51,6%	+42,6%*
Betriebsergebnis	**8.035**	**6.562**	**+22,4%**	**+20,9%***
Nettoergebnis von Gesellschaften, die nach der Equity Methode einbezogen wurden	18	19	-5,3%	
Nettoergebnis aus sonstigen Vermögensgegen-ständen	43	148	-70,9%	
Abschreibungen auf den Goodwill	(18)	(23)	-21,7%	
Ertragsteuern	(2.293)	(1.790)	+28,1%	
Nettoergebnis vor Minderheitsbeteiligungen	5.785	4.916	+17,7%	
Minderheitsbeteiligungen	564	514	+9,7%	
Nettoergebnis	**5.221**	**4.402**	**+18,6%**	**+17,3%***
C/I Ratio[1]	61,1%	63,4%		
Durchschnittliches zugeteiltes Kapital	20.107	16.756	+20,0%	
ROE[2] nach Steuern	**25,8%**	**26,1%**		

* Nach Anpassung im Hinblick auf Änderungen im Konsolidierungskreis und auf der Grundlage konstanter Wechselkurse.

[1] C/I Ratio bedeutet "Cost-Income-Ratio" und steht für die betrieblichen Aufwendungen in Prozent der betrieblichen Erträge. Die Cost-Income-Ratio ist eine zentrale Kennzahl der Effizienz von Banken.

[2] ROE bedeutet "Return on Equity" und beschreibt die Eigenkapitalrendite eines Unternehmens. Das Nettoergebnis wird hierbei in Verhältnis zum eingesetzten Kapital gesetzt."

5. Zusammenfassung der Risikofaktoren

Mit der Emittentin verbundene Risikofaktoren

Es besteht grundsätzlich das Risiko, dass die Emittentin ihren Verpflichtungen aus den Wertpapieren nicht oder nur teilweise nachkommen kann. Vorbehaltlich der unten beschriebenen Bedingungen der von der Garantiegeberin gestellten Garantie sollten die Anleger daher in ihren Anlageentscheidungen insbesondere die Bonität der Emittentin berücksichtigen. Die Bonität kann sich aufgrund von Entwicklungen im gesamtwirtschaftlichen oder unternehmensspezifischen Umfeld während der Laufzeit der Wertpapiere ändern.

Die Tätigkeit der Emittentin und ihr jährliches Emissionsvolumen können durch negative Entwicklungen an den Märkten, an denen sie ihre Geschäftstätigkeit ausübt, beeinflußt werden. Eine schwierige gesamtwirtschaftliche Situation kann zu einem niedrigeren Emissionsvolumen führen und die Ertragslage der Emittentin negativ beeinflussen.

Die Erfüllung der Verbindlichkeiten der Emittentin aus den unter diesem Basisprospekt begebenen Optionsscheinen werden von der Société Générale garantiert. Dabei begründen die Verpflichtungen der Société Générale unter der Garantie unmittelbare, unbedingte und nicht besicherte Verbindlichkeiten der Société Générale die untereinander gleichrangig sind, einschließlich solchen aus Einlagen, soweit dies gesetzlich zulässig ist. Im Falle einer Nichterfüllung durch die Emittentin hinsichtlich der ordnungsgemäßen und pünktlichen Rückzahlung sämtlicher Beträge oder eines Teils davon, wird die Garantin auf erstes Anfordern die entsprechende Zahlung leisten, vorausgesetzt, dass die Anforderung durch eingeschriebenen Brief mit Rückschein an die Garantin erfolgt und bestätigt, dass (i) die geforderte Zahlung dieser Garantie unterfällt, (ii) die Bedingungen für die Zahlung erfüllt sind und (iii) die Zahlung der geforderten Beträge nicht durch die Emittentin erfolgt ist.

<u>Mit der Garantin verbundene Risikofaktoren</u>

Es gibt zudem Faktoren, die die Fähigkeit der Garantin, ihre Verpflichtungen hinsichtlich der unter diesem Basisprospekt ausgegebenen Wertpapiere zu erfüllen, beeinflussen können.

Aus den Bankgeschäften der Garantin ergeben sich die folgenden wesentlichen Risiken:

- Kreditrisiken
- Marktrisiken
- Strukturrisiken
- Betriebsrisiken
- Liquiditätsrisiko

<u>Mit den Wertpapieren verbundene Risikofaktoren</u>

Optionsscheine sind besonders 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 besonders hoch.

Ein Optionsschein verbrieft weder einen Anspruch auf Zinszahlung noch auf Dividendenzahlung und wirft daher keinen laufenden Ertrag ab. Mögliche Wertverluste des Optionsscheins können daher nicht durch andere Erträge des Optionsscheins kompensiert werden.

Eines der wesentlichen Merkmale von Optionsscheinen ist der so genannte Hebeleffekt (der "**Leverage-Effekt**"): Eine Veränderung des Wertes des Basiswertes hat eine überproportionale Veränderung des Wertes des Optionsscheins zur Folge. **Daher sind mit Optionsscheinen im Vergleich zu einer Direktanlage in den Basiswert überproportionale Verlustrisiken verbunden.** Beim Kauf eines bestimmten Optionsscheins ist deshalb zu berücksichtigen, dass je größer der Leverage-Effekt eines Optionsscheins ist, umso größer auch das mit ihm verbundene Verlustrisiko ist. Ferner ist zu beachten, dass der Leverage-Effekt typischerweise umso größer ist, je kürzer die (Rest-)Laufzeit des Optionsscheins ist.

Bitte beachten Sie daher, dass sowohl Kursänderungen (oder auch schon das Ausbleiben einer erwarteten Kursänderung) des Basiswertes als auch Veränderungen des Zeitwerts des Optionsscheins den Wert Ihres Optionsscheines überproportional bis hin zur Wertlosigkeit mindern können. Angesichts der begrenzten Laufzeit des Optionsscheins kann nicht darauf vertraut werden, dass sich der Preis des Optionsscheins rechtzeitig wieder erholen wird. Es besteht dann das Risiko des **teilweisen oder vollständigen Verlusts der gezahlten Optionsprämie einschließlich der aufgewendeten Transaktionskosten.** Dieses Risiko besteht unabhängig von der finanziellen Leistungsfähigkeit der Emittentin.

Bei Über- oder Unterschreiten bestimmter, gemäß den Optionsscheinbedingungen relevanter Kursschwellen (z.B. Stopp-Loss Level, Knock-Out-Level), besteht das Risiko, dass die Optionsscheine vorzeitig beendet und nur noch einen geringen oder gar keinen wirtschaftlichen Wert mehr haben.

Verzichten Sie bei Optionsscheinen mit amerikanischer Ausübungsart während der Ausübungsfrist auf die Ausübung der Optionsscheine und werden die Optionsscheine bei amerikanischer und europäischer Ausübungsart am Verfalltag nicht automatisch ausgeübt, so wird Ihr Optionsschein mit Ablauf seiner Laufzeit wertlos. Auch in diesem Fall besteht das **Risiko des vollständigen Verlustes der gezahlten Optionsprämie einschließlich der aufgewendeten Transaktionskosten**. Auch dieses Risiko besteht unabhängig von der finanziellen Leistungsfähigkeit der Emittentin.

Optionsscheine können während ihrer Laufzeit außerbörslich gehandelt werden. Ein mit der Emittentin verbundenes Unternehmen wird zu diesem Zwecke außerbörslich unter gewöhnlichen Marktbedingungen An- und Verkaufspreise für die Optionsscheine einer Emission stellen. Sofern in den jeweiligen endgültigen Angebotsbedingungen der Optionsscheine vorgesehen, wird die Emittentin zusätzlich das Listing der Optionsscheine an einer oder mehreren Wertpapierbörsen veranlassen. Die Emittentin übernimmt jedoch keinerlei Rechtspflicht hinsichtlich der Höhe oder des Zustandekommens derartiger Kurse sowie hinsichtlich der Übereinstimmung von außerbörslich und börslich gestellten Kursen. Vertrauen Sie deshalb nicht darauf, dass Sie die Optionsscheine während ihrer Laufzeit zu einem bestimmten Zeitpunkt oder einem bestimmten Kurs veräußern können.

Bitte beachten Sie, dass die Anbieterin und mit ihr verbundene Unternehmen im Rahmen ihrer üblichen Geschäftstätigkeit Geschäfte in dem Basiswert bzw. in den dem Basiswert zugrunde liegenden Werten bzw. in auf den Basiswert bezogenen Finanzinstrumenten tätigen, und dass insbesondere unter ungünstigen Umständen (niedrige Liquidität) ein solches Geschäft das Überschreiten bzw. Unterschreiten bestimmter gemäß den Optionsscheinbedingungen relevanter Kursschwellen (z.B. Stopp-Loss Level, Knock-Out-Level) auslösen kann.

Wenn Sie den Erwerb von Optionsscheinen mit Kredit finanzieren, müssen Sie beim Nichteintritt Ihrer Erwartungen nicht nur den eingetretenen Verlust hinnehmen, sondern auch den Kredit verzinsen und zurückzahlen. Dadurch erhöht sich Ihr Verlustrisiko erheblich.

Zu dem jeweils maßgeblichen Erwerbspreis der Optionsscheine kommen die Ihnen von Ihrer Bank oder ihrem Finanzdienstleister in Rechnung gestellten Kosten und Provisionen. Bitte informieren Sie sich über die Höhe dieser Nebenkosten bei Ihrer Bank oder ihrem Finanzdienstleister. Mindestprovisionen oder feste Provisionen pro Transaktion (Kauf und Verkauf) können kombiniert mit einem niedrigen Auftragswert (Kurs des Optionsscheins mal Stückzahl) zu Kostenbelastungen führen. Tritt die erwartete Kursentwicklung nicht ein, erhöhen die Nebenkosten einen möglicherweise entstehenden Verlust.

Ob eine Anlage in die Optionsscheine ihren Anlagekenntnissen und –zielen entspricht, lässt sich ausschließlich aufgrund einer Bewertung Ihrer persönlichen finanziellen Verhältnisse, ihrer bisherigen Anlagekenntnisse und Ihrer Anlageziele bewerten. **Daher ersetzt dieser Prospekt nicht die in jedem individuellen Fall unerlässliche Beratung durch Ihre Hausbank oder ihren Finanzberater.** Die in diesem Basisprospekt, in anderen drucktechnischen Medien oder auf Internetseiten der Emittentin, der Anbieterin und mit ihr verbundener Unternehmen oder von Mitarbeitern der Emittentin, der Anbieterin und mit ihr verbundener Unternehmen persönlich, telefonisch oder mittels anderer Medien getroffenen Aussagen zu den Optionsscheinen stellen keine Beratung hinsichtlich der Angemessenheit der Optionsscheine im Hinblick auf die Anlageziele und die Anlageerfahrung und -kenntnisse einzelner Anleger dar.

Die steuerrechtliche Behandlung der Optionsscheine richtet sich nach der konkreten Ausgestaltung der Optionsscheine und Ihrer persönlichen steuerrechtlichen Situation. Deshalb empfehlen wir Ihnen sich bezüglich der steuerlichen Behandlung der Optionsscheine von einem Angehörigen der steuerberatenden Berufe über die steuerlichen Folgen des Erwerbs, des Haltens, der Ausübung oder der Veräußerung der Optionsscheine umfassend beraten zu lassen.

II. SUMMARY OF THE PROSPECTUS

The following summary should be understood as an introduction to the Prospectus, and should be read in connection with the detailed information on the Issuer, the Guarantor and the securities sold as part of the public offer. Investors should base any decision to purchase these securities on detailed consideration of the Prospectus as a whole.

Where a claim relating to the information contained in this Prospectus is brought before a court, the investor making the claim might, under the national legislation of the European Economic Area states, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Please note that Société Générale Effekten GmbH as Issuer and Société Générale S.A., Paris, as Offeror and Guarantor, may be held liable for the content of this summary, or any translation hereof, if the summary is misleading, inaccurate or inconsistent when read in conjunction with the other parts of the Prospectus.

1. The Issuer's business operations and organization

History and development of the company

Société Générale Effekten GmbH (hereinafter referred to as the "Issuer" or "SGE") has its registered office in Frankfurt am Main and is entered in the commercial register of Frankfurt am Main local court under no. HRB 32283. It came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on March 3, 1977, was renamed by resolution of the shareholders' meeting on October 5, 1990. Société Générale Effekten GmbH was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung* – GmbH) under German law.

Société Générale Effekten GmbH is a wholly owned subsidiary of Société Générale S.A., Paris, France.

Business overview

The business purpose of Société Générale Effekten GmbH, as stipulated in its articles of association, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. The Issuer does not engage in banking business as defined by the German Banking Act ("*Kreditwesengesetz*": KWG). The Issuer is a financial entity as defined in section 1 (3) sentence 1 no. 5 KWG.

Société Générale Effekten GmbH is engaged in the issue and placement of securities, mainly warrants, as well as related activities. These include warrants relating to e.g. shares, indices, precious metals, non-ferrous metals, exchange rates, commodities, futures contracts and fund units as underlying. Société Générale Effekten GmbH also issues certificates relating to e.g.

shares, indices, precious metals, non-ferrous metals, exchange rates, commodities, futures contracts and fund units as underlying.

2. Identity of managing directors

The general managers of Société Générale Effekten GmbH are currently Mr. Marc Braun, Frankfurt am Main, Dr. Joachim Totzke, Frankfurt am Main, and Mr. Günter Happ, Flieden. Ms. Françoise Esnouf, Karben, held full commercial power of attorney to represent the company in all normal business matters in fiscal years 2005 and 2006. By shareholder's resolution of February 8, 2006, Mr. Marc Braun was appointed as general manager with effect as of February 21, 2006, and Ms. Martine Jonghi was removed from her position as general manager with effect from February 21, 2006. Ms. Françoise Esnouf's power of attorney was revoked with effect as of February 21, 2006. Furthermore, on February 8, 2006 Mr. Achim Oswald and Ms. Jeanette Plachetka were granted full commercial power of attorney to represent the company in all normal business matters.

Mr. Marc Braun, Dr. Joachim Totzke, Mr. Günter Happ Ms. Jeanette Plachetka and Mr. Achim Oswald can be contacted via Société Générale S.A., Frankfurt am Main branch, Mainzer Landstrasse 36, 60325 Frankfurt am Main.

3. Summary of financial information

Earnings situation

Condensed income statements for the last two fiscal years are detailed below (figures have been rounded off to a full thousand). The items have been arranged according to operational criteria.

	2006 TEUR	2005 TEUR	+/- TEUR	%
Income from options and certificates	7,038,073	6,618,502	419,571	6
Expenses from options and certificates	-7,038,073	-6,618,502	-419,571	6
Operating performance	0	0	0	0
Other operating income	132	42	90	>100
Personnel expenses	-71	0	-71	>100
Operating result	61	42	19	45
Financial result	17	0	17	>100
Earnings before income taxes	78	42	36	86
Income taxes	-32	-17	-15	88
Net income for the year	46	25	21	84

In 2006, the company generated income and incurred expenses of EUR 7,038m (prior year: EUR 6,619m) from exercised, maturing or settled warrants and the related hedges.

The increase in income and expenses from warrants is mainly the result of the rise in the number of warrants exercised, due or settled compared to the prior year. In 2006, the Company generated income and incurred expenses from maturing certificates and related hedges of TEUR 851 (prior year: TEUR 0).

Other operating income mainly comprises refunds of issues costs and a management fee from the parent company Société Générale S.A., Paris.

Other operating expenses mainly include costs incurred in connection with the issue of warrants and certificates.

Asset and capital structure

Condensed balance sheets for the last two fiscal years are shown below (figures have been rounded off to a full thousand). The items have been arranged according to operational criteria.

	Dec. 31, 2006		Dec. 31, 2005		+/-
Assets	TEUR	%	TEUR	%	TEUR
Receivables	7,888,652	45	25,190	0	7,863,462
Other assets	9,798,649	55	6,910,586	100	2,888,063
Cash and cash equivalents	91	0	69	0	22
	17,687,392	100	6,935,845	100	10,751,547

Equity and liabilities	TEUR	%	TEUR	%	TEUR
Equity	188	0	142	0	46
Accruals	108	0	78	0	30
Liabilities	17,687,096	100	6,935,625	100	10,751,471
	17,687,392	100	6,935,845	100	10,751,547

EUR 7,299m of the receivables are from hedges concluded with Société Générale S.A., Paris, which, together with the certificates issued, are accounted for as a valuation unit. In addition, the receivables include trust assets of EUR 589m. The trust assets are attributable to the transfer of proceeds from the issue of certificates in the Company's own name and for the account of the shareholder.

The other assets of EUR 9,799m derive from premiums paid to hedge warrant issues.

The liabilities primarily comprise liabilities from certificates issued (EUR 7,299m), trust liabilities to the shareholder from the issue of certificates (EUR 589m) and liabilities from option premiums received for the issue of warrants (TEUR 9,799).

Financial position

The changes in cash and cash equivalents and the corresponding movements in funds are disclosed in the following cash flow statement (figures have been rounded off to a full thousand):

		2006 TEUR	2005 TEUR
	Net income for the year	46	25
+/-	Increase/decrease in accruals	30	-43
-/+	Increase/decrease in receivables from affiliated companies	-7,299,232	70
-/+	Increase/decrease in other assets	-2,888,062	-1,817,070
-/+	Increase/decrease in trust assets	-564,231	0
+/-	Increase/decrease in liabilities	10,187,240	1,817,090
+/-	Increase/decrease in other liabilities	0	-3
+/-	Increase/decrease in trust liabilities	564,231	0
=	Cash flow from operating activities	22	69
	-		
	Changes in cash and cash equivalents	22	69
+	Cash and cash equivalents at the beginning of the fiscal year	69	0
=	Cash and cash equivalents at year-end	91	69

Auditing of financial information

The annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main for financial years 2005 and 2006 were audited and given an unqualified opinion by Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, 65760 Eschborn, in accordance with section 316 et seq. of the German Commercial Code (*Handelsgesetzbuch* – HGB) and the generally accepted auditing standards by the German Institute of Auditors (IDW).

Material litigation or arbitration proceedings

No governmental, legal or arbitration proceedings have been pending which could have, or have in the financial years 2005 or 2006, had a material influence on the economic position of the Company, and the Issuer is not aware of any such proceedings pending or threatened.

Material changes in the financial position or trading position of the Issuer

There have been no major changes to the financial or trading position of the Issuer since the end of the financial year 2006.

4. Information about the Guarantor

Société Générale S.A., Paris, France (hereinafter referred to as "Société Générale" or the "Guarantor") is a public limited company with limited liability (*société anonyme*) under French law and has the status of a bank.

Société Générale was formed by a notarial deed, approved by a decree dated 4 May 1864. The duration of the company was initially set at 50 years from 1 January 1899, and was subsequently extended by 99 years from 1 January 1949. Société Générale is subject to business law and in particular articles L. 210-1 et seq. of the French commercial code, and to the relevant memorandum and articles of association, in accordance with statutory and regulatory provisions for banks, in particular the relevant articles of the French monetary and financial code (*Code Monétaire et Financier*).

The business address of Société Générale is: Boulevard Haussmann 29, 75009 Paris, France.

In accordance with the statutes, rules and regulations applicable to banks, Société Générale's corporate purpose is:

- conducting banking business;
- executing transactions in connection with banking business, particularly services related to investments and other comparable services within the meaning of articles L. 321-1 and L. 321-2 of the monetary and financial code;
- acquiring interests in other companies

with natural persons or legal entities in France or abroad.

Société Générale may also be involved on a regular basis in transactions other than those mentioned above, in particular in insurance mediation business in accordance with the conditions of the French Banking and Financial Regulation Committee (*Comité de la Réglementation Bancaire et Financière* – CRBF).

Société Générale can execute all financial, trading, and industrial transactions, and transactions relating to agricultural companies or properties directly or indirectly connected with the aforementioned activities or serving their execution, in its own name, on behalf of third parties, or together with third parties.

Key consolidated financial data (rounded off) of the Société Générale Group in accordance with IFRS:

	2006	2005	Change	
	In millions of euros			
Net banking income	22,417	19,166	+17.0%	+15,7%*
Operating expenses	(13,703)	(12,156)	+12.7%	+11,8%*
Gross operating income	**8,714**	**7,010**	**+24.3%**	**+22,2%***
Net allocation to provisions	(679)	(448)	+51.6%	+42,6%*
Operating income	**8,035**	**6,562**	**+22.4%**	**+20,9%***
Net income of companies accounted for by the equity method	18	19	-5.3%	
Net income on other assets	43	148	-70.9%	
Impairment losses on goodwill	(18)	(23)	-21.7%	
Income tax	(2,293)	(1,790)	+28.1%	
Net income before minority interests	5,785	4,916	+17.7%	
Minority interests	564	514	+9.7%	
Net income	**5,221**	**4,402**	**+18.6%**	**+17,3%***
C/I ratio[1]	61.1%	63.4%		
Average allocated capital	20,107	16,756	+20.0%	
ROE[2] after tax	**25.8%**	**26.1%**		

* When adjusted for changes in Group structure and at constant exchange rates.

1 C/I ratio means "Cost-Income-Ratio" and describes the operating expenses in percent of the operating income. The Cost-Income-Ratio is major to measure the efficiency of banks.

2 ROE means „Return on Equity" and describes how much profit a company generates with ist shareholders' equity. The net income of the company is hereby put into proportion of the shareholders' equity.

5. Summary of risk factors

Risk factors associated with the Issuer

There is a risk that the Issuer may not or only partially be able to fulfill its obligations arising from the securities. Subject to the conditions specified below of the Guarantee made by the Guarantor, investors should take particular account of the Issuer's creditworthiness when making investment decisions. This creditworthiness may change due to developments in the general economic or company-specific environment during the term of the securities.

The Issuer's activities and annual issue volume may be influenced by negative trends on the markets in which it operates. Difficult market conditions, however, may lead to a lower issue volume, and adversely impact the Issuer's results of operations.

Société Générale unconditionally and irrevocably guarantees, for the benefit of the holders of warrants, the due and punctual payment of any amounts payable under the issue of warrants in Final Terms under this Base Prospectus (the "Indebtedness"). The Guarantee constitutes direct, unconditional, unsecured and unsubordinated obligations of Société Générale, and ranks *pari passu* with all other existing and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, including those in respect of deposits, but excluding any debts for the time being preferred by law. In the event of any default by the Issuer in punctual payment in respect of any part of the Indebtedness, the Guarantor will make any payments on first demand, provided that the request is made by registered mail with acknowledgement of receipt to the Guarantor attesting that (i) the payment of the claimed amounts is covered by the Guarantee, (ii) the conditions for payment are fulfilled and (iii) payment of the claimed amounts has not been made by the Issuer. The Guarantor further is obliged to pay the claimed amounts without having the right to raise any objection notably from the present or future relationship between the holders of warrants and the Issuer.

Risk factors associated with the Guarantor

Moreover, there are factors which may influence the ability of the Guarantor to fulfill its obligations with regard to the securities issued under this Base Prospectus.

The following significant risks result from the Guarantor's banking business:

- Credit risk
- Market risk
- Structural risk
- Operational risk
- Liquidity risk

Risk factors associated with the securities

Warrants are investment instruments involving a particularly high degree of risk. As compared to other investments, warrants involve a substantial level of loss exposure, including the total loss of the amounts invested, and transaction costs incurred.

A warrant represents neither a claim for the payment of interest nor for the payment of dividends and thus does not generate any periodic income. Therefore, potential reductions in the value of the warrant cannot be offset by any other income from the warrant.

One of the key features of a warrant is its so-called "**Leverage Effect**": Any change in the value of the underlying results in a disproportionate change in the value of the warrant. **This means that, compared to a direct investment in the underlying, warrants incur a disproportionately high risk of loss.** Therefore, when buying a particular warrant, it should be noted that the higher the leverage effect of a warrant, the higher the loss exposure involved. In addition, it should be noted that, typically, the shorter the (remaining) maturity of the warrant, the higher the leverage effect.

It is necessary to note, therefore, that both changes in the price of the underlying (or even the non-occurrence of anticipated price changes) and changes in the fair value of a warrant can lower its value disproportionately, even to the point that it no longer possesses any value. In view of the limited life of the warrant, no warrantholder should rely on this value recovering in time. In consequence, there is a risk of a **partial or total loss of the options premium paid, including transaction costs**. This risk is independent of the financial strength of the issuer.

There is a risk of a premature termination and the loss of all or a substantial part of the value of the warrants if the price of the underlying exceeds or falls below a certain relevant price level as may be specified in the Terms and Conditions of the warrants (e.g. Stop Loss Level, Barrier Level, Knock out Level).

If the warrantholder does not exercise American style warrants during the exercise period and if American or European style warrants are not exercised automatically on the expiration date, his/her warrant expires at the end of its term without having any value. In this case, too, the warrantholder is subject to the **risk of a total loss of the options premium paid, including transaction costs.** This risk is also independent of the financial strength of the issuer.

Warrants may be traded over-the-counter during their term. For this purpose, a company affiliated with the Issuer will quote purchase and sale prices for the warrants from an issue over the counter under normal market conditions. To the extent provided for in the Final Terms of the offer for the warrants, the Issuer will also allow for the warrants to be listed on one or more stock exchanges. However, the Issuer assumes no legal obligation with respect to the level or quotation of such prices, or for the consistency of prices determined via an exchange or over-the-counter. Therefore, no warrantholder should rely on being able to sell the warrants at any particular time or at a certain price during their term.

Please note that, within the framework of their normal business operations, the Offeror and its affiliates enter into transactions in the Underlying, in assets on which the Underlying is based or in financial instruments relating to the Underlying, and also that particularly in unfavorable circumstances (e.g. low liquidity), such transaction may result in triggering the price of the underlying to exceed or fall below a certain price level as may be specified by the Terms and Conditions of the warrants (e.g. the Stop Loss Level, Barrier Level, Knock out Level).

If the warrantholder borrows funds to finance the purchase of warrants and his/her expectations are not met, he/she will not only suffer the loss incurred but will also have to pay interest on and redeem the loan. This means that the loss risk rises considerably.

The relevant purchase price for each warrant is exclusive of the costs and commission charged by the relevant bank or financial services provider. Any warrantholder should contact his/her bank or financial services provider for information as to the amount of these ancillary costs. Minimum or fixed commission per transaction (purchase and sale) combined with a low order value (price of the warrant multiplied by the number) may result in cost burdens. If the price does not develop as expected, the ancillary costs increase the possible loss.

It is only possible to ascertain whether or not an investment in the warrants is suited to the investment expertise and targets of the warrantholder with an assessment of his/her personal financial situation, his/her investment expertise to date, and his/her investment targets. **This Prospectus is therefore no substitute for a consultation with a bank or financial advisor, which is indispensable in each individual case.** The information on the warrants contained in this Base Prospectus, in other printed media or on websites of the Issuer, the Offeror and affiliated companies, or of employees of the Issuer, the Offeror and affiliated companies, delivered personally, by telephone, or via other media, does not constitute advice in relation to the suitability of the warrants for the investment targets, investment experience and expertise of individual investors.

The tax treatment of the warrants is based on the exact terms of the warrants and the personal tax situation of the warrantholder. With regard to the tax treatment of the warrants, it is therefore recommended that in-depth advice is sought from a professional in tax advisory services regarding the tax implications of purchasing, holding, exercising or selling the warrants.

III. RISK FACTORS ASSOCIATED WITH THE ISSUER

When deciding whether or not to purchase warrants, potential buyers should take account of the risk factors outlined below, which may impact the Issuer's ability to fulfill its obligations to investors with regard to the securities.

1. Risks associated with the Legal Form and Organization of the Issuer

There is a risk that the Issuer may not or only partially be able to fulfill its obligations arising from the securities. Investors should therefore consider the credit quality of the Issuer and the Guarantor when making investment decisions. The credit risk is understood to be the risk of insolvency or illiquidity of the Issuer, i.e. the possible, temporary or ultimate inability to meet its interest and principal payment obligations. Issuers with a low credit rating are usually associated with a higher insolvency risk.

Please also note that the credit quality of the Issuer may change before the securities mature due to developments in the overall economy or company-specific circumstances. Principal causes could be economic changes that have a lasting adverse impact on the earnings situation and solvency of the Issuer. Other causes include changes in individual companies, industries or countries, e.g. economic crises, as well as political developments with significant economic repercussions.

In accordance with its articles of association, the Issuer of the securities, Société Générale Effekten GmbH, Frankfurt am Main, was formed solely for the purpose of issuing fungible securities and does not engage in any other independent operating activities. The liable capital stock of the Issuer amounts to EUR 25,564.59. By acquiring securities from the Issuer**, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.**

There is no other protection of the investor's payment and/or delivery claims than the Guarantor's Guarantee, the economic value of which is dependent on the creditworthiness of the latter; in particular the Issuer is not member of any depositor's guarantee fund or similar fallback system that would fully or partially cover the claims of security holders in the event of insolvency of the Issuer.

In addition to the insolvency risk of the Issuer, investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of the securities. As opposed to an issuer with a more diversified range of potential contracting parties, the Issuer is subject to a cluster risk as it only concludes hedging transactions with affiliated companies. In this context, cluster risk is the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted. There is a risk that the insolvency of companies affiliated to the Issuer could directly trigger the insolvency of the Issuer.

2. Risks associated with the Issuer’s business activities

The Issuer is primarily engaged in issuing and selling securities. The Issuer’s activities and annual issue volume may be influenced by negative trends on the markets in which it operates. Difficult market conditions, however, may lead to a lower issue volume and adversely impact the Issuer's results of operations.

The general market trend for securities is primarily linked to capital market trends, which, in turn, is influenced by the global economy as well as economic and political factors at national level (market risk).

IV. RISK FACTORS ASSOCIATED WITH THE SECURITIES

Potential buyers of warrants should carefully examine the following information relating to the risk of loss before deciding whether to purchase warrants.

No person should purchase warrants without possessing detailed knowledge of the way in which each of them works and being aware of the potential risk of loss. All potential buyers of warrants should carefully examine whether, in the prevailing conditions and in the context of their personal and financial situation, investing in warrants is a viable option.

1. Economic description of warrants

Warrants are tradable securities which offer investors the opportunity to participate in the performance of a particular underlying, without having to purchase the underlying itself. Underlyings for warrants issued in accordance with this Base Prospectus may include shares, securities representing shares, indices, precious metals, non-ferrous metals, exchange rates, commodities, futures contracts and fund units.

Warrants represent the right of the warrant holders to receive payment of a settlement amount when the option right is exercised ("**Option Right**"). In legal terms, when investors purchase warrants, they acquire a co-ownership interest in a permanent global bearer warrant held at a central securities depository. The terms and conditions of the warrants, however, exclude the issue of individual warrants.

The conditions that apply to payment of a settlement amount differ in relation to **call** warrants and **put** warrants: In the case of call warrants (as provided for by the terms and conditions of the warrants), this right depends mainly on the difference by which the **Settlement Price** of the underlying *exceeds* the strike price on a particular valuation date. In the case of put warrants, the decisive difference is that by which the settlement price of the underlying is *below* the strike price on the valuation date. This means that investors who opt for call warrants expect the price of the underlying to increase, while those who choose to invest in put warrants expect the price of the underlying to fall. The performance of the warrant during the term also holds firmly to these principles: As a rule (disregarding other factors critical to the pricing of the warrants), the value of a call warrant drops if the price of the underlying *falls*. The opposite is true of put warrants, which decline in value if the price of the underlying *rises*.

The calculation of the settlement amount can also be modified by further features. These include an upper limit on the settlement amount (in the case of call warrants), or a lower limit (in the case of put warrants) in the form of a cap or floor. In the case of cap or floor warrants, the settlement amount is **limited** to a certain amount, because the maximum amount that can be paid out to investors with these warrants corresponds to the difference between the cap defined in the terms and conditions of the warrants and the strike price (call warrants) or between the strike price and the floor (put warrants) (in each case multiplied by the ratio). This means that, compared with a direct investment in the underlying, the settlement amount is limited, although the warrantholder participates in any decline in the price of the underlying in full.

In this context, the **ratio** specifies the number of units of the underlying to which a warrant refers. The ratio is expressed as a decimal, i.e. a ratio of 0.01 specifies that one warrant refers to one hundredth of a unit of the underlying. The difference between the settlement price and the strike price, as described above, must always be multiplied by the ratio to produce the settlement amount.

The option right represented by a warrant can have several forms. As far as **European style warrants** are concerned, warrants may not be exercised during the term. As a general rule, European style warrants are exercised automatically at the end of their term. Consequently, the valuation date that is relevant for the determination of the settlement price is defined in the terms and conditions of the warrants and the warrant holders may not exercise their option right during the term of the warrants. In the case of **American style warrants**, the option right can be exercised on the dates specified in the terms and conditions of the warrants during the term of the warrants. In this case, the investor has the option to choose the relevant valuation date for the determination of the settlement price and the maturity date him/herself by selecting one of the exercise dates defined in the terms and conditions of the warrants. In this respect, the warrantholder should note that the exercise of the warrants can be limited or excluded within certain periods or under certain conditions, in accordance with the terms and conditions of the warrants.

Warrants are exercised either by submitting a formal exercise notice, further details of which are provided in the terms and conditions of the warrants and which is subject to certain formal requirements and deadlines pursuant to the terms and conditions of the warrants, or – only in the case of European or the American style warrants, subject to the proviso that this is provided for in the terms and conditions of the warrants, by means of the automatic exercise of the warrants at maturity, without the need for individual warrant holders to submit a declaration of exercise.

Warrants are investment instruments involving a particularly high degree of risk. As compared to other investments, warrants involve a substantial level of loss exposure, including the total loss of the amounts invested, and transaction costs incurred.

A warrant represents **neither a claim for the payment of interest nor for the payment of dividends** and thus **does not generate any regular income**. The only return potential lies in an increase in the secondary market price of the warrant. Therefore, potential reductions in the value of the warrant **cannot** be offset by any other income from the warrant.

2. Term of warrants (closed end / open end)

The warrants can be either closed end or open end.

a) Closed end warrants

Closed end warrants have a term which is defined in the terms and conditions of the warrants. The term of a warrant begins on the date of issue and ends on the end date of the warrants. The settlement amount of the warrants is payable by the issuer on the maturity date specified in the terms and conditions. American style warrants can be exercised by the warrant holders on set dates during their term, as defined in the terms and conditions of the warrants. European style warrants are exercised automatically at the end of their term. The term of the warrants may be terminated early if a certain event specified in the Terms and Conditions of the warrants (e.g. a "Stop Loss Event", "Knock-Out-Event") occurs.

b) Open end warrants

Open end warrants have no limited term agreed in advance. The term of open end warrants ends either

- **when one of the term-ending events specified in the terms and conditions of the warrants occurs (e.g. “Stop Loss Event”, "Knock-Out-Event") or**

- **the warrants are exercised by the warrants holders or**

- **the warrants are terminated by the issuer in accordance with the terms and conditions of the warrants.**

Please note that the Terms and Conditions of the warrants give the Issuer the right to terminate Open End warrants on particular Termination Dates by means of an announcement in a supra-regional official stock exchange gazette. For the purposes of calculating the Settlement Amount, the Termination Date or date specified in the announcement shall be taken as the Valuation Date. Please note that the Issuer can exercise its termination right at its own discretion and is not bound in any way with respect to the exercise of this right. The higher the volatility of the Underlying, or the more illiquid the market is for financial instruments relating to the Underlying (including the futures and securities lending market), the more likely the Issuer is to exercise its right to termination. As a result, the warrantholder should not rely on being able to hold a position in the warrants over an extended period of time.

Furthermore, certain events specified in the Terms and Conditions of the warrants, for example disruptions to trading in the Underlying or in financial instruments relating to the

Underlying (including on the futures and securities lending markets) give the Issuer the right to terminate both closed end and Open End warrants for cause.

3. Leverage effect of warrants

One of the key features of a warrant is its so-called "**Leverage Effect**": Any change in the value of the underlying results in a disproportionate change in the value of the warrant. **This means that, compared to a direct investment in the underlying, warrants incur a disproportionately high risk of loss.** Therefore, when buying a particular warrant, it should be noted that the higher the leverage effect of a warrant, the higher the loss exposure involved. In addition, it should be noted that, typically, the shorter the (remaining) life of the warrant, the higher the leverage effect.

4. The pricing of warrants

Warrants may be traded either via an exchange or over-the-counter. In contrast to most other securities, the price determination process for warrants is not based on the principle of supply and demand, since the Issuer, or an affiliated company acting as market maker, quotes independently calculated bid and offer prices for the warrants in the secondary market. This price determination process is conducted on the basis of customary price calculation models, whereas the value of warrants is, in principle, calculated on the basis of two price components (intrinsic value and time value).

The intrinsic value of a warrant corresponds to the difference between the current price of the underlying and the strike price (in the case of call warrants), or between the strike price and the current price of the underlying (in the case of put warrants), in each case multiplied by the ratio. The intrinsic value of a warrant corresponds to the settlement amount paid out to investors when the warrants reach maturity.

The market price of a warrant reflects not only the intrinsic value, but also what is known as the time value of a warrant. The time value depends to a considerable degree on the residual maturity of the warrant, as well as the implied volatility of the underlying (expected frequency and intensity of future fluctuations in the price of the underlying). The longer the residual maturity and the higher the volatility of the underlying, the higher is the time value. Changes in the time value of a warrant mean that the value of the warrant can drop even if the price of the underlying and, as a result, the intrinsic value of the warrant, remains constant.

It is necessary to note, therefore, that both changes in the price of the underlying (or even the non-occurrence of anticipated price changes) and changes in the time value of the warrant can lower the value of the warrant disproportionately, even to the point that it no longer carries any value. In view of the limited life time of the warrant, the warrantholder should not rely on the value recovering in time. This applies especially when the price of the underlying approaches certain price levels specified in the Terms and Conditions of the warrants, the violation of which triggers an early termination of the warrants and redemption at a very low or no Settlement Amount at all (e.g. Stop Loss Event, Knock-Out-Event). In consequence, there is a risk of a **partial or total loss of the premium paid, including transaction costs**. This risk is independent of the financial strength of the issuer.

If the warrantholder does not exercise American style warrants during the exercise period and if American or European style warrants are not exercised automatically on the expiration date, the warrant expires worthless at the end of its term. In this case, too, the warrantholder is subject to the **risk of a total loss of the premium paid, including transaction costs.** This risk is also independent of the financial strength of the issuer.

5. Open end turbo long or short warrants with stop loss level

The warrants to be issued in accordance with this Base Prospectus can also be structured as open end turbo long or short warrants with a stop loss level.

Turbo long or short warrants with a stop loss level are open end warrants that grant the holder the right to payment of a settlement amount, which depends on the value of the underlying on the respective valuation date, subject to the early termination of the warrants and the expiry of the option right due to the fact that the **stop loss level** has been reached or fallen below (long warrants) or reached or exceeded (short warrants) during the term of the warrants (also intraday where appropriate and in accordance with the terms and conditions of the warrants.)

The settlement amount shall be calculated as the difference between the settlement price of the underlying on the valuation date and the strike price, multiplied by the ratio. The settlement amount may be well below the purchase price.

The characteristic of open end turbo long or short warrants with a stop loss level is that the respective strike price of the warrants is adjusted on each calendar day.

In the case of turbo long and short warrants that are relating to futures contracts, the strike price of the warrants is adjusted by adding an amount that corresponds to the financing costs for the acquisition of the underlying at the strike price expressed in terms of the portion attributable to one day. Although, in economic terms, the Issuer does not incur any financing costs for the acquisition of the Underlying in the case of warrants relating to Futures Contracts, the Issuer charges a Margin in the form of the Interest Rate specified in Table 1, which increases the Strike Price of long warrants on each calendar day, or reduces the Strike Price for short warrants on each calendar day. In the case of warrants that are not relating to Futures Contracts, the amount by which the Strike Price is increased is determined by calculating interest on the respective Strike Price using the Financing Interest Rate specified in Table 1 and performing a one day conversion on an actual/360 basis. Please note that the relevant Financing Interest Rate or relevant Margin can vary for both turbo long and short warrants.

In the case of turbo long warrants, the ongoing adjustment of the Strike Price means that the Warrant develops in a manner which is unfavorable to the investor with every day that passes due to the increase in the Strike Price, or that the value of the Warrant falls on a daily basis although the Price of the Underlying remains constant. In the case of turbo short warrants that are not relating to Futures Contracts, the ongoing adjustment of the Strike Price means that the Warrant develops in a manner which is favorable to the investor with every day that passes due to the increase in the Strike Price, or that the value of Warrant increases on a daily basis although the Price of the Underlying remains constant. This applies to turbo short warrants provided that they do not feature a negative Financing Interest Rate. In such cases, the ongoing adjustment of the Strike Price of turbo short warrants means that the Warrant develops in a manner which is unfavorable to the investor with every day that passes due to the reduction in the Strike Price, or that the value of the Warrant falls on a daily basis although the Price of the Underlying remains constant. In the case of turbo short warrants that are relating to Futures Contracts, the daily reduction in the Strike Price by the respective Margin means that the value of the Warrant falls on a daily basis although the Price of the Underlying remains constant.

The structure of open end turbo long or short warrants as described above means that the price of the Warrant (subject to the bid/offer spread) corresponds to its intrinsic value (amount corresponding to the difference between the current Price of the Underlying and the current Strike Price).

Furthermore, the fact that the capital required to invest in open end turbo long or short warrants is far lower than that required to make a direct investment in the Underlying gives these warrants a substantial leverage effect. The leverage factor expresses the degree to which the value of the Warrant normally rises or falls, in percentage terms, in relation to increases or decreases in the price of the Underlying.

The open end turbo long or short warrants also feature a Stop Loss Level. This means that the Option Rights under the warrants automatically lapse if the Stop Loss Level is reached (also intraday) (the “Stop Loss Event”) and the warrant holder receives a Settlement Amount that corresponds to the difference between the respective valid Strike Price and the stop loss settlement price, such difference further multiplied by the Ratio. **In the event that a Stop Loss Event occurs, the stop loss settlement price corresponds, at least, to the lowest (in the case of long warrants) or highest (in the case of short warrants) price of the Underlying as determined within a period of three trading hours following the occurrence of the Stop Loss Event.**

Please note that the Offeror will quote a purchase price for the warrants based on the stop loss settlement price by the first Banking Day following the occurrence of the Stop Loss Event. This will allow the warrant holder to receive the purchase price within two

Banking Days of the execution of the sell order, as opposed to receiving the usual transfer of the Stop Loss Settlement Amount within five Banking Days of the Valuation Date. These deadlines apply to the transfer of the corresponding amounts to the central depository in each case. The point in time at which these amounts are credited to the securities account of the warrantholder also depends on the business practices of the bank responsible for managing the securities account of the warrantholder.

The Stop Loss Level is adjusted on a monthly basis by multiplying the Strike Price of long warrants by the sum of 100% and the respective Stop Loss Gap, and for short warrants, by multiplying the Strike Price by the difference between 100% and the Stop Loss Gap, and rounding the result in accordance with the Terms and Conditions of the warrants where appropriate. This Stop Loss Gap is expressed as a fixed percentage of the respective valid Strike Price.

Please note that, in the case of long warrants, the fact that the Stop Loss Level is adjusted on a monthly basis even if the Price of the Underlying remains constant, increases the probability that a Stop Loss Event will occur. This also applies to short warrants in the event that the Financing Interest Rate or Margin is negative. In such cases, the longer the warrantholder actually holds the warrants, the higher the risk that he/she will lose his/her invested capital.

Under certain exceptional market circumstances, the Warrant Agent can adjust the respective Stop Loss Gap up to a defined upper threshold where appropriate. In unfavorable circumstances, such an adjustment may also lead to the occurrence of a Stop Loss Event.

Please also note in this context that, within the framework of its normal business operations or for the purpose of hedging risk positions of warrants issued, the Offeror and its affiliates enter into transactions in the Underlying or in derivatives relating to the Underlying, and that particularly in unfavorable circumstances (low liquidity of the Underlying or assets underlying the Underlying), this type of transaction may trigger a Stop Loss Event.

6. Features of warrants with Knock-Out-Level

If the warrants are provided with a Knock-Out-Level there is a risk for the investor of a total economic loss of his investment in the warrants, if the price of the underlying violates a certain price level during an observation period or on an observation date specified in the Terms and Conditions of the Warrant ("Knock-Out-Event"). Such a Knock-Out-Event causes an early termination of the term of the warrants without any payment of a Settlement Amount or at best a low Settlement Amount.

Investors should note that an exercise of the Option Right may be excluded on a day a Knock-Out-Event has occurred. Furthermore there is a risk that the value of the Warrant degrades disproportional on the secondary market if the Price of the underlying approaches to a price level the violation of which may cause a Knock-Out-Event.

7. Features of specific Underlyings

a) Features of Underlyings that are Indices

Warrants relating to Indices represent the right to payment of a Settlement Amount relating to the value of the underlying Index on the Valuation Date. The composition of the Index on the Valuation Date may differ from the composition of the Index at the point in time at which the Warrant is acquired, within the limits specified in the Terms and Conditions of the warrants.

In the case of open end turbo long or short warrants with a Stop Loss Level that are relating to Underlyings that are pure price indices, the dividends distributed on the shares included in the respective Index shall be offset against the Strike Price of the respective turbo long or short warrant in question with effect from the day on which the relevant share is traded ex-dividend. In the case of long or short warrants, this is done by deducting the dividend impact as calculated in index points by the Warrant Agent at its reasonable discretion on a pro rata basis in accordance with the weighting of the share in question in the respective Index and the amount of the dividend distributed from the Strike Price.

In the case of short warrants, the fact that the Strike Price is adjusted to take account of the dividend impact changes the value of the Warrant in a way which is unfavorable to the investor.

In the event that a Dividend Event occurs, the Stop Loss Level shall also be adjusted in accordance with the Strike Price by multiplying the Strike Price valid on the adjustment date by the sum of 100% and the Stop Loss Gap in the case of long warrants, and for short warrants, by the difference between 100% and the Stop Loss Gap, and determining the result, which has been rounded to the next full index point in accordance with the Terms and Conditions of the warrants, as the new Stop Loss Level.

b) Features of Underlyings that are Shares

In the case of open end turbo long or short warrants with a Stop Loss Level that are relating to Shares, the dividends distributed on the Shares shall be offset against the Strike Price of the respective long or short warrant in question with effect from the day on which the relevant Share is traded ex-dividend. In the case of long or short warrants, this is done by deducting the dividend impact as calculated by the Warrant Agent at its reasonable discretion from the Strike Price.

The fact that the Strike Price is adjusted to take account of the dividend impact changes the value of the Warrant in a way which is favorable to the investor in the case of long warrants and unfavorable to the investor in the case of short warrants.
In the event that a Dividend Event occurs, the Stop Loss Level shall also be adjusted in accordance with the Strike Price by multiplying the Strike Price valid on the adjustment date by the total of 100% and the Stop Loss Gap in the case of long warrants, and for short warrants, by the difference between 100% and the Stop Loss Gap, and determining the result, which has been rounded to two decimal places in accordance with the Terms and Conditions of the warrants, as the new Stop Loss Level.

c) Features of Underlyings that are Precious Metals

In the case of open end turbo long or short warrants with a Stop Loss Level, the Warrant Agent does not use the price of the Underlying as determined and published by the Relevant Determination Agent to determine the Stop Loss Event or stop loss settlement price, as is the case when a Settlement Price is calculated in the event of exercise or termination, but instead uses a mean price as determined by the Warrant Agent, which corresponds to the arithmetic average of a price pair (purchase and sale price) as published, in each case, by the market makers authorized by the Determination Agent on the pages of Reuters' business information service specified in the respective Terms and Conditions of the warrants. Insofar as the market makers authorized by the Relevant Determination Agent do not quote a price pair, but only a purchase or sale price, the missing purchase or sale price required to make up the price pair shall be calculated using a notional spread of €0.10. The application of a notional spread means that the sale price is always €0.10 above the purchase price/the purchase price is always €0.10 below the sale price.

d) Features of Underlyings that are Exchange Rates

Exchange rates give the ratio of a certain currency to another currency. In international foreign exchange trading, where a certain currency is always traded against another, the currency which is traded is known as the “trading currency”, and the currency which gives the price for the trading currency is known as the “price currency”. The most important currencies traded in international currency trading are the US dollar (USD), the Euro (EUR), the Japanese yen (JPY), the Swiss franc (CHF) and the British pound sterling (GBP). For example, the exchange rate “EUR/USD 1.2575” means that USD 1.2575 is needed to buy one Euro. An increase in this exchange rate thus means an increase in the value of the Euro against the US dollar. The other way around, for example, the exchange rate “USD/EUR 0.8245” means that EUR 0.8245 is needed to buy one US dollar. An increase in this exchange rate thus means an increase in the value of the US dollar against the Euro.

Exchange rates are subject to various influences including, for example, components such as the rate of inflation in the country in question, interest rate differences as against foreign countries, assessments of the development of the economic trend in the country in question, the global political situation, the convertibility of one currency into another and the security offered by an investment in the respective currency. In addition to the factors outlined above, which are yet predictable, exchange rates can also be affected by virtually unpredictable factors, for example psychological factors such as crises of confidence in the political leadership of a country. Psychological components of this nature can also have a substantial effect on the value of the respective currency, which can also have a negative impact on the value of the securities.

The Reference Prices for the Underlying can be taken from a whole range of different sources. They can be the exchange rate values applicable in Interbank trading, since the majority of international foreign exchange trading is settled between major banks. These values are published on the Pages of recognized business information services (such as Reuters or Bloomberg). On the other hand, certain official exchange rates, as determined by central banks (such as the European Central Bank) can also be used as Reference Prices.

Please also note that in the event that Exchange Rates are used as Underlyings, the Settlement Amount can be determined not only directly on the basis of the Exchange Rate currency pair to which the warrants relate, but also indirectly on the basis of two exchange rate currency pairs that each contain one of the currencies in the currency pair to which the warrants relate and additionally a common reference currency, so that the value of the Exchange Rate to which the warrants relate can be calculated on the basis of these two exchange rates.

In the case of open end turbo long or short warrants with a Stop Loss Level, the Warrant Agent does not use the official mean price of the respective Underlying as determined and published by the European Central Bank in Frankfurt am Main to determine the Stop Loss Event or stop loss settlement price, as is the case when a Settlement Price is calculated in the event of exercise or termination, but instead uses a mean price as determined by the Warrant Agent, which corresponds to the arithmetic average of a price pair (purchase and sale price) as published, in each case, by market makers on the pages of Reuters business information service specified in the corresponding Terms and Conditions of the warrants.

e) Features of Underlyings that are Futures Contracts

Futures contracts are standardized forward contracts relating to financial instruments (e.g. shares, indices, interest rates, currencies), known as financial futures, or commodities (e.g. precious metals, wheat, sugar), known as commodities futures.

A forward contract carries the contractual obligation to buy or sell a certain amount of the relevant object of agreement on a determined date at a concerted price. Futures contracts are traded on futures exchanges, and for this reason are standardized in terms of contract size, the type and quality of the object of agreement, and the possible delivery locations and dates.

There is a close correlation between price development for an underlying on a spot market and on the corresponding futures market. However, futures contracts are traded with a premium or discount compared with the spot price of the underlying. The difference between the spot and forward price, referred to as the “basis” in futures exchange terminology, is partly the result of the inclusion of the costs usually incurred with spot transactions (warehousing, delivery, insurance, etc.) or income usually associated with spot transactions (interest, dividends, etc.), and partly of the differing valuations of general market factors on the spot and futures markets. Furthermore, the liquidity on the spot and relevant futures markets may differ greatly from one another depending on the Underlying.

Because the warrants are relating to the trading price of the underlying Futures Contracts specified in Table 1, it is important to have knowledge of the economic description and assessment factors of forward transactions in addition to knowledge of the market for the respective Underlying of the Futures Contract, to provide for a proper assessment of the risks associated with the purchase of these warrants.

Futures Contracts as Underlyings of the warrants each have a certain expiry date. Therefore, for warrants with longer terms the Issuer will replace the Underlying with a futures contract at a time specified in the Terms and Conditions; this futures contract will have the same contract specifications as the initial underlying Futures Contract except for a later expiry date (“**Roll-over**”). If, in the opinion of the Warrant Agent, there is no futures contract in existence at this time, with underlying conditions or contract characteristics corresponding to the Underlying to be replaced, the Issuer is entitled to terminate the warrants or replace the Futures Contract. If necessary, the new futures contract will be multiplied by an adjustment factor in order to guarantee performance continuity of the parameters referenced by the warrants.

The Roll-over will be carried out on a trading day within a period specified in the Terms and Conditions of the warrants shortly before the expiry date of the current Futures Contract. The reference values which are to be used in the Roll-over from the Underlying to the New Underlying may be determined by the Warrant Agent at its own reasonable discretion.

Open end turbo long or short warrants with Stop Loss Level relating to Futures Contracts

Unlike other Underlyings, the Issuer does not incur any financing costs, in economic terms, for the acquisition of the Underlying with respect to open end turbo long and short warrants with a Stop Loss Level relating to Futures Contracts. In economic terms, the Issuer does not acquire the Underlying itself, but only enters into a corresponding position and, in this sense, does not pay any funds for the acquisition of the Underlying itself, but merely a Margin with respect to the position entered into.

This means that there are no Financing Interest Rates for open end turbo long and short warrants relating to Futures Contracts, and that a Margin applies instead.

Although the Issuer does not incur any financing costs with respect to open end turbo long and short warrants relating to Futures Contracts, unlike open end turbo long and short warrants relating to other Underlyings (with the exception of the margin payment), a Margin is calculated on the basis of the Strike Price on each calendar day nonetheless, as is the case with the other Underlyings, meaning that the Strike Price is increased (long) or reduced (short) accordingly on each calendar day in light of the fact that the margin for open end turbo short warrants is always negative.

f) Features of Underlyings that are Commodities

Commodities are generally divided into three main categories: Mineral commodities (such as oil, gas, aluminium and copper), agricultural goods (such as wheat and corn), and precious metals (such as gold and silver). The majority of commodities is traded on specialized stock exchanges or directly between market participants (Interbank trading) worldwide in the form of OTC transactions (over-the-counter) using largely standardized contracts.

Price risks are often complex with commodities. The prices are subject to larger fluctuations (volatility) than is the case in other asset classes. In particular, commodities markets show lower liquidity than bond, currency and stock markets, therefore changes in supply and demand have a much more drastic effect on prices and volatility, which in turn means that investments in commodities are more complex and more prone to risk.

The factors affecting prices of commodities are numerous and complex. The following section describes the main factors that can have an effect on commodity prices.

Planning and management of commodity supply are extremely time-consuming. The availability of commodities on offer is thus limited, and it is not always possible to adjust production quickly in line with changes in supply and demand. Demand can also differ between regions. The transportation costs for commodities to the regions where they are required also have an effect on the prices. The cyclic nature of some commodities, such as agricultural goods which are produced at certain times of the year, can also cause immense price fluctuations.

Direct investments in commodities are subject to costs for storage, insurance and taxes. Moreover, no interest or dividends are paid on commodities. The total return from commodities is influenced by these factors.

Not all commodity markets are liquid and able to react quickly and to a sufficient extent to changes in the supply and demand situation. Since few market participants are active in the commodity markets, intense speculation can have negative consequences and bring about price distortions.

Unfavorable weather conditions can affect the supply of certain commodities for the entire year. A supply crisis of this kind can in turn lead to major and unpredictable price fluctuations. The spread of disease and the outbreak of epidemics can also have an influence on the prices of agricultural goods.

Commodities are often produced in emerging markets and used by industrialized nations. However, the political and economic situations in emerging markets are usually much less stable than in industrialized nations. They are much more exposed to the risk of rapid political change and economic setbacks. Political crises can shake investor confidence, which in turn can affect the prices of commodities. Warfare and conflicts can change supply and demand for certain commodities. It is also possible that industrialized nations will impose an embargo for the import and export of goods and services. This can be reflected directly or indirectly in the price of commodities. In addition, a series of commodity producers have joined together in organizations or cartels to regulate supply and thus influence the prices.

Changes to the tax rates and duties can either increase or decrease profitability for commodity producers. If these costs are passed on to the buyers, these changes have an effect on the prices of the respective commodities.

The factors and circumstances described in this section, which have, or may have a direct or indirect effect on the value of commodities, can have a negative effect on the securities.

g) Features of Underlyings that are Baskets

If the warrants are relating to a Basket consisting of one or more types of Basket Components, the Issuer may in certain circumstances, in accordance with the Terms and Conditions of the warrants, be entitled to adjust the composition of the Basket established on issue of the warrants. If the Issuer has this right of adjustment, the warrantholder should not assume that the composition of the Basket will remain unchanged during the Term of the warrants.

Depending on the terms, the individual Basket Components can be balanced or have different Weighting Factors. As a general rule, the smaller the Weighting Factor of a Basket Component, the lesser the influence from the performance of the respective Basket Component on the performance of the whole Basket. Depending on the Terms and Conditions of the warrants, a Basket Component or a particular type of Basket Components which has shown poor performance, may make a significant contribution to the determination of the Settlement Amount.

Please note that the selection of Basket Components is not based on the Issuer's expectations or predictions regarding the future performance of the chosen Basket Components. It is therefore advisable that the warrantholder makes his/her own predictions with regard to the future performance of the Basket Components on the basis of his/her own knowledge and information sources.

8. Warrants with currency risk

If the settlement amount or parameters to establish the settlement amount are determined in relation to a foreign currency, a currency unit or calculation unit, or the value of the underlying is determined in this foreign currency, currency unit or calculation unit, the warrantholder's loss risk does not depend merely on the performance of the underlying, but also on unfavorable developments in the value of the foreign currency, currency unit or calculation unit. These developments can increase the risk of loss for the warrantholder in that

- the value of the acquired warrants diminishes accordingly; or
- any possible settlement amount diminishes accordingly.

The currency risks outlined above, however, do not apply to quanto warrants relating to underlyings with prices that are expressed in a currency other than the Euro („EUR"). In the case of quanto warrants, the exchange rate at which the price of the underlying is converted into EUR is specified in the terms and conditions of the warrants.

9. Transactions by the warrantholder to offset or limit risk

The warrantholder should not rely on the permanent possibility to conclude transactions during the Term of the warrants that would allow the warrantholder to completely or partially offset his/her initial risks. This depends on the market situation and the specific underlying conditions. Transactions designed to offset or limit risks might only be possible at an unfavorable market price that will entail a loss for the warrantholder.

10. Borrowing

If the warrantholder borrows funds to finance the purchase of warrants and his/her expectations are not met, he/she will not only suffer the loss incurred but will also have to pay interest on and redeem the loan. This means that the loss risk of the warrantholder rises considerably. As a result, a warrantholder should never rely on being able to redeem or pay interest on the loan from the gains made on a warrant transaction. Rather, it is essential that the warrantholder conducts a prior examination of his/her financial situation, to determine whether or not he/she would be in a position to make interest payments or redeem the loan at short notice, even if losses are made.

11. The Issuer's influence on the Price of the Underlying

Changes in the price of the Underlying, and correspondingly of the warrants may be the result of hedging transactions or similar large-scale transactions carried out by the Issuer or affiliated companies in or in relation to the Underlying. It is also necessary to note in this context that, especially in unfavorable circumstances (low liquidity level of the Underlying), such transactions may have a significant impact on the price of the Underlying. In unfavorable circumstances such transactions may also cause the violation of price levels specified in the Terms and Conditions of the warrants which in turn may cause the occurrence of a Stop-Loss-Event or a Knock-Out-Event. The occurrence of such an event regularly entails a partial or even total loss of the investors' employed capital.

12. The effect of ancillary costs

Commissions and other transaction costs incurred in connection with the purchase or sale of warrants may result in charges, particularly in combination with a low order value. Therefore, any warrantholder should ensure that he/she has acquired sufficient information on the costs incurred when buying or selling the warrants before purchasing any warrants.

13. Size of the offering

Please note that the specified size of the offering does not provide an indicative basis for the liquidity of the securities in the secondary market.

14. Trading in the warrants

It is intended that a company affiliated to the Issuer will, under normal market conditions, regularly quote bid and offer prices for the warrants of an issue. However, the Issuer assumes no legal obligation with respect to the level or quotation of such prices. No warrantholder should therefore rely on being able to sell the warrants at any particular time or at a certain price during their term. It is further essential to note that a situation may occur in which no bid and offer prices can be quoted for the warrants, e.g. during adjustment periods, Market Disruption Events or if a Stop Loss Event occurs.

If any particular risks become apparent in view of a specific Underlying, they will be presented in the respective Final Terms of the offering under the heading "*General information on the warrants – Special risk factors relating to the Underlyings*".

V. RISK FACTORS ASSOCIATED WITH THE GUARANTOR

Risk factors associated with the Guarantor

There are factors which may influence the ability of the Guarantor to fulfill its obligations with regard to the securities issued under this Base Prospectus.

The following significant risks result from the Guarantor's banking business:

- Credit risks (including country risks): Loss risk resulting from the inability of the bank's customers, sovereign issuers, or other counterparties to meet their financial obligations.

- Market risks: Loss risk due to market price and interest rate changes and changes in the relationship between these elements and their volatility.

- Structural risks: Loss risk resulting from the inability to obtain refinancing for the bank's balance sheet with appropriate maturities and appropriate interest.

- Liquidity risk: The risk of being unable to meet obligations when they fall due.

- Operational risks (including legal and ecological risks, among others): Loss risk from unsuitable or deficient procedures, persons, or internal systems, or caused by external events.

VI. OTHER INFORMATION

1. Selling restrictions

With the exception of the publication and depositing of the Prospectus, the Issuer has taken no action and will take no action to render the public offering of the warrants or their possession or the distribution of offer documents relating to the warrants admissible in any jurisdiction requiring special measures to be taken for this purpose. Warrants may only be offered, sold or delivered within jurisdictions or from within jurisdictions where this is admissible pursuant to the applicable statutes and other legal provisions and provided that this does not result in any obligations for the Issuer. No warrants may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933).

2. Advice

This Prospectus is no substitute for a consultation with the bank or financial advisor of potential investors, which is indispensable in each individual case. The information on the warrants contained in this Base Prospectus, in other printed media or on websites of the Issuer, the Offeror and affiliated companies, or of employees of the Issuer, the Offeror and affiliated companies, delivered personally, by telephone, or via other media, does not constitute advice in relation to the suitability of the warrants for the investment targets, investment experience and expertise of individual investors.

With respect to the tax treatment of the warrants, it is recommended that advice be sought from a professional in tax advisory services regarding the tax implications of purchasing, holding, exercising or selling the warrants.

VII. MATERIAL INFORMATION ABOUT THE ISSUER

There are no conflicts of interest between the obligations of the general managers of the Issuer and their private interests and other obligations.

With regard to the required information about Société Générale Effekten GmbH, as Issuer of the securities, reference is made, pursuant to section 11 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), to the registration document for the Issuer, dated 06 June 2007, which has already been filed with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). The information contained in the registration document mentioned above is the information most recently available to the Issuer.

VIII. RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS AND AVAILABILITY OF DOCUMENTS

1. Responsibility for the information contained in this Prospectus

Société Générale Effekten GmbH, Frankfurt am Main, as Issuer, and Société Générale S.A., Paris, France, as Offeror and Guarantor, assume responsibility for the information provided in this Prospectus.

They also declare that, to the best of their knowledge, the information contained in this Prospectus is accurate, and that no material details have been omitted.

2. Availability of the Prospectus and further documents

This Base Prospectus will, in accordance with section 6 of the Securities Prospectus Act, be published without the Final Terms of the offer, and has been approved in this form by the Federal Financial Supervisory Authority. The Federal Financial Supervisory Authority has inspected this Prospectus for formal completeness, and in terms of the coherence and comprehensibility of the information presented herein. The Final Terms of the offer for the warrants will not be defined until shortly before the public offering, and will be published on the day of the public offering at the latest. The Final Terms of the offer are available on the Offeror's website at http://www.sg-zertifikate.de. In addition, copies of this Base Prospectus, with any supplements and the Final Terms of the offer are available free of charge at Société Générale, Frankfurt am Main branch, Mainzer Landstrasse 36, 60325 Frankfurt am Main.

The documents named in this Prospectus relating to the Issuer and intended for publication are available for inspection or collection during normal business hours at Société Générale S.A., Frankfurt am Main branch, Mainzer Landstrasse 36, 60325 Frankfurt am Main.

During the validity period of this Prospectus, the following documents in particular will be available for inspection:

- the Memorandum and Articles of Association, version dated 05 October 1990, and
- the audit reports of the annual financial statements as at 31 December 2005 and 31 December 2006, and the management reports for financial years 2005 and 2006 of Société Générale Effekten GmbH.

IX. GUARANTEE

1. Type of guarantee and scope of application

According to the guarantee instrument issued under French law and dated 15 December 2006 (the “Guarantee”), Société Générale S.A., Paris, France (S&P rating: AA) (the “Guarantor”) guarantees the holders of the warrants of the Issuer to be issued under this Base Prospectus that all obligations of the Issuer stemming from all the warrants issued under this Base Prospectus shall be fulfilled.

Société Générale unconditionally and irrevocably guarantees, for the benefit of the holders of Financial Instruments, the due and punctual payment of any amounts payable under the issue of warrants in Final Terms under this Base Prospectus (the "Indebtedness"). The Guarantee constitutes direct, unconditional, unsecured and unsubordinated obligations of Société Générale, and ranks *pari passu* with all other existing and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, including those in respect of deposits, but excluding any debts for the time being preferred by law. In the event of any default by the Issuer in punctual payment in respect of any part of the Indebtedness, the Guarantor will make any payments on first demand, provided that the request is made by registered mail with acknowledgement of receipt return receipt to the Guarantor attesting that (i) the payment of the claimed amounts is covered by the Guarantee, (ii) the conditions for payment are fulfilled and (iii) payment of the claimed amounts has not been made by the Issuer. The Guarantor further is obliged to pay the claimed amounts without having the right to raise any objection notably from the present or future relationship between the holders of Financial Instruments and the Issuer.

2. Information about the Guarantor

There are no potential conflicts of interest between the obligations of the members of the Executive Board of the Guarantor, and the Guarantor and their private interests and/or other obligations of material importance for the issue or the Guarantee.

With regard to the required information about Société Générale S.A., as Guarantor, and the risks relating to the securities to be issued under this Base Prospectus that are associated with the Guarantor, reference is made, pursuant to section 11 of the Securities Prospectus Act, to the registration document for Société Générale S.A., dated 03 May 2007, which has already been filed with the Federal Financial Supervisory Authority.

3. Documents available for inspection

The following documents in particular will be available for inspection during normal business hours at Société Générale S.A., Frankfurt am Main branch, Mainzer Landstrasse 36, 60325 Frankfurt am Main, for the duration of the validity period for this Base Prospectus:

- the guarantee instrument dated 15 December 2006.

X. FINAL TERMS OF THE OFFER

[The following text represents a template of the respective Final Terms of an offer of Warrants under this Base Prospectus. The Final Terms to this Base Prospectus are set forth as per Article 26 para. 5, second alternative of (EC) regulation No. 809/2004, and are thus incorporated into the text of the Base Prospectus. All gaps in the following text marked with the symbol "●" are – as the case may be - to be supplemented in the Final Terms. The alternative or optional details or conditions (marked with square brackets "[ ]") show options to be selected in the Final Terms. Any such alternative or optional details which are not explicitly mentioned in the Final Terms are deemed to be waived.

In case of size increases in one or more Warrants issued with Final Terms under this Base Prospectus (hereinafter referred to as "First Final Terms"), an additional set of Final Terms will be produced for the newly issued Warrants (hereinafter referred to as "New Final Terms"). They will be consolidated with the previously issued Warrants of the same German Security Identification Number (Wertpapierkennnummer, hereinafter referred to as "WKN") to form a single issue, thus increasing their volume.]

1. General information on the Warrants

1. Description of the securities

The object of this Prospectus are the [*exact description*: ●] Warrants relating to [the Price of] [Shares] [or] [securities representing shares] [Indices] [Precious Metals] [Non-ferrous Metals] [Exchange Rates] [Commodities] [Futures Contracts] [Fund Units] [or] [a Basket consisting of [Shares] [or securities representing shares] [Indices] [Precious Metals] [Non-ferrous Metals] [Exchange Rates] [Commodities] [Futures Contracts] [Fund Units]] as specified in **Table 1 and Table 2** on page ● (and if necessary on the subsequent pages) of the Prospectus (the "**Tables**") (as a whole, the "**Warrants**") of Société Générale Effekten GmbH, Frankfurt am Main (the "**Issuer**"). No internal resolutions will be made by the Issuer concerning the issues under this Base Prospectus.

2. Warrant Agent and Paying Agent

The Settlement Amount is calculated by Société Générale S.A., 17, cours Valmy, 92972 Paris-La Défense (France).

Société Générale, Frankfurt am Main branch, Mainzer Landstrasse 36, 60325 Frankfurt am Main, is the Paying Agent in the Federal Republic of Germany.

[[*Name*: ●] [*address*: ●] is the Paying Agent in [*other countries of offering*: ●]]

3. Governing law

The Warrants are issued under the law of the Federal Republic of Germany.

4. Start of the offering period, Initial Issue Prices and value date
The start of the offering period for the Warrants, as well as the Initial Issue Prices, are specified above **Table 1**; the Initial Issue Prices are stated exclusive of the costs and commission charged to investors by their bank or financial services provider. [The [minimum][maximum] subscription amount is ●.] Value Date is the date specified above **Table 1**. Otherwise, subscription for Warrants is not subject to any particular method. Warrants are allocated to subscribers up to the total amount of the issue volume in the order of receipt of subscription requests [or on a pro-rata basis]. There is no notification process for applicants of the amount allocated.

5. Use of proceeds from the sale of the Warrants
The proceeds from the Warrants will be used to hedge risks resulting from the issue of the Warrants and for profit-making purposes.

6. Currency of the securities issue: [Euro][*other currency:* ●]

7. Form, delivery
The Warrants are represented by a Global Bearer Warrant, which is initially deposited with [Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main] [*other clearing agent, address:* ●]. Effective Warrants will not be issued. The holders of the Warrants are entitled to co-ownership interests in the Global Bearer Warrant which may be transferred in accordance with the rules of [Clearstream Banking AG] [*other clearing agent*: ●]. The Warrants are delivered in accordance with the rules of Clearstream Banking AG and delivery of the Warrants is not otherwise subject to any particular method.

[*other countries of offering*: ●][*other depositary agents*: [*name*: ●] [*address*: ●]]

8. Stock Exchange Listing
[The Issuer intends to have the Warrants admitted for [trading on][listing to] the [regulated unofficial market] [official] [regulated] [market] of [*insert listing place:* ●].] [Securities of the same class of securities are already admitted to trading on the [*insert listing place:* ●].] [It is intended is to submit an application requesting that the Warrants sold at the unit price are only sold in units of ● Warrants. The tradability of the Warrants in the context of continuous quotation depends on the rules and regulations of the respective securities exchange.]

9. Trading in the Warrants
It is intended that a company affiliated to the Issuer will, under normal market conditions, regularly quote bid and offer prices for the Warrants of an issue.

However, the Issuer assumes no legal obligation with respect to the level or quotation of such prices, or for the consistency of prices determined via an exchange or over-the-counter for the Warrants.

10. Announcements
All announcements relating to the Warrants will be published in at least one supra-regional official stock exchange gazette of the stock exchange on which the Warrants are listed, or – insofar as legally permissible – on the website [http://www.sg-zertifikate.de] [●].

11. Tax and levies
All taxes or other levies due in connection with the payment of the Settlement Amount are to be borne by the warrant holders.

There is currently no legal obligation in the Federal Republic of Germany for the Issuer to withhold or deduct taxes or other levies of any kind from the Settlement Amount of the Warrants (withholding tax).

[*Tax treatment of the Warrants in other countries of offering:* ●]

The Issuer assumes no responsibility for the withholding of taxes at source.

12. Applicable law, place of performance and jurisdiction
The form and content of the Warrants, as well as all rights and obligations incumbent upon the Issuer and the warrant holders shall be governed by the laws of the Federal Republic of Germany. The form and content of the Guarantee and all rights and obligations arising from the Guarantee are governed by the laws of the Republic of France.

The place of performance shall be Frankfurt am Main.

The place of jurisdiction for all disputes related to matters provided for in the Terms and Conditions of the Warrants is Frankfurt am Main. Jurisdiction for actions or any other proceedings resulting from or in connection with the Guarantee shall lie with the *Tribunal de Commerce* in Paris, France.

13. Information about the Underlyings

Information on the underlying[s] and [its][their] past and future performance and volatility of the Underlyings can be viewed on the website[s] specified in **Table 2** on page [●].

Description of the Underlying: [●]
[*Special risk factors relating to the Underlyings:* ●]

The information contained in this Base Prospectus pertaining to the Underlyings was taken from general databases with public access, or from other information sources. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer offers no guarantee as to the completeness and accuracy of the information contained on these websites.

14. Underwriting
The Warrants are underwritten by Société Générale S.A., Paris, France (hereinafter: Société Générale). For each issue of Warrants under this Prospectus, Société Générale Effekten GmbH will conclude an independent underwriting agreement with Société Générale on the start date of the offering period.

15. Guarantee
The Issuer’s payment obligations under the Terms and Conditions of the Warrants are guaranteed by an unconditional and irrevocable Guarantee from Société Générale.

16. Post-issue publication of information
The Issuer does not propose post-issue publication of information, with the exception of the announcements specified in the Terms and Conditions or a statutory obligation to publish.

17. Selling restrictions
With the exception of the publication and depositing of the Prospectus, the Issuer has taken no action and will take no action to render the public offering of the Warrants or their possession, or the distribution of offer documents relating to the Warrants admissible in any jurisdiction requiring special measures to be taken for this purpose. Warrants may only be offered, sold or delivered within jurisdictions or from within jurisdictions where this is admissible pursuant to the applicable statutes and other legal provisions and provided that this does not result in any obligations for the Issuer. No Warrants may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933).

The Offeror also guarantees the Issuer:

(i) in relation to warrants with a term of one year or longer, that it has neither offered nor sold such warrants to persons in the United Kingdom, and will not do so for a period of six months from the issue date of such warrants, with the exception of such persons whose regular activities include the purchase, holding, management or disposition (as principal or agent) of investments for business purposes, and excluding situations which would not lead to a public offering in the United Kingdom within the meaning of the United Kingdom Public Offers of Securities Regulation 1995;

(ii) in relation to warrants which have to be redeemed less than one year after issue, that (a) it is a person whose regular activities include the purchase, holding, management or disposition (as principal or agent) of investments for business purposes, and that (b) it has only offered or sold, or will only offer or sell warrants to persons whose regular activities include the purchase, holding, management or disposition (as principal or agent) of investments for business purposes, or who can reasonably be expected to purchase, hold, manage, or dispose of (as principal or agent) investments for business purposes, if the issue of the warrants would otherwise constitute a contravention of section 19 of the Financial Services Markets Act ("**FSMA**") by the Issuer,

(iii) that it has passed on, will pass on, or has or will cause the passing on of an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of warrants only in circumstances under which section 21 (1) of the FSMA does not apply to the Issuer, and

(iv) that it has met and will meet all applicable provisions of the FSMA concerning its actions relating to the Warrants, provided they take place in the United Kingdom, originate from the United Kingdom or relate to the United Kingdom.

2. Tables

[*insert product name:* ●] Warrants relating to [the Price of [Shares] [or] [securities representing shares] [/] [Indices] [/] [Precious Metals] [/] [Non-ferrous Metals] [/] [Exchange Rates] [/] [Commodities] [/] [Futures Contracts] [/] [Fund Units]] [or] [a Basket consisting of [Shares] [or] [securities representing shares] [/] [Indices] [/] [Precious Metals] [/] [Non-ferrous Metals] [/] [Exchange Rates] [/] [Commodities] [/] [Futures Contracts] [/] [Fund Units]]

Final Terms of the offer dated • to the Base Prospectus dated 21 June 2007

Table 1: Information relating to the Warrants

<u>Information relating to all the Warrants:</u>

[start of the Offering Period:	•]
[Initial Determination Date:	•]
Issue Date:	•
Value Date:	•

WKN/ ISIN	Underlying [Share] [securities representing shares] [Index] [Precious Metal/ Non-ferrous Metal] [Exchange Rate] [Commodity] [Futures Contract]* [Fund Unit]	Type of Warrant [; exercise style]	[Ratio]	[[Initial] Strike Price [on the Initial Determination Date][in the Trading Currency][*other currency:* •]]	[Initial][Stop Loss Level on the Initial Determination Date in [*currency:* •]] [Knock-Out-Level]	[Stop Loss Gap] [Knock-Out-Settlement Amount]	[Initial Quanto Interest Rate]	[Cap] [Bonus Level]	[Financing Interest Rate] [Margin] [Price Level[s]]	[Reference Interest Rate] [Observation Period]	[Exercise Period (American style)] [Term (European style)] [Beginning of the Exercise Period]	[End Date] [Valuation Date] [Beginning of the Term]	Initial Issue Price in [€] [*other:* •]	Size of the offering in no. of Warrants	[*insert other variable: parameter*•]

	[Basket]														
•	•	•	•	•	•	•	•	•	•	•	•	•	•	•[1]	•

[* The Underlying specified refers, in accordance with section • of the Terms and Conditions of the Warrants, to the **[•]** Futures Contract] [Please note that the Strike Prices and Stop Loss Levels defined in this Table and in the Prospectus only relate to [*weighting unit or unit of measurement*: •] [*Commodity*: •] in each case.]

Definitions:
[foreign currency]
[All references to "•" should be understood as references to "•" [and all references to "•" as references to "•"].]

Table 2: Information relating to the Underlying[s]

Underlying [Basket Component] [(Index/ISIN] [(Share/Company/ISIN] [Precious metal/Non-ferrous metal/weighting unit or other unit of measurement] [Exchange rate] [Commodity/weighting unit or other unit of measurement] [Futures Contract]* [Fund Unit/Issuer of the Fund Units/ISIN]	[Weighting Factors] [W1, W2, W3, •]	[Relevant Exchange / Futures Exchange] [Index Sponsor] [Reference Market / Page] [Relevant Determination Agent] [Relevant Calculation Agent]	[Price Currency / Page]	[Trading Currency / Page]	Reference Price	[Relevant Futures Exchange for Index [Futures] [Options] Contracts]]	Internet Site
•	•	•	•	•	•	•	•

[1] [The [initial][present] issue volume of the Warrants of • is increased by • to a total of •. The newly issued Warrants and the previously issued Warrants together form a single issue as defined by Section 15 of the Terms and Conditions of the Warrants. [The initial issue size of the size increase is •.]]

Definitions:

[foreign currency]
[All references to "●" should be understood as references to "●" [and all references to "●" as references to "●"].]

[* The Underlying specified refers, in accordance with section ● of the Terms and Conditions of the Warrants, to the **[●]** Futures Contract] [Please note that the Strike Prices and Stop Loss Levels defined in this Table and in the Prospectus only relate to [*weighting unit or unit of measurement*: ●] [*Commodity*: ●] in each case.]

3. Terms and Conditions of the Warrants

Section 1
Option Right and Guarantee

(1) Société Générale Effekten GmbH, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") hereby grants the holder of [*product name*: ●] Warrants [with a Stop loss level] (the "**Warrants**"), relating to the Underlying (section 11 (1)), as set out in Table 1 and Table 2 on page ● (and, where appropriate, on the subsequent pages) of this Prospectus, the right (the "**Option Right**") to demand payment of the Settlement Amount (section 2 (1)) in accordance with the Terms and Conditions of the Warrants.

(2) The Warrants constitute direct, unsecured and unsubordinated obligations of the Issuer, which rank *pari passu* with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions.

(3) Société Générale S.A., Paris, France (the "Guarantor") shall guarantee the punctual payments of any amounts payable according to these Terms and Conditions. The Guarantee constitutes direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, which rank *pari passu* with all other existing and future direct, unconditional, unsecured an unsubordinated obligations of the Guarantor, including those in respect of deposits, but excluding any debts for the time being preferred by law. In the event of any default of the Issuer in punctual payment, the Guarantor will make the corresponding payments on the first demand.

Section 2
Settlement Amount

(1) [The "**Settlement Amount**" [per Warrant][*insert other calculation base:* ●] is [, subject to (section 4a),] equal to the difference by which the Settlement Price (section 2 (2)) exceeds (for [call] [long] Warrants) or falls below (for [put] [short] Warrants) the [*Open End turbo long or short Warrants:* respectively applicable] Strike Price according to (section 3) [on the Valuation Date] , multiplied by the Ratio [on the Valuation Date] (section 4). The Settlement Amount is expressed in EUR [or converted into EUR in accordance with section 2 (3)]. If necessary, the Settlement Amount will be [commercially] [rounded][down][up] to [*rounding rule*: ●] decimal places.][*other definition of Settlement Amount*: ●]

(2) [The "**Settlement Price**" is the [Reference Price of the Underlying (section 10 (1)) on the Valuation Date (section 5 [(1)][(2)])] [however, subject to a] [maximum (for call

Warrants)] [or] [minimum] [(for put Warrants)] of the [Cap] [Bonus Level] [●] specified in Table 1 [if the [●][Price] (section 10(2)) of the underlying [does] [is] not at any point in time [(also not intraday)] [traded at] [or] does not [exceed] [or] [fall below] [*other condition*] the price level specified in Table 1 during [the observation period specified in Table 1] [the term of the Warrants].] [*other definition of Settlement Price:* ●].]

[(3) All references to "EUR" shall be understood as references to the "**Euro**", the legal tender in the [thirteen] [●] participating states of the European Economic and Monetary Union (EMU) (as of [1 January 2007] [●]). A definition of the abbreviations of any further currencies used in these Terms and Conditions can be found in Table 1 or Table 2. [The conversion to EUR of a differential amount not expressed in EUR is carried out for the Settlement Amount and the Termination Amount on the basis of the respective official mean price determined by the European Central Bank in Frankfurt am Main on the day after the Settlement Price is determined.] [Conversion of the Trading Currency specified in Table 2 (the "**Trading Currency**") into EUR is effected [on the basis of the exchange rate expressed for EUR 1 in the Trading Currency displayed on the [Valuation Date (section 5 [(1)][(2)])] [*other conversion date:* ●] on the Page for the Trading Currency specified in Table 2, or a page replacing such Page. If the Page is not available on the designated day, or if the exchange rate is not displayed there, the exchange rate is the exchange rate as displayed on the relevant page of another business information service. [If the exchange rate is no longer displayed in one of the manners described above, the Warrant Agent is entitled to determine at its own reasonable discretion an exchange rate based on the market practice prevailing at the time and giving due consideration to the prevailing market conditions.]] [at an exchange rate of 1 unit of the Trading Currency to EUR 1 ("Quanto").]] [*other definition of conversion:* •]

Section 3
Strike Price

The **Strike Price** [on the Valuation Date specified in Table 1] is [subject to adjustment in accordance with section [10] [11]] the relevant Strike Price as specified in Table 1][*other definition:* •]. [*Open end turbo long or short Warrants relating to futures contracts:* The **Initial Strike Price** on the Initial Determination Date is the Initial Strike Price specified in Table 1 on the Initial Determination Date. Subsequent to this, the Underlying is adjusted every calendar day (including Sundays and holidays) for long and short Warrants; for long Warrants, the amount of the margin for one day on an actual/360 basis is added to the Strike Price applicable on the previous day, and for short Warrants the amount of the margin for one day on an actual/360 basis is subtracted from the Strike Price applicable on the previous day. The Margin is the Margin specified in Table 1 for long and short Warrants respectively.] [*Long and short Warrants relating to Shares, Indices, Precious Metals, Non-ferrous Metals, Exchange Rates and Fund Units*: The **Initial Strike Price** on the Initial Determination Date is the Initial Strike Price specified in Table 1 on the Initial

Determination Date. The Strike Price is adjusted every calendar day (including Sundays and holidays) for long and short Warrants; the Initial Strike Price is multiplied by the factor

$$(1+\text{financing interest rate})^{n/360}$$

(with *n* meaning the number of days since the Initial Determination Date) and the result [rounded [down] to two decimal places] [*other rounding rule*: ●].

The Financing Interest Rate on day (t) is the Financing Interest Rate specified in Table 1, which is the current Reference Interest Rate for day (t) plus (for long Warrants) or minus (for short Warrants) the relevant Margin as specified in Table 1 . The Reference Interest Rate is the Reference Interest Rate specified in Table 1. The Reference Interest Rate for day (t) is the relevant current Reference Interest Rate from the day before day (t), determined [●] between [●] and [●] [am][pm] local time [*location*: ●] (in respect of the Reference Interest Rate given in [●]). Each current Reference Interest Rate is published [●] on Reuters page [●] (regarding the Reference Interest Rate specified in [●]). If the page is not available at the designated time, or if the Reference Interest Rate is not displayed there, the Reference Interest Rate is the reference interest rate displayed on the relevant page of another business information service. If the aforementioned Reference Interest Rate is no longer displayed in one of the manners described above, the Issuer is entitled to determine a reference interest rate on the basis of the interest rate determined by the prevailing market practice.] [*other Strike Price determination; other Financing Interest Rate determination; other Reference Interest Rate determination*: ●]

[*Open end turbo long or short Warrants with stop loss level relating to the price of indices*: For long and short Warrants relating to the [●] index [●], the Strike Price will decrease by the dividend impact expressed in index points and calculated by the Warrant Agent at its reasonable discretion (section 317 BGB), should a Dividend Event occur. A "**Dividend Event**" occurs if dividends are distributed from the shares contained in the respective Index. The Strike Price is adjusted on the day on which the respective share is traded ex dividend. The dividend impact is calculated with consideration for the weighting of the respective share in the relevant Index and the amount of the dividend distribution.]

[*Open end turbo long or short Warrants with stop loss level relating to the price of shares*: For long and short Warrants, the Strike Price will decrease by the amount of the dividend impact as calculated by the Warrant Agent at its reasonable discretion (section 317 BGB) if a Dividend Event occurs. A "**Dividend Event**" occurs if dividends are distributed from the relevant shares. The Strike Price is adjusted on the day on which the respective share is traded ex dividend.]

[*Quanto Warrants*: For currency-hedged [call and put] [long and short] Warrants, the Strike Price is [also] adjusted [every [subsequent] calendar day (including Sundays and holidays)] [●] by adding to the Strike Price [valid on the previous day] an amount corresponding to the Quanto Factor calculated on an actual/360 basis.

The **Quanto Factor** is calculated on the basis of the following formula:

$$\frac{\text{Reference Price}_{t-1} \times \text{Quanto Interest Rate}_{t}}{\text{Strike Price}_{t-1}}$$

The parameters used in the formula have the following meaning:

"**Reference Price$_{t-1}$**"	is the Reference Price of the Underlying on the day preceding day t, with t running through the sequence of natural numbers from 1 to n;
"**Strike Price$_{t-1}$**"	is the Strike Price [on the day preceding day t], with t running through the sequence of natural numbers from 1 to n;
"**Quanto Interest Rate$_{t}$**"	is the Quanto Interest Rate on day t, with t running through the sequence of natural numbers from 1 to n.

The "**Quanto Interest Rate**" corresponds to the Initial Quanto Interest Rate specified in Table 1. The Issuer is entitled, at its own reasonable discretion (section 315 BGB) to adjust the Quanto Interest Rate with effect from each Banking Day, if the Issuer deems this a necessary response to an increase or decrease in the costs incurred by the Issuer in hedging currency risks. Any adjustment to the Quanto Interest Rate, together with the date on which the adjustment takes effect, shall be posted without undue delay on the Internet at [http://www.sg-zertifikate.de] [●]. All references to the Quanto Interest Rate contained in these Terms and Conditions shall thus apply to the adjusted Quanto Interest Rate as of the day on which any adjustment takes effect.]

Section 4
Ratio

The **Ratio** [on the Initial Determination Date specified above Table 1] is the Ratio given in Table 1.

[Section 4a
Stop Loss

[(1) The Stop Loss Level [on the Initial Determination Date specified in Table 1] is the Stop Loss Level specified in Table 1. Subsequently, the Stop Loss Level is being adjusted [monthly on the 15th calendar day of the month] [*other adjustment date:* ●] [and when a Dividend Event occurs (section 3)]. For long Warrants the Strike Price applicable on the adjustment date multiplied by the sum of 100% and the Stop Loss Gap, and for short

Warrants, the Strike Price applicable on the adjustment date multiplied by the difference between 100% and the Stop Loss Gap, the result rounded [down][●] to [two] [or – in the case of Warrants relating to exchange rates – four][●] decimal places [*other rounding rule*: ●], is determined as the new Stop Loss Level. If, on the 15th calendar day, the relevant [Determination Agent] [exchange] [reference market] [futures exchange] specified in Table 2 is not open for trading, the Stop Loss Level is adjusted on the following calendar day on which the relevant [Determination Agent] [Exchange] [Reference Market] [Futures Exchange] is open for trading. The "**Stop Loss Gap**" is the Stop Loss Gap specified in Table 1. If there are considerable changes in the volatility of the Underlying, the Warrant Agent is entitled to make extraordinary adjustments to the Stop Loss Gap specified in Table 1 according to its own reasonable discretion (section 317 BGB). For long and short Warrants this adjustment may not exceed five percentage points above the Stop Loss Gap specified in Table 1. In unfavorable circumstances, such an adjustment may trigger a Stop Loss Event. Extraordinary adjustments to the Stop Loss Gap must be announced without undue delay in accordance with section 13.]

[(1)][(2)] [If, during [the observation period specified in Table 1] [the term of the Warrants (section 5 [(3)][(4)])] [(also intraday)], the price (section 10 (2)) of the Underlying [reaches] [or] [falls below] [or – as the case may be –] [reaches] [or] [exceeds] the Knock-Out-Level [*other condition:* ●], the term of the Warrants is automatically terminated and the Option Right expires automatically in accordance with section 1, without requirement of a separate termination notice ("**Knock-Out-Event**"). In this case, the Settlement Amount is the [Knock-Out-Settlement Amount specified in Table 1] [*other Settlement Amount* ●].]

[If, during the term of the Warrants (section 5 (4)) [(also intraday)], the price (section 10 (2)) of the Underlying [is traded at or] falls below the Stop Loss Level (for long Warrants) or is traded at or exceeds the Stop Loss Level (for short Warrants), the term of the Warrants is automatically terminated and the Option Right expires automatically in accordance with section 1, without requirement for separate termination notice of the Warrants by the Issuer ("**Stop Loss Event**"). In this case, the Settlement Amount is the Stop Loss Settlement Amount determined by the Warrant Agent, expressed in EUR or – as the case may be – converted into EUR in accordance with this paragraph. The **Stop Loss Settlement Amount** is equal to at least the difference by which the Stop Loss Price of the Underlying determined by the Warrant Agent (section 12) upon the occurrence of a Stop Loss Event in accordance with the following sentence exceeds (for long Warrants) or falls below (for short Warrants) the Strike Price multiplied by the Ratio (the "**Stop Loss Settlement Amount**"). The "**Stop Loss Price"** is determined by the Warrant Agent (section 12) within a period of [three] [●] trading hours following the occurrence of a Stop Loss Event, for long Warrants by applying at least the lowest price within this period and for short options by applying at most the highest price within this period. If the Stop Loss Event occurs less than [three] [●] hours before the official close of calculation of the Underlying or the close of trading in the Underlying on the Reference Market, the period for determination of the Stop Loss Price extends correspondingly up to the subsequent calendar day on which prices for the Underlying are calculated or determined and published; the determination period is three hours in total. [If the Stop Loss Event occurs outside the trading hours of the Frankfurt Stock Exchange, the [three] [●] -hour period begins at the start of the subsequent trading day on the Frankfurt Stock Exchange.] [The conversion of the Stop Loss Settlement Amount of [●] into EUR is effected on the basis of a arithmetic average of a price pair (bid and offer price) selected by the Warrant Agent at its reasonable discretion (section 317 BGB), published by market makers on the Reuters page [●] (relating to the [●] exchange rate) [●] within three trading hours of the occurrence of a Stop Loss Event. This will be at least the lowest the arithmetic average of the published price pairs, and at most the highest arithmetic average of the published price pairs within the specified period.] [*Other definition of conversion:* ●] [*Quanto*: The conversion of the Stop Loss Settlement Amount for the quanto Warrants specified in Table 1 from the trading currency into EUR is based on the conversion rate of 1:1 ("Quanto") [●].]

[(2)][(3)] [The Issuer shall transfer any [Stop Loss Settlement Amount] [Knock-Out-Settlement Amount] payable to [Clearstream Banking AG Frankfurt am Main ("**Clearstream**")] [*other clearing agent*: ●], so that it may in turn be credited to the accounts of the individuals who deposited their Warrants with [Clearstream] [*other clearing agent*: ●], by the [fifth][●] Banking Day after the Valuation Date (the "**Maturity Date**"). All taxes, fees or levies incurred in connection with the payment of the [Stop Loss Settlement Amount] [Knock-Out-Settlement Amount] are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the [Stop Loss Settlement Amount] [Knock-Out-Settlement Amount] any taxes or levies which are payable by the warrant holders pursuant to the preceding sentence.]]

Section 5
[Exercise Date;] Valuation Date; Banking Day; Term

[(1) "**Exercise Date**" [[for [American] [*insert other Warrant style:* ●] style Warrants] is, subject to the provisions set out below, the Banking Day in [Frankfurt am Main, Germany,] [●] [within the exercise period] on which all conditions set out in section 7 [I.] (1) to (3) are met by [11][●] ([am][pm]) (local time [Frankfurt am Main][●]). If these conditions are met on a day which is not a Banking Day in [Frankfurt am Main][●] or after [11][●] ([am][pm]) (local time [Frankfurt am Main][●]) on any Banking Day in [Frankfurt am Main][●], the next succeeding Banking Day in [Frankfurt am Main][●] shall be deemed the Exercise Date[, provided that this day falls within the Exercise Period]. In the case of an Automatic Exercise, the Exercise Date is the End Date specified in Table 1.]][*other definition of Exercise Date*: ●]

[(1)][(2)] "**Valuation Date**" is, subject to section 9 (1), [if the Reference Price of the Underlying is determined after [11][●] ([am][pm]) (local time [Frankfurt am Main][●]), the Exercise Date or - as the case may be - the Termination Date, or, if the Exercise Date or - as the case may be - the Termination Date is not a Calculation Date (section 10 (2)), the first succeeding Calculation Date (section 10(2)) or, if the Reference Price of the Underlying is determined before [11][●] ([am][pm]) (local time [Frankfurt am Main][●]), the Calculation Date (section 10 (2)) immediately following the Exercise Date or - as the case may be - the Termination Date [or, if the Exercise Date falls on the End Date, the End Date, or, if the End Date is not a Calculation Date (section 10 (2)), the first succeeding Calculation Date (section 10 (2)).]] [*other determination of Valuation Date:* ●]

[(2)][(3)] "**Banking Day**" means [[– subject to the following rule –] any day on which the banks in [Frankfurt am Main][●] [and [Paris, France,][●]] are open for business [and [the TARGET system (Trans-European Automated Real-time Gross Settlement Express Transfer Payment System) is open and Clearstream is effecting settlements][●]]] [*other definition of Banking Day:* ●].

[(3)][(4)] [The Warrants have the **Term** specified in Table 1.] [The Term of the Warrants ends on the End Date specified in Table 1.] [[The Term of the Warrants begins on [*insert start date:* ●].] The end of the Term of the Warrants is not yet determined which means that the Warrants are Warrants without a fixed term ("**Open End Warrants**").]

Section 6
Form of Warrants; Collective Safe Custody; Transferability

(1) The Warrants issued by the Issuer and specified in Table 1 with a securities code are represented in each case by a permanent global bearer warrant (the "**Global Bearer Warrant**"). Effective warrant certificates will not be issued. The warrant holders have no right to request delivery of effective warrant certificates.

(2) The [respective] Global Bearer Warrant is filed with [Clearstream] [*other clearing agent*: ●]. The Warrants, as co-ownership interests in the Global Bearer Warrant, are transferable.

(3) For clearing purposes, the Warrants may be transferred in units of [*insert minimum unit:* ●] warrant[s] or an integral multiple thereof.

Section 7

Exercise of the Option Rights

[[I. Terms and conditions relating to the [American][insert Warrant style: ●] style exercise of Warrants]

(1) The Option Right may be exercised, subject to

[early termination in accordance with section 11, within the Exercise Period as specified in **Table 1**, by [11 am] [*differing time:* ●] [(local time Frankfurt am Main)] [*other time:* ●] on a Banking Day in [Frankfurt am Main] [*other place:* ●] (the "**Exercise Period**").]

[early termination of the Warrants in accordance with section 11, [from the date specified in Table 1 as the beginning of the Exercise Period], by [11 am] [*other time:* ●] [(local time Frankfurt am Main)] on a Banking Day in [Frankfurt am Main] [*other place:* ●]. In the case of termination in accordance with section 16, the Option Right can only be exercised until [11 am] [*other time:* ●] [(local time Frankfurt am Main)] on the last Banking Day in [Frankfurt am Main] [*other place:* ●] before the day on which the termination takes effect.] [Exercising the Option Right is excluded on the date of occurrence of a Stop Loss Event in accordance with section 4a (2). Exercise Notices submitted, but not yet executed automatically become void should a Stop Loss Event occur.] [*Shares as Underlying*: Exercising the Option Right is [also] excluded (a) within the respective period between the [fifth][●] Banking Day (section 5 [(2)][(3)]) **at the registered office of the Relevant Exchange** before the last deposit date for the shares of the company before an annual general meeting of the company, and the third Banking Day **at the registered office of the Relevant Exchange** following such an annual general meeting and (b) in the event that, by granting direct or indirect subscription rights to its shareholders, the company (i) increases its capital by issuing new shares, or (ii) issues notes or similar securities with conversion or option rights on company shares, either itself or via a third party, during the period between the first day of trading for subscription rights on the **Relevant Exchange** and the third Banking Day **at the registered office of the Relevant Exchange** after the last day of trading for subscription rights on this exchange. The Issuer is not obliged to inform the warrant holders of the occurrence of any of the exclusions stated above.] [Exercising the Option Right is [also] excluded within a period of [three][●] [calendar months] [*other time period:* ●] from the [Initial Determination Date specified in Table 1] [time of acquisition by the respective warrant holder] of the Warrants]. [The relevant time of acquisition is the calendar day on which the relevant Warrants are credited to the buyer's account with [Clearstream] [*other clearing agent*●].][*other determination of exercise terms*: ●]

(2) Option rights can be exercised [only for a minimum of [*insert minimum unit:* ●] Warrants or an integral multiple thereof] [only for a minimum of [*insert minimum unit:* ●] Warrants and subsequently ●] [individually]. [An exercise of less than ● Warrants

shall be null and void and ineffective. An exercise of more than ● Warrants whereas such figure is not divisible by ● shall be deemed an exercise of the next lower number of Warrants divisible by ●.]

(3) For an effective exercise of Option Rights, the following conditions must also be met on a Banking Day in [Frankfurt am Main] [*other place:* ●] within the Exercise Period:

[(a) an Exercise Notice must be submitted to the Warrant Agent (section 12) using the form included as an appendix to this Prospectus, which forms an integral part of the Prospectus, available from the Warrant Agent (the "**Exercise Notice**"). An Exercise Notice is [subject to [section 7 [I.] (1)] [and (●)],] irrevocable and binding. It must include all the information contained in the Exercise Notice form;

(b) the relevant Warrant must have been submitted to the Warrant Agent by depositing the Warrant in the Warrant Agent's account with [Clearstream] [*other clearing agent*: ●].]

[(4) Option rights which have not been effectively exercised in accordance with section 7 [I.] (1) to (3) shall, subject to early termination in accordance with section 11, be deemed exercised on the End Date with no further conditions having to be met if the Settlement Amount is positive (the "**Automatic Exercise**"). Otherwise, all rights resulting from Warrants not effectively exercised on the End Date will expire and the Warrants will become invalid.] [*other exercise condition(s):* ●]]

[[II. Terms and conditions relating to the European style exercise of Warrants]

(1) "**End Date**" is, subject to [occurrence of a Knock-Out-Event in accordance with section 4a] [or – as the case may be –] early termination in accordance with section 11, the **End Date** specified in Table 1.

(2) "**Exercise Date**" is, subject to [occurrence of a Knock-Out-Event in accordance with section 4a] [or – as the case may be –] early termination in accordance with section 11, the End Date specified in Table 1.

(3) The Option Rights are deemed exercised on the End Date, subject to early termination in accordance with section 11, without further conditions, if the Settlement Amount is positive.]

Section 8

Calculation and payment of the Settlement Amount

[[I. Terms and conditions relating to the [American] [●] style exercising of Warrants]

(1) Upon exercise of the Option Rights pursuant to section 7 as well as determination of the Settlement Price, the Warrant Agent shall calculate the Settlement Amount payable, if any, either corresponding to the number of Warrants actually delivered or to the number of Warrants specified in the Exercise Notice, whichever is lower. Any remaining excess amount of the Warrants delivered will be returned to the holders of the Option Rights at their expense and risk.

(2) [Upon exercise of the Option Rights pursuant to section 7 [I.] (1) to (3) the Issuer shall procure the transfer of the Settlement Amount, if any, to the account of the holder of the exercised Warrants specified in the Exercise Notice [by the [fifth][●] Banking Day following the [Valuation Date] [*other time:* ●] (the "**Maturity Date**").] [In case of an Automatic Exercise the Issuer shall by the [fifth][●] Banking Day following the Valuation Date procure the transfer of the Settlement Amount, if any, to [Clearstream] [*other clearing agent:* ●] for crediting to the accounts of the depositaries of the Warrants with [Clearstream] [*other clearing agent:* ●] without the requirement that the conditions specified in section 7 [I.] (1) to (3) are met.]] [*other definition of payment:* ●]

(3) All taxes, fees or levies incurred in connection with the exercise of Option Rights or the payment of the Settlement Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Settlement Amount any taxes or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[[II. Terms and conditions relating to the European style exercise of Warrants]

(1) The Issuer shall transfer any Settlement Amount to be claimed to [Clearstream] [*other clearing agent*: ●], so that it may in turn be credited to the accounts of the depositaries of the Warrants with [Clearstream] [*other clearing agent*: ●], by the [fifth][●] Banking Day after the [Valuation Date][*other time:* ●] (the "**Maturity Date**").

(2) All taxes, fees or levies incurred in connection with the exercise of Option Rights or the payment of the Settlement Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Settlement Amount any taxes or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[***Provisions for Shares as Underlying (sections 9-11):***

Section 9
Market Disruption Event

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates [in [Frankfurt am Main][*other place:* ●]] due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Settlement Amount at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on such Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11 (3).]

(2) A "**Market Disruption Event**" occurs

(i) in the event of suspension or limitation of trading in the Shares on the Relevant Exchange or another stock exchange (including the securities lending market) or

(ii) in the event of suspension or limitation of trading in an option or futures contract relating to the Shares on a Futures Exchange, on which futures or options contracts are traded relating to the Shares (the "**Futures Exchange**") or

(iii) in the case of events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided this suspension or limitation occurs or exists in the final half hour before the Reference Price of the Shares would normally be calculated, and is deemed to be material by the Issuer. A limitation of the hours and number of days of trading is not deemed a Market Disruption Event if the limitation is based on a change made by the exchange in question which has been announced in advance.

Section 10

Underlying, Reference Price

(1) The "**Underlying**" is the Share [or security representing a Share] (the "**Share**"), specified as Underlying in Tables 1 and 2, of the Company specified in Tables 1 and 2 (the "**Company**").

(2) [The "**Reference Price**" is the [Reference Price specified in Table 2] [closing price of the Share as calculated and published on Calculation Dates on the Relevant Exchange specified in Table 2 (the "**Relevant Exchange**")]. [The "**Price**" of the Underlying is the price determined and published on the Relevant Exchange on Calculation Dates for the Share on an ongoing basis.] "**Calculation Dates**" are days on which the Share is normally traded on the Relevant Exchange.] [*other Reference Price / other Price / other provision governing Calculation Dates*: ●]

Section 11

Adjustments (Corporate Actions), Early Termination

(1) If, during the Term of the Warrants, the Company issuing the Shares

(a) (i) increases its capital by issuing new shares, or (ii) issues bonds or similar securities with conversion or option rights on company shares, either itself or via third parties, granting direct or indirect subscription rights to shareholders, or

(b) increases its capital base by converting retained earnings on Shares, or

(c) splits, consolidates or reclassifies its Shares, or

(d) issues a call on non-fully paid-up shares, or

(e) buys back Shares, whether out of profits or capital and irrespective of whether the consideration for such repurchase is cash, new shares, securities or otherwise, or

(f) implements another measure affecting the Company's capital in accordance with applicable national law, that has a corresponding or similar impact on the share value,

the [Strike Price] [and the Stop Loss Level] [Cap] [Knock-Out-Level] [Bonus Level] [Barrier Level] [*further terms:* ●] may be adjusted in the Issuer's reasonable discretion (section 315 BGB) to allow for the dilution or concentration effect. The Issuer may determine the appropriate adjustment by reference to an adjustment made by a futures exchange (each a "**Futures Exchange**") to options and futures on the Share traded on that Futures Exchange in response to the adjustment event. In addition to an adjustment of the [Strike Price] [and the Stop Loss Level] [Cap] [Knock-Out-Level] [Bonus Level] [Barrier Level] [*further terms*: ●], the Issuer may also adjust the Ratio in the case described in this paragraph (1). Any adjustments shall become effective on the date specified by the Warrant Agent, and notice will be given, pursuant to section 13.

(2) No adjustment is made in response to the payment of dividends, bonuses or other cash distributions [subject to an adjustment of the Strike Price in accordance with section 3], provided the latter are conducted within the scope of usual dividend payments, unless the respective Futures Exchange, in particular cases, adjusts the exercise price for options or futures contracts on a company's shares in response to the payment of dividends, bonuses or other cash distributions.

(3) In the event that the Company's Shares on the **Relevant Exchange** are permanently delisted due to a merger, a transformation into a legal form without listed shares, a take-over by a non-listed company, or for any other reason, or, should a control or profit and loss transfer agreement be signed with the company with the result that the company's shareholders are offered compensation in the form of shares in the controlling company, or, should minority shareholders in the company be excluded from the company in return for compensation in the form of shares of the majority shareholder or a third party, either by entering the respective resolution of the annual general meeting in the commercial register or by a similar measure in accordance with applicable foreign legislation (so-called **"squeeze out"**), or, should a public tender offer be announced for the Shares[or be extended, renewed or should the party making the offer or a third party declare the acceptance of the offer by the shareholders or the necessary quota of shareholding determined in the takeover offer being met], the Issuer is entitled in its reasonable discretion (section 315 BGB), but not obliged, to terminate the Warrants yet to be exercised early by issuing notice in accordance with section 13, specifying the termination amount defined below. The termination must be effected within [one month] [*other time period:* ●] following the permanent delisting of the Company's Shares or after the occurrence of the termination event. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant held by latter (the "**Termination Amount**") which shall be determined by the Warrant Agent, at its reasonable discretion according to section 317 BGB giving due consideration to the prevailing market conditions, as the fair market price immediately prior to the delisting respectively termination event. The Issuer shall pay the Termination Amount to Clearstream, so that it may in turn be credited to the accounts of the depositaries of Warrants with Clearstream, [five][●] Banking Days in **Frankfurt am Main** following the day on which notice of the termination was issued in accordance with section 13 (the "**Maturity Date**") above. All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the

Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.

(4) In the event of a merger of the Company or another termination event pursuant to paragraph (3) above, the Issuer reserves the right, provided it has not terminated the Warrants early, in its reasonable discretion (section 315 BGB) to relate the Warrants to [the **Reference Price**] [*other Price:* ●] of the newly formed or acquiring company instead of on [the **Reference Price**] [*other Price:* ●] of the Shares of the Company. If the Issuer exercises its right, in accordance with the provisions above, to use [the **Reference Price]** [*other Price:* ●] of the shares of the acquiring or newly formed company, it must announce this including the new Ratio and the adjustment to the [Strike Price] [and the Stop Loss Level] [Cap] [Knock-Out-Level] [Bonus Level] [Barrier Level] [*further terms:* ●] at the latest after a period of [one month] [six weeks][●] following the permanent delisting of the Company's Shares on each **Relevant Exchange** or the occurrence of a termination event in accordance with section 13.

(5) In the event that the Company is the object of a demerger, the Issuer shall, at its own discretion (section 315 BGB), either terminate the unexercised Warrants in accordance with paragraph (3), replace [the **Reference Price]** [*other Price:* ●] of the Shares to which the Warrants are related by [the **Reference Price]** [*other Price:* ●] of the shares of a newly formed or acquiring company, or, provided the Shares of the Company continue to be traded on the **Relevant Exchange** and have sufficient liquidity, continue trading in the Warrants. The Issuer will adjust the [Ratio] [Strike Price] [and the Stop Loss Level] [Cap] [Knock-Out-Level] [Bonus Level] [Barrier Level] [*further terms*: ●] and other conditions of the Warrants, provided this appears reasonably necessary for the continued trading of the Warrants. The Issuer will announce its decision regarding the continuation of trading in the Warrants, as well as the provisions applicable in this case, without undue delay in accordance with section 13.

(6) The adjustment may also be effected, in the cases of paragraphs (4) and (5) above, by the substitution of the Share forming the Underlying for the Warrant with a Basket of shares or a Basket comprising a combination of shares and a cash component or in that another exchange is defined as the **Relevant Exchange**. The Issuer may determine the appropriate adjustment by reference to any adjustment made by a futures exchange (each a "**Futures Exchange**") to options and futures on the Share traded on that Futures Exchange in response to the adjustment event.]

[*Provisions for Indices as Underlying (sections 9-11):*

Section 9
<u>Market Disruption Event</u>

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates [in [Frankfurt am Main][*other place:* ●]] due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Settlement Amount at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on such Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) A "**Market Disruption Event**" means

(i) the suspension or limitation of trading on the exchanges or the markets on which the assets underlying the Index are listed or traded, in general, or

(ii) the suspension or limitation of trading (including the securities lending market) in individual assets underlying the Index on the exchanges or the markets on which these assets are listed or traded, or in a futures or options contract relating to the Index on a futures exchange on which the futures or options contracts relating to the Index are traded (the **"Futures Exchange"**) or

(iii) the suspension or non-calculation of the Index due to a decision taken by the Index Sponsor, or

(iv) events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided that this suspension, limitation, non-calculation or other event occurs or exists in the final half hour before the Reference Price of the Index or the assets constituting the Index would normally be calculated and is deemed to be material by the Issuer. A limitation of the hours and number of days of trading is not deemed a Market Disruption Event if the limitation is based on a change made by the exchange in question which has been announced in advance.

Section 10

Underlying, Reference Price, Successor Index, Adjustments

(1) The "**Underlying**" is the Index specified as Underlying in Tables 1 and 2.

(2) [The "**Reference Price**" is the [Reference Price of the Index specified in Table 2] [[closing][opening]● price of the Index as calculated and published on Calculation Dates by the Index Sponsor specified in Table 2 (the "**Index Sponsor**")]. [Should the day on which the Reference Price of the respective Underlying is determined fall on the [final settlement date][*other specific date:* ●**]** for the Index Futures or Options Contracts (as specified in Table 2) traded on the Relevant Futures Exchange specified in Table 2, which expire in the month in which the Valuation Date of the Warrants falls (the respective "**Index Futures or Options Contracts**"), then the Reference Price is equal to the [[closing]● **price** calculated and published for the respective Index Futures or Options Contracts by the Relevant Futures Exchange] [the [closing]● price of the Index determined by the Index Sponsor on [Reuters][●]].] [The provision contained in the previous sentence does not apply if trading of the respective Index Futures or Options Contracts is terminated early due to a change in the calculation of the relevant Index, its composition, weighting or any other reason in accordance with the trading conditions applicable to the respective Index Futures or Options Contracts.] [The "**Price**" of the Underlying is the price calculated and published by the Index Sponsor on Calculation Dates for the Index on an ongoing basis.] "**Calculation Dates**" are days on which the Index is calculated and published by the Index Sponsor.] [*other Reference Price / other Price / other provision governing Calculation Dates*: ●]

(3) If the Index is no longer calculated and published by the Index Sponsor, but instead by a person, company or institution which the Issuer, at its reasonable discretion (section 315 BGB), deems appropriate (the "**New Index Sponsor**"), the Settlement Amount shall be calculated on the basis of the Reference Price as calculated and published by the New Index Sponsor. Moreover, under these circumstances, all references to the Index Sponsor contained in these Terms and Conditions shall, insofar as the context allows, apply to the New Index Sponsor.

(4) Any changes in the calculation of the Index (including adjustments) or of the composition or of the weighting of the prices or securities, which form the basis for the calculation of the Index, shall not lead to an adjustment of the Option Right, unless the Issuer, upon exercise of its reasonable discretion (section 315 BGB), determine that the new underlying concept and the calculation of the Index following the change (including any adjustment) is no longer comparable to the underlying concept or calculation of the Index applicable prior to such change. This applies especially if due to any change the index value changes considerably, although the prices and weightings of the securities included in the Index remain unchanged. An adjustment to the Option Right may also be made as a result of the cancellation of the Index and/or its substitution by another Index. The Issuer

makes adjustments to the Option Right at its reasonable discretion (section 315 BGB) with consideration for the most recently determined price, with the aim of maintaining the economic value of the Warrants, and, with consideration for the time of the change, determines the day on which the adjusted Option Right is to be adopted. The adjusted Option Right and the initial date of its application shall be published without undue delay in accordance with section 13.

(5) If the Index is cancelled at any time and/or replaced by another index, the Issuer determines, subject to its own discretion (section 315 BGB), and if appropriate, making relevant adjustments to the Option Right in accordance with section 10 (4), the index on which the Option Right is to be based in the future (the "**Successor Index**"). Notice of the Successor Index and its initial date of application shall be given without undue delay, in accordance with section 13. All references to the Index contained in these Terms and Conditions shall, insofar as the context allows, apply to the Successor Index.

(6) If, at the reasonable discretion (section 315 BGB) of the Issuer, an adjustment to the Option Right or the determination of a Successor Index is not possible for any reason, the Issuer, or an expert commissioned by the Issuer, subject to termination of the Warrants in accordance with section 11 (1), will arrange for the continued calculation and publication of the Index on the basis of the existing index concept and most recently determined index value. Any such continuation is to be published without undue delay in accordance with section 13.

[(7) The decisions by the Issuer referred to in paragraphs (3) to (6) above are conclusive and binding, unless there is a manifest error.]

Section 11
Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right or determine a Successor Index, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within [one month][●] of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions or to determine a Successor Index. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion (section 315 BGB), as the fair market price immediately prior to the event which gave rise to the need to adjust the Option Right or determine a Successor Index, in accordance with these provisions.

(2) The Issuer will transfer the Termination Amount to [Clearstream] [*other clearing agent*: ●], so that it may in turn be credited to the accounts of the depositaries of Warrants with [Clearstream] [*other clearing agent*: ●], by the [fifth][●] Banking Day after notice of the early termination has been issued (the "**Maturity Date**").

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[***Provisions for Precious Metals, Non-ferrous Metals, or Commodities as Underlying (sections 9-11):***

Section 9
<u>Market Disruption Event</u>

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Reference Price at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on such Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) A "**Market Disruption Event**" means

(i) suspension or limitation of trading or price determination relating to the Underlying on the Reference Market, or

(ii) suspension or limitation of trading in a futures or options contract relating to the Underlying on a futures exchange, on which futures or options contracts are traded relating to the Underlying (the "**Futures Exchange**") or

(iii) the material change in the price determination method or in the trading conditions in relation to the Underlying on the Reference Market (e.g. the composition, amount, or Trading Currency in relation to the Underlying) or

(iv) events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided this suspension or limitation occurs or exists in the final half hour before the Reference Price of the Underlying would normally be calculated, and is deemed to be material by the Issuer. [A limitation of, or change to, the hours and number of days of trading on the Reference Market is not deemed a Market Disruption Event if the limitation or change is based on a change made by the Reference Market to its normal business hours which has been announced in advance.]

Section 10
Underlying, Reference Price, Substitute Reference Market

(1) The "**Underlying**" is the Precious Metal, Non-ferrous Metal or Commodity specified as Underlying in Tables 1 and 2.

(2) [The "**Reference Price**" is the Reference Price for the Underlying (the "**Reference Price**") expressed in the Trading Currency in Table 2 as determined on the Reference Market (the "**Reference Market**") specified in Table 2 [and displayed on the business information service page (the "**Page**") given in Table 2 or a page replacing this Page. If the Page is not available on the designated day, or if the Reference Price is not displayed there, the Reference Price is the reference price displayed on the relevant page of another business information service. [If the Issuer determines that the Reference Price displayed on the Page is not the reference price determined on the Reference Market for the Underlying, the Reference Price is the reference price determined on the Reference Market for the Underlying.] If the Reference Price is no longer displayed in one of the manners described above, the Warrant Agent is entitled to determine at its own reasonable discretion a Reference Price based on the market practice prevailing at the time and giving due consideration to the prevailing market conditions]. [The "**Price**" of the Underlying is the [mean price (arithmetic mean of the quoted bid and offer price pairs)][bid prices][offer prices] for the Underlying as determined by the Warrant Agent at its reasonable discretion, offered on the Reference Market and published on an ongoing basis on the relevant Page for the Reference Market.] [*Long or short Warrants relating to precious metals*: The "**Price**" of the Underlying for the determination of the Stop Loss Event (section 4a (2)) and the Stop Loss Settlement Amount (section 4a (2)) by the Warrant Agent is, in each case, the mean price as determined by the Warrant Agent, which corresponds to the arithmetic average of a price pair (bid and offer price), as published in each case on the Page specified in Table 2 by the market makers authorized by the respective Reference Markets. Insofar as the market makers authorized by the respective Reference Market do not quote a price pair, but only a bid and offer price, the missing bid or offer price required to make up the price pair shall be calculated using a notional spread of €0.10. The application of a notional spread means that the offer price is always €0.10 above the bid price/the purchase price is always €0.10 below the offer price.] "**Calculation Dates**" are days on which Prices for the Underlying are normally calculated on the Reference Market and published on the relevant Page for the Reference Market. "**Hours of Calculation**" means the period of a Calculation Date in which Prices for the Underlying are normally calculated on the Reference Market and published on the relevant Page for the Reference Market.] [*other Reference Price / other Price / other determination of Calculation Dates / Hours of Calculation*: ●]

(3) [If the Reference Price for the Underlying is no longer calculated and published on the Reference Market, but instead by a person, company or institution which the Issuer, at its reasonable discretion (section 315 BGB), deems appropriate (the "**Substitute Reference**

Market"), the Settlement Amount shall be calculated on the basis of the price for the Underlying as calculated and published on the Substitute Reference Market. Moreover, under these circumstances, all references to the Reference Market contained in these Terms and Conditions shall, insofar as the context allows, apply to the Substitute Reference Market. Notice of the substitution of the Reference Market shall be given without undue delay in accordance with section 13 above.] [Changes to the calculation method for the Reference Price or for other relevant prices for the Underlying pursuant to these Terms and Conditions, including changes to the relevant Calculation Dates and Hours of Calculation for the Underlying, entitle the Issuer to make appropriate adjustments to the Option Right at its reasonable discretion (section 315 BGB). The Issuer shall also determine the date on which the adjusted Option Right shall apply for the first time, taking into account the point in time at which the change has occurred. The adjusted Option Right and the initial date of its application shall be published without undue delay in accordance with section 13.]

Section 11
Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right or determine a Substitute Reference Market, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within [one month][●] of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions or to determine a Substitute Reference Market. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant held by latter (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion according to section 315 BGB, as the fair market price immediately prior to the event which gave rise to the need to adjust the Option Right or determine a Substitute Reference Market, in accordance with these provisions.

(2) The Issuer will transfer the Termination Amount to [Clearstream] [*other clearing agent*: ●], so that it may in turn be credited to the accounts of the depositaries of Warrants with [Clearstream] [*other clearing agent*: ●], by the [fifth][●] Banking Day after notice of the early termination has been issued (the "**Maturity Date**").

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[***Provisions for Exchange Rates as Underlying (sections 9-11):***

Section 9
<u>Market Disruption Event</u>

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Reference Price at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on the Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) A "**Market Disruption Event**" means

(i) the suspension or limitation of foreign exchange trading in at least one of the currencies of the Exchange Rate currency pair (including options or futures contracts) or the limitation of the convertibility of the currencies of the exchange rate currency pair or the economic impossibility of obtaining an exchange rate for the currencies of the exchange rate pair, or

(ii) events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided that the events set out above are deemed to be material by the Issuer.

Section 10
<u>Underlying, Reference Price, Substitute Reference Market, Adjustments</u>

(1) The "**Underlying**" is the Exchange Rate specified as Underlying in Tables 1 and 2.

(2) [The "**Reference Price**" is the Reference Price specified in the Price Currency in Table 2 for one unit of the Trading Currency as determined on the Reference Market (the "**Reference Market**") specified in Table 2 [and displayed on the business information service page (the "**Page**") given in Table 2 or a page replacing this Page. If the Page is not available on the designated day, or if the Reference Price is not displayed there, the Reference Price is the reference price displayed on the relevant page of another business

information service. [If the Issuer determines that the Reference Price displayed on the Page is not the reference price determined on the Reference Market for the Underlying, the Reference Price is the reference price determined on the Reference Market for the Underlying.] If the Reference Price is no longer displayed in one of the manners described above, the Issuer is entitled to determine at its own reasonable discretion a Reference Price based on the market practice prevailing at the time and giving due consideration to the prevailing market conditions]. [The "**Price**" of the Underlying is the [mean price (arithmetic mean) of the [respective] bid and offer price pairs] [quoted by market makers [on the Page specified in Table 2]] [bid prices][offer prices] for the Underlying as determined by the Warrant Agent at its reasonable discretion (section 317 BGB), offered on the Reference Market and published on an ongoing basis on the relevant Page for the Reference Market.] "**Calculation Dates**" are days on which Prices for the Underlying are normally calculated on the Reference Market and published on the relevant Page for the Reference Market. "**Hours of Calculation**" means the period of a Calculation Date in which Prices for the Underlying are normally calculated on the Reference Market and published on the relevant Page for the Reference Market.] [*other Reference Price / other Price / other determination of Calculation Dates / Hours of Calculation*: ●]

(3) If the Reference Price for the Underlying is no longer calculated and published on the Reference Market, but instead by a person, company or institution which the Issuer, at its reasonable discretion (section 315 BGB), deems appropriate (the "**Substitute Reference Market**"), the Settlement Amount shall be calculated on the basis of the Price for the Underlying as calculated and published on the Substitute Reference Market. Moreover, under these circumstances, all references to the Reference Market contained in these Terms and Conditions shall, insofar as the context allows, apply to the Substitute Reference Market. Notice of the substitution of the Reference Market shall be given without undue delay in accordance with section 13.

(4) [Changes to the calculation method for the Reference Price or for other relevant Prices for the Underlying pursuant to these Terms and Conditions, including changes to the relevant Calculation Dates and Hours of Calculation for the Underlying, entitle the Issuer to make appropriate adjustments to the Option Right at its reasonable discretion (section 315 BGB).] [If one of the currencies in the respective relevant currency pair is devalued or revalued, or an economically equivalent measure is taken, the Issuer is entitled, at its reasonable discretion (section 315 BGB) and subject to termination pursuant to section 11 below, to adjust the [Ratio] [Strike Price] [and the Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [*further terms*: ●], insofar as an adjustment appears economically appropriate. For adjustment purposes, the Issuer, at its reasonable discretion (section 315 BGB) determines an adjusted [Strike Price] [and Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [*further terms*: ●] as well as the date on which the adjusted [Strike Price] [and the Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [*further terms*: ●]

shall apply for the first time, taking into consideration the time at which the change occurred. In addition to an adjustment of the [Strike Price] [and the Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [*further terms*: ●] , the Issuer may also adjust the Ratio.] [Notice of the adjusted [Strike Price] [and Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [*further terms:* ●], and, as the case may be, the adjusted Ratio and the initial date of application is to be given without undue delay in accordance with section 13.]

Section 11
Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right or determine a Substitute Reference Market, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within one month of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions or to determine a Substitute Reference Market. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant held by latter (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion according to section 315 BGB, as the fair market price immediately prior to the event which gave rise to the need to adjust the Option Right or determine a Substitute Reference Market, in accordance with these provisions.

(2) The Issuer will transfer the Termination Amount to [Clearstream] [*other clearing agent*: ●], so that it may in turn be credited to the accounts of the individuals who deposited their Warrants with [Clearstream] [*other clearing agent*: ●], by the [fifth][●] Banking Day after notice of the early termination has been issued (the "**Maturity Date**").

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[Provisions for Futures Contracts as Underlying (sections 9-11)

Section 9
Market Disruption Event

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date [or on the Roll Over Day (section 10a)], the Valuation Date [or the Roll Over Day] will be the next Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Reference Price at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on the Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) A "**Market Disruption Event**" means

(i) the suspension or limitation of trading in, or price determination for the Futures Contract on the Relevant Futures Exchange or

(ii) the suspension or limitation of trading on the Relevant Futures Exchange in general or

(iii) the suspension or limitation of trading in individual assets underlying the Futures Contract on the exchange(s) or the market(s) on which these assets are listed or traded, or

(iv) events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided this suspension or limitation occurs or exists in the final half hour before the Reference Price of the Underlying would normally be calculated, and is deemed to be material by the Issuer. A change to the trading hours on the Relevant Futures Exchange is not deemed to be a Market Disruption Event provided that notice of the change at the Relevant Futures Exchange is given in advance.

Section 10

Underlying, Reference Price, Substitute Futures Exchange, Adjustments

(1) [The "**Underlying**" [on the Valuation Date specified in Table 1] is[, subject to the Roll-over pursuant to section 10a below,] the Futures Contract specified as Underlying in Table 1 and 2.] [*Other provision governing the underlying:* ●]

(2) [The "**Reference Price**" is the Reference Price for the Underlying (the "**Reference Price**") expressed in the Trading Currency in Table 2 as determined on the Relevant Futures Exchange (the "**Relevant Futures Exchange**") specified in Table 2 [and displayed on the business information service page (the "**Page**") given in Table 2 or a page replacing this Page. If the Page is not available on the designated day, or if the Reference Price is not displayed there, the Reference Price is the reference price displayed on the relevant page of another business information service. If the Reference Price is no longer displayed in one of the manners described above, the Warrant Agent is entitled to determine at its own reasonable discretion a Reference Price based on the market practice prevailing at the time and giving due consideration to the prevailing market conditions]. [The "**Price**" of the Underlying [as determined by the Issuer on its reasonable discretion (section 317 BGB)] is equal to the [mean price (arithmetic mean of the quoted bid and offer price pairs)][bid prices][offer prices] [for the Underlying] [offered on the Relevant Futures Exchange and published on an ongoing basis on the relevant Page of the Relevant Futures Exchange] [quotes for a bid or offer price of the respective Futures Contract, published on the Page specified in Table 2 by the market makers authorized by the [respective] Relevant Futures Exchange. For each respective Futures Contract, this Price shall be, at least, the lowest price quoted during this period and at most the highest price quoted during this period] [*other price definition:* •].] "**Calculation Dates**" are days on which [Prices for the Underlying are normally calculated on the Relevant Futures Exchange and published on the relevant Page for the Relevant Futures Exchange. **[**"**Hours of Calculation**" means the period of a Calculation Date in which the Underlying is usually traded on the Relevant Futures Exchange.] [*other Reference Price / other Price / other determination of Calculation Dates / Hours of Calculation*: ●]

(3) If the Reference Price for the Underlying is no longer calculated and published on the Relevant Futures Exchange, but instead by a person, company or institution which the Issuer, at its reasonable discretion (section 315 BGB), deems appropriate (the "**Substitute Futures Exchange**"), the Settlement Amount shall be calculated on the basis of the Price for the Underlying as calculated and published on the Substitute Futures Exchange. Moreover, under these circumstances, all references to the Relevant Futures Exchange contained in these Terms and Conditions of the Warrants shall, insofar as the context allows, apply to the Substitute Futures Exchange. Notice of the substitution of the Relevant Futures Exchange shall be given without undue delay in accordance with section 13.] [Changes to the calculation method for the Reference Price or for other relevant Prices for the Underlying pursuant to these Terms and Conditions, including changes to the relevant

Calculation Dates and Hours of Calculation for the Underlying, entitle the Issuer to make appropriate adjustments to the Option Right at its reasonable discretion (section 315 BGB). The Issuer shall also determine the date on which the adjusted Option Right shall apply for the first time, taking into account the point in time at which the change has occurred. The adjusted Option Right and the initial date of its application shall be published without undue delay in accordance with section 13.

(4) If changes are made to the conditions to which the respective Underlying is subject and/or to material features, or if the Underlying is replaced by another listed and possibly modified underlying, determined by the Relevant Futures Exchange (the "**Successor Underlying**"), the Issuer, in addition to the right of termination pursuant to section 11 below, also reserves the right to replace the Underlying, and if necessary to multiply the New Underlying by an adjustment factor, in order to guarantee performance continuity of the parameters referenced by the Warrants. The substitution of the Underlying with the Successor Underlying, which may involve further amendment of these Terms and Conditions of the Warrants, shall occur at the reasonable discretion of the Issuer (section 315 BGB). Notice of the replacement with a Successor Underlying, the prevailing Terms and Conditions of the Warrants, that have been amended as necessary (including any use of an adjustment factor), and the initial date of application shall be given without undue delay, in accordance with section 13.

[Section 10a
<u>Roll-Over</u>

(1) [If an Underlying expires, in accordance with the contract terms and conditions of the Relevant Futures Exchange, during the Term of the Warrants, the contract in question shall be replaced with the [nearby][*insert future contract:* ●] futures contract which shall then become the new relevant Underlying (the "**New Underlying**") ("**Roll-Over**"). As far as the [*insert future:* ●]-futures contract is concerned, the "**Nearby [*insert future contract:* ●] Futures Contract**" shall be the futures contract with an expiry date which falls on [the 15th trading day before the expiry of the futures contract][*other date:* ●] [or ●]. The Roll Over Day is [the [last trading day] [first trading day after the last trading day] [*other day:* ●] of the Futures Contracts on the Relevant Futures Exchange.] [*other definition of the Roll Over Day:* ●] [The respective reference values of both the Underlying and the New Underlying which are to be used in the Roll-over shall be determined by the Warrant Agent, at its own reasonable discretion (section 317 BGB). [For this purpose, the Warrant Agent will select, at its own reasonable discretion and on the [[one][●] day[s] before the] Roll Over Day [at [11][●][am][pm] ([Frankfurt am Main] [*other place:* ●] local time)] [between [10][●][am][pm] (Frankfurt am Main local time) and [12][●]([am][pm]) (Frankfurt am Main local time)] a new price for the Underlying and the New Underlying.]] [*other definition of Roll-Over:* ●]

(2) On the Roll Over Day, the Issuer is entitled, at its reasonable discretion (section 315 BGB), to adjust the Strike Price (and/or the Ratio) of the Underlying and other Terms and Conditions of the Warrants, insofar as he believes this to be necessary, at its reasonable discretion, when replacing the Underlying which is due to expire by the New Underlying. This is to be done in such a way as to ensure that any negative impact on the economic value of the Warrants for the warrant holders, as a result of the Roll-Over, is avoided, to the extent as this is possible.

(3) Notice of any adjustment to the Strike Price [and/or the Ratio] which may become necessary in the course of the Roll-over in accordance with section 10a (2) must be given without undue delay [in accordance with section 13] [on the Internet Site [http://www.sg-zertifikate.de] [*other/additional website:* ●]].]

Section 11

Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right or determine a Substitute Futures Exchange, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within [one month][•] of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions or to determine a Substitute Futures Exchange. In the event of termination, the Issuer shall pay to each warrant holder an amount with respect to each Warrant (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion according to section 315 BGB, as the fair market price immediately prior to the event which gave rise to the need to adjust the Option Right or determine a Substitute Futures Exchange, in accordance with these provisions.

(2) The Issuer will transfer the Termination Amount by the [fifth][●] Banking Day following notice of early termination (the "**Maturity Date**") to [Clearstream] [*other clearing agent*: •] so that it may be credited to the accounts of the depositories of Warrants with [Clearstream] [*other clearing agent*: •].

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[***Provisions for Fund Units as Underlying (sections 9-11)***

Section 9
Market Disruption Event

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][•] subsequent Calculation Dates due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as such Valuation Date, and the Issuer shall determine the appropriate Reference Price at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on the Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) A "**Market Disruption Event**" means

(i) the suspension or limitation of trading on the exchange(s) or the market(s) on which the assets comprising the Underlying are listed or traded, in general, or

(ii) the suspension or limitation of trading in individual assets comprising the Underlying on the exchange(s) or the market(s) on which these assets are listed or traded, or

(iii) the suspension or non-calculation of the Underlying due to a decision taken by the Calculation Agent,

(iv) events other than those outlined above which nevertheless have consequences which are economically similar to the events outlined above,

provided that this suspension, limitation, non-calculation or other event occurs or exists in the final half hour before the Reference Price of the Underlying or assets comprising the Underlying would normally be calculated and is deemed to be material by the Issuer at its reasonable discretion (section 315 BGB).

Section 10

Underlying, Reference Price, Substitute Determination Agent, Adjustments

(1) The "**Underlying**" is the fund unit specified as Underlying in Tables 1 and 2.

(2) [The "**Reference Price**" is the Reference Price for the Underlying (the "**Reference Price**") expressed in the Trading Currency in Table 2 as determined by the Relevant Determination Agent (the "**Relevant Determination Agent**") specified in Table 2 [and displayed on the business information service page (the "**Page**") given in Table 2 or a page replacing this Page. If the Page is not available on the designated day, or if the Reference Price is not displayed there, the Reference Price is the reference price displayed on the relevant page of another business information service. If the Reference Price is no longer displayed in one of the manners described above, the Warrant Agent is entitled to determine at its own reasonable discretion a Reference Price based on the market practice prevailing at the time and giving due consideration to the prevailing market conditions]. [The "**Price**" of the respective Underlying is the [mean price (arithmetic mean of the quoted bid and offer price pairs)] [bid prices] [offer prices] [redemption prices] [net asset values] for the Underlying as determined by the Issuer at its reasonable discretion [, offered by the Relevant Determination Agent and published on an ongoing basis on the relevant Page for the Relevant Determination Agent]] [*other price definition:* •]. "**Calculation Dates**" are days on which Prices for the Underlying are normally calculated by the Relevant Determination Agent and published on the relevant Page. "**Hours of Calculation**" means the period of a Calculation Date in which the Underlying is usually priced by the Relevant Determination Agent.] [*other Reference Price / other Price / other determination of Calculation Dates / Hours of Calculation*: ●]

(3) If the Reference Price for the Underlying is no longer calculated and published by the Relevant Determination Agent, but instead by a person, company or institution which the Issuer, at its reasonable discretion (section 315 BGB), deems appropriate (the "**Substitute Determination Agent**"), the Settlement Amount shall be calculated on the basis of the Price for the Underlying as calculated and published by the Substitute Determination Agent. Moreover, under these circumstances, all references to the Determination Agent contained in these Terms and Conditions of the Warrants shall, insofar as the context allows, apply to the Substitute Determination Agent. Notice of the substitution of the Relevant Determination Agent shall be given without undue delay in accordance with section 13.

(4) If, during the Term of the Warrants, one of the events described below occurs, the Issuer – subject to termination pursuant to section 11 below – is, in each case, entitled but not obliged to adjust the [Strike Price] [Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [and/or the Ratio] [*further terms:* ●] and other provisions in the Terms and Conditions of the Warrants at its reasonable discretion in such a way that, in

terms of economic value, the adjusted Option Right for the most part corresponds to the Option Right prevailing prior to the occurrence of the adjustment event:

(i) Conversion, division, consolidation or reclassification of the Underlying; or

(ii) Distributions of capital from the assets of the Underlying, provided they exceed the usual amount of dividends of the Underlying; or

(iii) Any other event that, in the opinion of the Issuer, triggers a similar need for adjustment as that triggered by the events described in (i) and (ii) above.

(5) If, during the Term of the Warrants, one of the following events occurs

(i) changes to the calculation of the Reference Price (including adjustments) or to the composition or weighting of the prices or securities which form the basis for the calculation of the Reference Price, provided that, in the opinion of the Issuer, the underlying concept and the calculation of the Reference Price, following the change (and any adjustment), are no longer comparable to the underlying concept or calculation of the Reference Price applicable prior to such change;

(ii) any change to or violation of the Fund Rules (including, but not limited to changes made in the Fund Prospectus) or any other event affecting the fund or the fund units, such as the dissolution, termination, liquidation or revocation of the authorization or registration of the fund, or if the Calculation Agent suspends, postpones or ceases calculation and publication of the Reference Price, or if significant fund assets are transferred, subject to an attachment or liquidated, which, in the opinion of the Issuer, has a material adverse effect on the value of the Underlying; or

(iii) an event occurs which would, according to section 10 (4) above, give the Issuer the right to amend these Terms and Conditions of the Warrants, but where, in the opinion of the Issuer, such amendment is not possible or would involve disproportionate effort,

the Issuer, following consultation with the Warrant Agent and in case (a) below, following consultation with an independent expert, may either

(a) substitute the Underlying with another, in the opinion of the Issuer, comparable underlying, and if necessary also by a basket of various fund units as a new Underlying (the "**New Underlying**" in each case). In the event of substitution, the [Strike Price] [Stop Loss Level] [Cap] [Bonus Level] [Knock-Out-Level] [Barrier Level] [and/or the Ratio] [*further terms:* ●] may be adjusted as necessary, and/or the Terms and Conditions of the Warrants amended. All references to the Underlying in these Terms and Conditions of the Warrants shall, insofar as the context allows, apply to the New Underlying.

(b) terminate the Warrants early, within [one month][●] of any of the events described in section 10 (5) above occurring or being identified, in accordance with section 11 below.

(6) The Issuer shall give notice of any adjustments made in accordance with paragraphs (4) and (5) above, or early termination in accordance with section 11 below, without undue delay, pursuant to section 13.

(7) The Issuer is liable for all actions and omissions committed by an expert commissioned by the Warrant Agent, insofar as they violate the principle of diligence of a prudent businessman.

Section 11
Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right or determine a New Underlying or a Substitute Determination Agent, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within [one month][●] of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions or to determine a Substitute Determination Agent or a New Underlying. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant held by latter (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion according to section 315 BGB, as the fair market price immediately prior to the event which gave rise to the need to adjust the Option Right or determine a Substitute Determination Agent or a New Underlying, in accordance with these provisions and taking into account the remaining time value.

(2) The Issuer will transfer the Termination Amount by the ● Banking Day following notice of early termination (the "**Maturity Date**") to [Clearstream] [*other clearing agent*: ●] so that it may be credited to the accounts of the depositaries of Warrants with [Clearstream] [*other clearing agent*: ●].

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount

any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

[***Provisions for Baskets as Underlying (sections 9 - 11):***

Section 9
<u>Market Disruption Event</u>

(1) If, in the opinion of the Issuer, a Market Disruption Event (section 9 (2)) prevails on the Valuation Date, the Valuation Date [relating only to the affected Basket Component] [relating to all Basket Components] shall then be postponed to the next succeeding Calculation Date on which no Market Disruption Event prevails. The Issuer shall endeavor to notify the parties pursuant to section 13 without undue delay of the occurrence of a Market Disruption Event. There is, however, no notification obligation. In the event that the Valuation Date has been postponed by [ten][●] subsequent Calculation Dates due to the provisions of this paragraph and the Market Disruption Event still exists on the day in question, this day shall be taken as the Valuation Date, and the Issuer shall determine the Reference Price at its own reasonable discretion (section 315 BGB), giving due consideration to market conditions prevailing on such Valuation Date. [In cases as described in the preceding sentence, the Issuer is also entitled to terminate the Warrants in accordance with section 11.]

(2) "**Market Disruption Event**" means an event occurring in relation to a Basket Component,

[as described under section 9 (2) of "*Provisions for Shares as Underlying*" if the Basket Component is a Share,]

[as described under section 9 (2) of "*Provisions for Indices as Underlying*" if the Basket Component is an Index,]

[as described under section 9 (2) of "*Provisions for Exchange Rates as Underlying*" if the Basket Component is an Exchange Rate,]

[as described under section 9 (2) of "*Provisions for Precious Metals, Non-ferrous Metals, or Commodities as Underlying*" if the Basket Component is a Precious Metal, a Non-ferrous Metal, or a Commodity,]

[as described under section 9 (2) of "*Provisions for Futures Contracts as Underlying*" if the Basket Component is a Futures Contract, and]

[as described under section 9 (2) of "*Provisions for Fund Units as Underlying*" if the Basket Component is a Fund Unit].

If reference is made in each section 9 (2) to provisions for certain underlyings, this is deemed to be reference to a Basket Component.

Section 10
<u>Underlying, Reference Price, Adjustments</u>

(1) The "**Underlying**" is the Basket specified as Underlying in Tables 1 and 2 consisting of the Basket Components listed in Table 2. [*provisions for rebalancing if necessary*: •]

(2) [The "**Reference Price of the Basket**" is [the total of the Reference Prices for the respective Basket Components [each multiplied by the [Weighting Factors][number of units] given in Table 2] on the Valuation Date (section 5 [(1)][(2)])] [*other definition of the Reference Price of the Basket*: •]. [The "**Reference Price of a Basket Component**", [the "**Price**" of a Basket Component] [the "**Calculation Dates**" of a Basket Component] [and] [the "**Hours of Calculation**" of a Basket Component] [are] [is]

[as defined under section 10 (2) of "*Provisions for Shares as Underlying*" if the Basket Component is an Share,]

[as defined under section 10 (2) of "*Provisions for Indices as Underlying*" if the Basket Component is a Index,]

[as defined under section 10 (2) of "*Provisions for Exchange Rates as Underlying*" if the Basket Component is an Exchange Rate,]

[as defined under section 10 (2) of "*Provisions for Precious Metals, Non-ferrous Metals, or Commodities as Underlying*" if the Basket Component is a Precious Metal, a Non-ferrous Metal, or a Commodity,]

[as defined under section 10 (2) of "*Provisions for Futures Contracts as Underlying*" if the Basket Component is a Futures Contract, and]

[as defined under section 10 (2) of "*Provisions for Fund Units as Underlying*" if the Basket Component is a Fund Unit].

If reference is made in each section 10 (2) to provisions for certain underlyings, this is deemed to be reference to a Basket Component.][*other Reference Price for Basket Components / other Price / other determination of Calculation Dates or Hours of Calculation*: ●] [The "**Weighting Factors**" are the Weighting Factors specified in Table 2. [*if necessary allocation of Weighting Factors for further Basket Components/ other allocation of Weighting Factors*]].

(3) Should an adjustment event occur in relation to a Basket Component,

[as described under section 11 of "*Provisions for Shares as Underlying*" if the Basket Component is a Share,]

[as described under section 10 (3) – (5) of "*Provisions for Indices as Underlying*" if the Basket Component is an Index,]

[as described under section 10 (3) – (4) of "*Provisions for Exchange Rates as Underlying*" if the Basket Component is an Exchange Rate,]

[as described under section 10 (3) of "*Provisions for Precious Metals, Non-ferrous Metals, or Commodities as Underlying*" if the Basket Component is a Precious Metal, a Non-ferrous Metal, or a Commodity,]

[as described under section 10 (3) - (4) of "*Provisions for Futures Contracts as Underlying*" if the Basket Component is a Futures Contract, and]

[as described under section 10 (3) – (5) of "*Provisions for Fund Units as Underlying*" if the Basket Component is a Fund Unit,]

the Issuer may adjust the Option Right according to the adjustment provisions described therein. If reference is made in each section 10 (2) to provisions for certain underlyings, this is deemed to be reference to a Basket Component. [Should such an adjustment event occur, the Issuer is also entitled to adjust the Weighting Factors for the Basket Components, provided the Issuer believes this to be necessary at its own reasonable discretion (section 315 BGB). Notice of an adjustment of the Weighting Factor must be given without undue delay [in accordance with section 13][on the Internet Site •].] [The provisions under section 10a (Roll-over) of "*Provisions for Futures Contracts as Underlying*" apply accordingly if a Basket Component is a Futures Contract.]

Section 11
Early Termination

(1) If, at the reasonable discretion (section 315 BGB) of the Issuer, it is not, for whatever reason, possible to adjust the Option Right, the Issuer is entitled to terminate the Warrants early by issuing notice in accordance with section 13 specifying the Termination Amount defined below. Termination must take place within [one month][•] of the occurrence of the event which gave rise to the need to adjust the Option Right in accordance with these provisions. In the event of termination, the Issuer shall pay to each warrant holder a sum with respect to each Warrant (the "**Termination Amount**") which shall be determined by the Issuer, at its reasonable discretion according to section 315 BGB, as the fair market price immediately prior to the event which gave rise to the need to adjust the Option

Right or determine a Substitute Futures Exchange, in accordance with these provisions and taking into account the remaining time value.

(2) The Issuer will transfer the Termination Amount by the [fifth][●] Banking Day following notice of early termination (the "**Maturity Date**") to [Clearstream] [*other clearing agent*: ●] so that it may be credited to the accounts of the depositories of Warrants with [Clearstream] [*other clearing agent*: ●].

(3) All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

Section 12
Warrant Agent

(1) Société Générale S.A., Paris, France, is the Warrant Agent for the Warrants (the "**Warrant Agent**"). The Issuer is entitled to replace the Warrant Agent with another bank at any time or – insofar as legally permissible – a financial services institution domiciled in a member state of the European Union, to appoint one or more additional Warrant Agents, or to revoke their appointment. Such replacement, appointment and revocation shall be published without undue delay in accordance with section 13.

(2) The Warrant Agent may, at any time, terminate its function as Warrant Agent. This termination only takes effect with the appointment by the Issuer of another bank or – insofar as legally permissible – a financial services institution domiciled in a member state of the European Union as Warrant Agent. Termination and appointment are published without undue delay in accordance with section 13.

(3) The Warrant Agent acts exclusively as agent of the Issuer and has no obligations to the holders of the Warrants. The Warrant Agent is released from the limitations of section 181 BGB.

(4) Neither the Issuer nor the Warrant Agent is obliged to investigate the claim of any person redeeming Warrants.

Section 13
Notices

Notices relating to the Warrants will be published in a supra-regional official stock exchange gazette, or – insofar as legally permissible – on the Internet Site [http://www.sg-zertifikate.de][*other/additional website:* ●].

Section 14
Further Issues, Repurchases

(1) The Issuer is entitled at any time to issue additional Warrants with identical terms and conditions, which shall then be consolidated with the Warrants to form a single issue, thus increasing their number. In such cases, the Term "**Warrants**" also includes the additionally issued Warrants.

(2) The Issuer is entitled at any time to repurchase Warrants via the stock exchange or over-the-counter transactions at any price. The Issuer is under no obligation to inform the

warrant holders of such repurchases. The repurchased Warrants may be canceled, held, sold on, or used in another way by the Issuer.

Section 15
Substitution of the Issuer

(1) The Issuer is entitled at any time to substitute, without the consent of the warrant holders, any other company as Issuer (the "**New Issuer**") with respect to all obligations under or in connection with the Warrants; provided, that:

(a) the New Issuer assumes all obligations of the Issuer under or in connection with the Warrants (the "**Assumption**"),

(b) the Assumption has no adverse credit-related, financial, legal or tax consequences for the warrant holders, and that this is confirmed by a trustee specifically appointed for this case by the Issuer at its own expense, which is a bank or accountancy firm of international standing (the "**Trustee**"),

(c) the Issuer or another company authorized by the Trustee guarantees all the New Issuer's obligations under the Warrants for the benefit of the warrant holders, and

(d) the New Issuer has obtained all necessary authorization from the responsible authorities, so that the New Issuer can meet all obligations under or in connection with the Warrants.

(2) In the event of such a substitution of the Issuer, any reference to the Issuer in these Terms and Conditions of the Warrants shall be deemed as referring to the New Issuer.

(3) Notice of the substitution of the Issuer in accordance with section 15 (1) must be given without undue delay in accordance with section 13. Provided that the conditions set out above have been fulfilled, the New Issuer substitutes the Issuer in all respects and the Issuer is released, in its capacity as the Issuer, from all obligations towards the warrant holders under or in connection with the Warrants.

Section 16
Termination by the Issuer

(1) [The Issuer is entitled to terminate the Warrants in full, but not in part, by giving [one month's][●] notice, [for the first time with effect from [*insert date:* ●]] [and on each [*insert specific day:* ●] of any subsequent month]. In doing so, the Issuer shall specify the date on which the termination shall take effect (the "**Termination Date**"). In this

case, the Exercise Period shall end one bank business day prior to the Termination Date. Warrants that have not been exercised by the last day of the Exercise Period shall be automatically deemed exercised on the Termination Date, provided that the Settlement Amount is positive. Any termination shall be accompanied by a notification in accordance with section 13.] [The Issuer is entitled [to terminate the Warrants during their term by issuing a notice in accordance with section 13. The termination shall take effect on the day of publication in accordance with section 13, or, in the event that notification is published in a manner other than that specified in section 13, on the date specified in the notice. For the purposes of calculating the Settlement Amount in accordance with section 2, the date on which the termination takes effect shall be considered the Valuation Date within the meaning of these Terms and Conditions of the Warrants. In the event that this date is not a Calculation Date, the following Calculation Date shall be taken as the Valuation Date.]] [*other provision governing termination:* ●]

[(2) The Issuer will transfer the Termination Amount by the [fifth][●] Banking Day following the termination date (the "**Maturity Date**") to [Clearstream] [*other clearing agent*: ●] so that it may be credited to the accounts of the depositories of Warrants with [Clearstream] [*other clearing agent*: ●] without the requirement that the conditions specified in section 7 [I.] (1) to (3) are met.]

[[(2)][(3)] All taxes, fees or levies incurred in connection with the payment of the Termination Amount are to be borne and paid by the warrant holders. The Issuer or the Warrant Agent, as the case may be, shall be entitled to withhold from the Termination Amount any taxes, fees or levies which are payable by the warrant holders pursuant to the preceding sentence.]

Section 17
Miscellaneous

(1) The form and content of the Warrants as well as all rights and obligations arising from the matters provided for in these Terms and Conditions shall in every respect be governed by the laws of the Federal Republic of Germany. The form and content of the Guarantee (section 1 (3)) and all rights and obligations arising from the Guarantee are governed by the laws of the Republic of France.

(2) The place of performance shall be Frankfurt am Main.

(3) The place of jurisdiction for actions or any other proceedings resulting from or in connection with the Warrants shall be Frankfurt am Main. Jurisdiction for actions or any other proceedings resulting from or in connection with the Guarantee (section 1 (3)) shall lie with the *Tribunal de Commerce* in Paris, France.

(4) The Issuer is entitled, without the consent of the warrant holders,

   (i) to correct any manifest typing or calculation errors and

   (ii) to amend any conflicting or incomplete provisions contained in these Terms and Conditions,

provided that in the cases referred to under (ii) above only such amendments shall be permissible which, while taking into account the interests of the Issuer, are deemed acceptable to the warrant holders, i.e. which do not materially impair the financial situation of the warrant holders or significantly complicate the terms of exercise. Any changes or amendments of these Terms and Conditions of the Warrants shall be published without undue delay in accordance with section 13.

(5) All calculations and determinations made by the Warrant Agent in accordance with these Terms and Conditions of the Warrants shall be final and binding for the Issuer and the warrant holders, unless there is evidence of a manifest error.

(6) Should any provision of these Terms and Conditions of the Warrants be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision is to be replaced by a valid provision, the economic effect of which comes as close as possible to that of the invalid provision.

ANNEX I:

Exercise Notice for Warrants

Form

Exercise Notice for Warrants

(Only for issues that provide for the payment of monetary compensation, if any, and exclude the option of the delivery of definitive securities)

Warrant type: Call or long Warrants/put or short Warrants

Underlying: Warrants related to ___________

End Date

of the Warrants:

(The "Warrants")

Société Générale Effekten GmbH, Frankfurt am Main (the Issuer)

The terms used in this Exercise Notice that relate to the issue in question shall have the same meaning as in the Terms and Conditions of the Warrants ("Terms and Conditions of the Warrants"), unless another interpretation is required in view of the context.

Warrant holder: Credit institution/bank which holds the Warrants in custody for its clients.

The fully completed Exercise Notice form must be sent by the warrant holder to the Warrant Agent and must be submitted to the Warrant Agent by 11 am (local time in Frankfurt am Main). The Warrants must be transferred by the warrant holder to the Warrant Agent by 11 am (local time in Frankfurt am Main).

Any Exercise Notice that has not been duly completed in accordance with the Terms and Conditions of the Warrants shall be invalid and ineffective. Furthermore, the Exercise Notice shall also be deemed invalid and ineffective if the number of Warrants specified on the Exercise Notice form is less than the minimum number of Warrants that can be exercised (or in the event that this number is not an integral multiple of the minimum exercise volume).

Warrant Agent: Société Générale - Tour Société Générale OPER/EQY/DER/WAR - 17 cours Valmy - 92987 Paris La Défense Cedex – Telephone number: 0033 -1- 42 13 85 70 – Fax number: 0033 -1- 42 13 32 23 - SWIFT : SOGEFRPPHCM for 06997 WAR OPER/EQY/DER/WAR

Name of warrant holder	
Address of warrant holder	
Telephone no. of warrant holder	
Fax no. of warrant holder	
Contact in the event of enquiries: **(Name of the person responsible for this Exercise Notice)**	

We/I hereby irrevocably exercise the following Warrants in accordance with the Terms and Conditions of the Warrants:

Number of Warrants exercised	
Securities code	
Securities account number from which the number of Warrants exercised is to be debited.	
I/We irrevocably authorize [Clearstream Banking AG Frankfurt am Main (hereinafter referred to as "Clearstream")] [*other Clearing Agent, address***: ●], to debit the Warrants exercised from this securities account and to credit these to securities account no. [7916] [●] of the Warrant Agent.**	
Account to which all amounts due in connection with the exercise are to be credited, subject to the withholding of taxes or other levies of any kind. *(This account may not be located in the United States of America)*	

Place/Date

Signature of the warrant holder

Frankfurt am Main, 21 June 2007

Société Générale S.A.	**Société Générale Effekten GmbH**
signed by Jeanette Plachetka	signed by Jeanette Plachetka
signed by Dr. Joachim Totzke	signed by Dr. Joachim Totzke