

Execution Copy

2 December 2020

J.P. Morgan AG

as Issuer

and

J.P. Morgan International Finance Limited

as Purchaser

ISSUING AND PURCHASE AGREEMENT

EUR 840,000,000 Subordinated Tier 2 Floating Rate Notes due 2030

Linklaters

Ref: PWZ

Linklaters LLP

This Issuing and Purchase Agreement (the "**Agreement**") is made on 2 December 2020 between:

- (1) **J.P. Morgan AG**, Taunustor 1, 60310 Frankfurt am Main, Federal Republic of Germany (the "**Issuer**"); and
- (2) **J.P. Morgan International Finance Limited**, 383 Madison Avenue, New York, New York, NY, 10179, United States (the "**Purchaser**").

The Issuer and the Purchaser are hereinafter also referred to as the "**Parties**" and each of them as a "**Party**".

It is agreed as follows:

1 Definitions

Terms not defined in this Agreement shall have the meaning as set out in the terms and conditions annexed to this Agreement (the "**Terms and Conditions**").

2 Issuing and Purchase

2.1 The Issuer proposes to issue EUR 840,000,000 Subordinated Tier 2 Floating Rate Notes due 2030 (the "**Notes**") to the Purchaser on 3 December 2020 (the "**Issue Date**"). The Notes will each be issued in the Aggregate Principal Amount on the Issue Date in accordance with the provisions of this Agreement and the Terms and Conditions.

2.2 On the Issue Date, the Purchaser will pay an amount of EUR 840,000,000 (in words: eight hundred forty million Euro) (the "**Issue Price**") in consideration for the issue of the Notes. On the Issue Date the Purchaser will credit the Issue Price to the following account of the Issuer:

Bank:	J.P. Morgan AG
Account Number:	6001500633
BIC code:	CHASDEFX
IBAN:	DE11501108006001500633
Reference:	Purchase Price Subordinated Tier 2 Floating Rate Notes due 2030

2.3 The Notes will be evidenced by one certificate in the name of the Purchaser as noteholder, signed by two authorised signatories of the Issuer on the Issue Date. As soon as reasonably practicable upon receipt of the Issue Price by the Issuer the certificate will be delivered to the Purchaser.

2.4 On the Issue Date, the Purchaser shall be entered in the Register by the Issuer as the holder of the Notes, in each case in the Aggregate Principal Amount. The Purchaser shall be entitled to receive payments in respect of the Notes only upon the due registration in the Register. The Issuer shall notify the Purchaser of such registration in the Register in writing.

3 Miscellaneous

3.1 The general conditions of business of the Purchaser and the Issuer will not apply to this Agreement.

- 3.2** The Purchaser hereby waives any right of set-off against claims under this Agreement and the exercise of any right of retention or any similar rights which could affect the claims of the Issuer under this Agreement. This provision does not apply where the counterclaim is undisputed or has been confirmed in a final non-appealable judgement.
- 3.3** Neither the Purchaser nor the Issuer may transfer any of its rights and/or obligations under this Agreement.
- 3.4** Amendments to any provision of this Agreement (including this Clause 3.4) require the prior written consent of all Parties (in the form of letter or fax).
- 3.5** A Party's failure to exercise, or any delay in exercising of, a right or a remedy shall not operate as a waiver thereof. A partial exercise of any right or remedy shall not prevent any further or other exercise thereof or the exercise of any other right or remedy.

4 Governing Law, Jurisdiction

4.1 Governing Law

This Agreement is governed by the laws of the Federal Republic of Germany. Any non-contractual rights and obligations arising out of or in connection with this Agreement shall also be governed by the laws of the Federal Republic of Germany.

4.2 Jurisdiction

The competent courts in Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction over any action or other legal proceedings arising out of or in connection with this Agreement.

Annex Terms and Conditions of the Notes

§ 1

Currency, Denomination, Form

- (1) *Currency; Denomination.* This issue of subordinated notes (the "**Notes**") of J.P. Morgan AG (the "**Issuer**") is being issued in Euro ("**Euro**" or the "**Specified Currency**") in the aggregate principal amount of EUR 840,000,000 (in words: eight hundred forty million Euro) (the "**Aggregate Principal Amount**") in a denomination of EUR 5,000,000 (the "**Specified Denomination**").
- (2) *Form.*
- (a) The Notes are issued in registered form (*Namenswertpapiere*).
 - (b) Each certificate representing a Note or several Notes bears the manual signature of two duly authorised signatories of the Issuer.
 - (c) The rights of the relevant Noteholder arising from a Note and title to the relevant certificate itself pass by assignment with the consent of the Issuer and registration in the Register (as further specified in § 1(2)(d) below). The Issuer may refuse such consent only on the basis of an important reason (*aus wichtigem Grund*). Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and the Registrar will deem and treat the registered holder of each Note as the absolute owner of the relevant certificate and holder of the rights arising from the relevant Note.
 - (d) The Notes may be transferred in whole or in part in a minimum aggregate principal amount of EUR 5,000,000 and integral multiples thereof. No partial assignment of any individual Note will be permitted. The rights of any Noteholder arising from a Note and title to the relevant certificate itself may be transferred by way of an assignment of the relevant rights under the relevant Note by the then current Noteholder to the new Noteholder with the consent of the Issuer and the surrender of such certificate, together with the form of the notice of assignment attached to it duly completed and executed, at the specified office of the Registrar and the entry of the new Noteholder with the register by the Registrar.
 - (e) The date stated in the duly completed form of assignment as the date on which the economic effects of the assignments will occur will be the "**Transfer Date**" to be entered into the Register by the Registrar.

In the case of a transfer of any Note and provided the requirements specified above have been met, a new Note will be issued and a new certificate with respect to the new Note will be delivered to the transferee upon request.
 - (f) Each new certificate to be issued upon transfer of any Note will, within 14 business days (being, for the purposes of this subsection, a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of submission of such certificate and the duly completed and executed form of assignment, be available for collection at the specified office of the Registrar or, at the request of the Noteholder making such submission and as specified in the relevant form of assignment, be mailed at the risk of the Noteholder entitled to the new certificate to such address as may be specified in the form of assignment.

- (g) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as may be required from the Issuer or the Registrar) in respect of any tax or other duties which may be imposed in relation to it.
- (h) No Noteholder may require the transfer of a Note to be registered during a period of 15 days ending on any due date for any payment of principal or interest. Any registration of transfer required during such period will be deemed to have been required on the business day (as referred to in (f) above) immediately following the relevant due date.
- (i) For the purpose of these terms and conditions:

"Applicable Supervisory Regulations" means the provisions of bank supervisory laws and any regulations and other rules thereunder applicable from time to time (including, but not limited to, the BRRD, the CRD, the CRR, the SSM Regulation, the SRM Regulation and the guidelines and recommendations of the European Banking Authority and/or the European Central Bank, the administrative practice of any competent authority, any applicable decision of a court and any applicable transitional provisions) relating to capital adequacy, solvency, other prudential requirements and/or resolution and applicable to the Issuer and/or the banking group to which the Issuer belongs from time to time.

"BRRD" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014, as amended or replaced from time to time; to the extent that any provisions of the BRRD are amended or replaced, the reference to provisions of the BRRD as used in these terms and conditions shall refer to such amended provisions or successor provisions from time to time.

"CRD" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended or replaced from time to time; to the extent that any provisions of the CRD are amended or replaced, the reference to provisions of the CRD as used in these terms and conditions shall refer to such amended provisions or successor provisions from time to time.

"CRR" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these terms and conditions shall refer to such amended provisions or successor provisions from time to time.

"Germany" means the Federal Republic of Germany.

"Noteholder" means registered holder of this Note. Any reference therein to "Noteholders" in plural form will constitute a reference to "Noteholder" in singular form.

"Register" means the register to be maintained by the Registrar in relation to the Notes.

"SRM Regulation" means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended or replaced from time to time; to the extent that any provisions of the SRM Regulation are amended or replaced, the reference to provisions of the SRM Regulation as used in these terms and conditions shall refer to such amended provisions or successor provisions from time to time.

"**SSM Regulation**" means Council Regulation (EU) No 1024/2013 of 15 October 2013, as amended or replaced from time to time; to the extent that any provisions of the SSM Regulation are amended or replaced, the reference to provisions of the SSM Regulation as used in these terms and conditions shall refer to such amended provisions or successor provisions from time to time.

§ 2 Status

- (1) *Rank.* The Notes constitute direct, unsecured and subordinated obligations of the Issuer. In the event of resolution measures imposed on the Issuer and in the event of the insolvency, dissolution, liquidation, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer,
- (a) the obligations under the Notes rank *pari passu* among themselves and *pari passu* with all other present or future subordinated obligations of the Issuer under instruments which, pursuant to their terms or mandatory provisions of law rank *pari passu* with the obligations of the Issuer under the Notes;
 - (b) the obligations under the Notes rank senior to all present or future subordinated obligations of the Issuer that pursuant to their terms or mandatory provisions of law rank subordinated to the Notes, including the obligations of the Issuer under any Additional Tier 1 instruments of the Issuer pursuant to Article 52 *et seq.* CRR, if any; and
 - (c) the obligations under the Notes will be fully subordinated to the present or future Issuer's Senior Ranking Obligations (as defined below), so that in any such event the claims of the Noteholders in respect of the Notes (in particular the claims for payment of principal and interest, if any) will only be satisfied if all of the Issuer's Senior Ranking Obligations have first been satisfied in full.

Where:

"Issuer's Senior Ranking Obligations" means

- (i) the unsubordinated obligations of the Issuer (including obligations of the Issuer under its non-preferred unsubordinated debt instruments within the meaning of § 46f(6) sentence 1 of the German Banking Act (*Kreditwesengesetz* – "**KWG**") or any successor provision thereto);
 - (ii) the legally subordinated obligations of the Issuer within the meaning of § 39(1) Nos. 1-5 of the German Insolvency Code (*Insolvenzordnung* – "**InsO**") or any successor provision thereto;
 - (iii) the contractually subordinated obligations of the Issuer within the meaning of § 39(2) InsO or any successor provision thereto that, at the relevant point in time, do not result from an own funds item of the Issuer; and
 - (iv) any other obligations of the Issuer which, pursuant to their terms or mandatory provisions of law, rank senior to the Notes.
- (2) *No set-off.* No Noteholder may set off his claims arising under the Notes against any claims that the Issuer may have against it.

- (3) *No security or guarantee.* No security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders under the Notes.
- (4) *Note on the possibility of statutory resolution measures.* Prior to any insolvency, dissolution or liquidation of the Issuer, under bank resolution laws applicable to the Issuer from time to time, the competent resolution authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer or apply any other resolution measure, including (but not limited to) any transfer of the obligations to another entity, an amendment of the terms and conditions or a cancellation of the Notes.

§ 3 **Interest**

- (1) *Interest.*
 - (a) The Notes shall bear interest on their Specified Denomination from and including 3 December 2020 (the "**Interest Commencement Date**") to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date (each such period, an "**Interest Period**"). Interest on the Notes shall be payable in arrear on each Interest Payment Date.
 - (b) "**Interest Payment Date**" means each 3 January, 3 February, 3 March, 3 April, 3 May, 3 June, 3 July, 3 August, 3 September, 3 October, 3 November and 3 December, commencing on 3 January 2021.
 - (c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.
 - (d) "**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business and foreign exchange markets settle payments in Frankfurt am Main and on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.
- (2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will be the sum of the Reference Rate (as defined below) and the Margin (as defined below), which sum will be subject to a minimum of zero per cent., all as determined by the Calculation Agent (as defined in § 6(1) below).

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3(2) on each Interest Determination Date.

The "**Reference Rate**" for each Interest Period will be determined as follows:

- (a) For each Interest Period beginning prior to the discontinuation of the Original Benchmark Rate (as described in § 3(3)), the "**Reference Rate**" will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

- (b) For each Interest Period commencing on or after the discontinuation of the Original Benchmark Rate (as described in § 3(3)), the "Reference Rate" will be determined in accordance with § 3(3).

"**Margin**" means 0.83 per cent. *per annum*.

Where:

"**Interest Determination Date**" means the second TARGET Business Day prior to the commencement of the relevant Interest Period.

"**Original Benchmark Rate**" on any day means the 1-months Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at, and appearing on, the Screen Page as of 11:00 a.m. (Brussels time) on such day. If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, but no discontinuation of the Original Benchmark Rate (as described in § 3(3)) has occurred, the Reference Rate on the Interest Determination Date shall be equal to the Original Benchmark Rate as displayed on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed on the Screen Page.

"**Screen Page**" means the Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to the Reuters screen page EURIBOR01.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) is operating.

- (3) *Discontinuation.* Notwithstanding the foregoing:
- (i) if the Calculation Agent determines in its sole discretion on or prior to the relevant Interest Determination Date that the Original Benchmark Rate has been discontinued or such rate has ceased to be published permanently or indefinitely, then the Calculation Agent shall use as benchmark for the relevant Interest Period a substitute or successor rate that it has determined in its sole discretion to be (a) the industry-accepted successor rate to the Original Benchmark Rate or (b) if no such industry-accepted successor rate exists, the most comparable substitute or successor rate to the Original Benchmark Rate; and
 - (ii) if the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing, the Calculation Agent may determine in its sole discretion the business day convention, the business day definitions, the day count fraction and Interest Determination Date and any other relevant methodology and terms and conditions for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the Original Benchmark Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate.
- (4) *No Prejudice.* Notwithstanding any other provision of this § 3, no substitute or successor rate or adjustment factor will be adopted, nor will any other amendment be made pursuant to § 3(3) if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 capital (as defined in the Applicable Supervisory Regulations) for the purposes of the Applicable Supervisory Regulations. If this § 3(4) is to be applied on any Interest Determination Date, the Reference

Rate applicable to the next and each subsequent Interest Period shall be the Original Benchmark Rate determined on the last preceding Interest Determination Date.

- (5) *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the Specified Denomination and rounding the resultant figure to the nearest sub-unit of the Specified Currency, with 0.5 of such sub-units being rounded upwards.
- (6) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the applicable Interest Payment Date to be notified to the Issuer and to the Noteholders in accordance with § 10 as soon as possible after their determination, but in no event later than the fourth Business Day thereafter, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.
- (7) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Noteholders.
- (8) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes from the due date until the expiry of the day preceding the day of the actual redemption of the Notes at the default rate of interest established by law.¹
- (9) *Day Count Fraction.* If interest is required to be calculated for any period of time, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), the actual number of days in the Calculation Period divided by 360.

§ 4 Payments

- (1) General.
 - (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to § 4(2), on the respective due date thereof to the person shown on the Register as the Noteholder at the close of business on the fifteenth day before such due date. The Issuer is only obliged to pay principal on any Note against delivery of the certificate representing the Note.

¹ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 BGB (German Civil Code).

- (b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to § 4(2), on the respective due date thereof to the person shown on the Register as the Noteholder at the close of business on the fifteenth day before such due date.
- (2) *Manner of payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of a Note will be made in Euro to the account of the Noteholder specified in the Register. The Issuer shall be discharged by payment to the Noteholder.
- (3) *Business Day Convention.* If the due date for payment of any amount of principal is not a Business Day, such due date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day (modified following business day convention adjusted).
- (4) *References to principal and interest.* Reference in these terms and conditions of the Notes to principal in respect of the Notes will be deemed to include, as applicable, the Specified Denomination and any other amounts which may be payable under or in respect of the Notes (such as the Additional Amounts (as defined in § 7 below)).

§ 5

Redemption

- (1) *Maturity.* The Notes will be redeemed at their Specified Denomination on 3 December 2030.
- (2) *Redemption for regulatory reasons.* If the Issuer determines that there is a change in the regulatory classification of the Notes under the Applicable Supervisory Regulations (or official interpretation thereof), in any such case becoming effective on or after the issue date of the Notes, that would be likely to result in the exclusion of the Notes in full or in part from the own funds or a reclassification as own funds of a lower quality compared to the issue date of the Notes, the Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(4) being met, redeem the Notes, in whole but not in part, on any Interest Payment Date upon not less than 10 and not more than 60 days' prior notice.

If the Issuer exercises its call right in accordance with this § 5(2), and if the Conditions to Redemption and Repurchase pursuant to § 5(4) are fulfilled on the date fixed for redemption, the Issuer will redeem the Notes at their Specified Denomination, together with interest (if any) accrued to but excluding the date fixed for redemption on the date fixed for redemption.

- (3) *Redemption for reasons of taxation.* If the tax treatment of the Notes, due to a change in applicable legislation, including a change in any fiscal or regulatory legislation, rules or practices, which takes effect after the Interest Commencement Date, changes (i.e. any changes to the tax deductibility of interest payable on the Notes or any changes in the tax treatment of the Notes resulting in an obligation to pay Additional Amounts) and the Issuer determines, in its own discretion, that such change has a material adverse effect on the Issuer, the Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(4) being met, redeem the Notes, in whole but not in part, on any Interest Payment Date upon not less than 10 and not more than 60 days' prior notice.

If the Issuer exercises its call right in accordance with this § 5(3), and if the Conditions to Redemption and Repurchase pursuant to § 5(4) are fulfilled on the date fixed for redemption, the Issuer will redeem the Notes at their Specified Denomination, together with interest (if any) accrued to but excluding the date fixed for redemption on the date fixed for redemption.

- (4) *Conditions to Redemption and Repurchase.* Any early redemption pursuant to § (5)(2) or § (5)(3) and any repurchase shall be subject to the following conditions (the "**Conditions to Redemption and Repurchase**"):
- (a) The Issuer has obtained the prior consent of the competent authority for the redemption or any repurchase in accordance with Articles 77 *et seqq.* CRR (or any successor provision). At the time of the issuance of the Notes, any prior consent pursuant to Article 78 CRR requires, amongst others, that either of the following condition is met:
 - (i) before or at the same time as the redemption, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer demonstrates to the satisfaction of the competent authority that the own funds and eligible liabilities of the Issuer would, following such redemption, exceed the requirements laid down in the CRR, the CRD and the BRRD by a margin that the competent authority considers necessary.
 - (b) In addition to (a), in respect of a redemption prior to the fifth anniversary of the issue date of the Notes:
 - (i) In the case of redemption for regulatory reasons pursuant to § 5(2), the competent authority considers the change in the regulatory classification to be sufficiently certain and the Issuer demonstrates to the satisfaction of the competent authority that the regulatory reclassification of the Notes was not reasonably foreseeable on the date of issuance of the Notes.
 - (ii) In the case of redemption for reasons of taxation pursuant to § 5(3), the Issuer demonstrates to the satisfaction of the competent authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable on the date of issuance of the Notes.

A redemption of the Notes prior to the fifth anniversary of the date of issuance of the Notes that does not meet the conditions set forth under (i) and (ii) requires that before or at the same time of the redemption the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the competent authority has permitted the repayment on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the Applicable Supervisory Regulations permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the competent authority of the Issuer to grant prior consent in accordance with Articles 77 *et seqq.* CRR shall not constitute a default for any purpose.

Notices pursuant to § 5(2) and (3) shall be given in accordance with § 10. Such notice shall state the date fixed for redemption and, in the case of a notice pursuant to § 5(2) or (3), the reason for the redemption.

(5) *No Call Right of the Noteholders.* The Noteholders have no right to call the Notes for redemption.

§ 6

Paying Agent, Calculation Agent and Registrar

(1) *Appointment; Specified Office.* The initial Paying Agent, Calculation Agent and Registrar shall be:

Paying Agent: J.P. Morgan AG
TaunusTurm
Taunustor 1
60310 Frankfurt am Main
Federal Republic of Germany

Calculation Agent: J.P. Morgan AG, London Branch
25 Bank Street
London E14 5JP
the United Kingdom

Registrar: J.P. Morgan AG
TaunusTurm
Taunustor 1
60310 Frankfurt am Main
Federal Republic of Germany

Each of the Paying Agent, the Calculation Agent and the Registrar reserves the right at any time to change its respective specified office to some other specified office in the same city.

(2) *Variation or termination of appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent, the Calculation Agent or the Registrar or to appoint additional or other Paying Agents, another Calculation Agent or another Registrar. The Issuer shall at all times maintain a Paying Agent, a Calculation Agent and a Registrar. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 10.

(3) *Agents of the Issuer.* The Paying Agent, the Calculation Agent and the Registrar act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Noteholder.

§ 7

Taxation

The Issuer shall make all payments of principal and interest without any deduction or withholding for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Germany or any political subdivision or authority thereof or therein having the power to tax the Issuer, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in respect of the payment of any interest in respect of the Notes (but not in respect of the payment of any principal in respect of the Notes) ("**Additional Amounts**") as will result (after such

withholding or deduction) in receipt by the Noteholders of the sums that would have been receivable (in the absence of such withholding or deduction) by them in respect of the Notes.

§ 8 Prescription

The obligations of the Issuer to pay principal and interest in respect of a Note shall be prescribed (i) in respect of principal upon the expiry of ten years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of five years following the respective due date for the relevant payment of interest.

§ 9 Further Issues, Purchases and Cancellation

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.
- (2) *Purchases.* Only if the Conditions to Redemption and Repurchase are met, the Issuer may purchase Notes.

§ 10 Notices

Notices to the Noteholder may be given, and are valid if given, by post or fax at the address or fax number of the Noteholder appearing in the Register. If sent by post, notices will be deemed to have been received on the third Business Day after the mailing. If sent by fax, notices will be deemed to have been given upon receipt of a confirmation of the transmission.

§ 11 Tier 2 Instruments

The Notes constitute Tier 2 instruments of the Issuer pursuant to Art. 63 CRR.

§ 12 Applicable Law and Place of Jurisdiction

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer shall be governed by German law.
- (2) *Submission to Jurisdiction.* The regional court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

§ 13 Language

These terms and conditions of the Notes are written in the English language.

§ 14 Replacement of the certificate representing this Note

If the certificate representing this Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and

indemnity as the Issuer may reasonably require. A mutilated or defaced certificate must be surrendered before a replacement certificate will be issued.

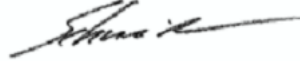
**SIGNATURE PAGE
TO THE ISSUING AND PURCHASE AGREEMENT**

This Issuing and Purchase Agreement has been entered into on the date first stated above.

J.P. Morgan AG
(as Issuer)



By: _____
Burkhard Kübel-Sorger, CFO



By: _____
Thorsten Schneider, Head of Finance

J.P. Morgan International Finance Limited
(as Purchaser)

By: _____

**SIGNATURE PAGE
TO THE ISSUING AND PURCHASE AGREEMENT**

This Issuing and Purchase Agreement has been entered into on the date first stated above.

J.P. Morgan AG
(as Issuer)

By: _____

By: _____

J.P. Morgan International Finance Limited
(as Purchaser)



By: Cathy Weiner, Executive Director