



EVONIK INDUSTRIES AG
(Essen, Federal Republic of Germany)

EUR 500,000,000 Subordinated Resettable Fixed Rate Notes due 2077

ISIN: DE000A2GSFF1, Common Code: 164260704, WKN: A2GSFF

Issue Price: 99.383 per cent.

Evonik Industries AG, Rellinghauser Str. 1-11, 45128 Essen (the "Issuer" or "Evonik ") will issue on 7 July 2017 (the "Interest Commencement Date") EUR 500,000,000 Subordinated Resettable Fixed Rate Notes due 7 July 2077 (the "Notes") in the denomination of EUR 1,000 each.

The Notes will be governed by the laws of the Federal Republic of Germany ("Germany").

The Notes will bear interest from and including the Interest Commencement Date to but excluding 7 November 2022 (the "First Call Date") at a rate of 2.125 per cent. *per annum*, payable annually in arrear on 7 November of each year, commencing on 7 November 2017 (short first coupon). Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Call Date to but excluding 7 November 2027 (the "First Modified Reset Date") at a rate *per annum* equal to the 5-year EUR Swap Rate for the relevant Reset Period (each as defined in § 3(6) of the terms and conditions of the Notes (the "Terms and Conditions")) plus a margin of 195.1 basis points per annum (not including a step-up) (the "Margin"), payable in arrear on 7 November of each year, commencing on 7 November 2023. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Modified Reset Date to but excluding 7 November 2042 (the "Second Modified Reset Date") at a rate *per annum* equal to the 5-year EUR Swap Rate for the relevant Reset Period plus a margin of 220.1 basis points per annum (including a step-up of 25 basis points), payable on 7 November of each year, commencing on 7 November 2028. Thereafter, unless previously redeemed, the Notes will bear interest from and including the Second Modified Reset Date to but excluding 7 July 2077 (the "Maturity Date") at a rate *per annum* equal to the 5-year EUR Swap Rate for the relevant Reset Period plus a margin of 295.1 basis points per annum (including a step-up of 100 basis points), payable on 7 November of each year, commencing on 7 November 2043. The 5-year EUR Swap Rate will reset on the First Call Date and each fifth anniversary of the First Call Date (each a "Reset Date") for a period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.

The Issuer is entitled to defer interest payments under certain circumstances (as set out in § 4(1) of the Terms and Conditions) (such payments the "Deferred Interest Payments"). The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 4(2) of the Terms and Conditions) and it shall pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 4(3) of the Terms and Conditions). Such Deferred Interest Payments will not bear interest themselves.

Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on the Maturity Date.

The Notes will be represented by a global note without interest coupons (the "Global Note"). The Global Note will be kept in custody by Clearstream Banking AG, Frankfurt am Main ("Clearstream").

This prospectus (the "Prospectus") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "Prospectus Directive"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier, Luxembourg* ("CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "Luxembourg Prospectus Law"). By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Prospectus Law. The Issuer has requested the CSSF to provide the competent authorities in Austria, Germany and The Netherlands, and may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Structuring Advisor

Deutsche Bank

Joint Bookrunners

BofA Merrill Lynch

Credit Suisse

Citigroup

Deutsche Bank

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Essen, Germany, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries taken as a whole (the "**Evonik Group**" or the "**Group**") and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners (as defined in the section "Offer, Sale and Subscription of the Notes").

This Prospectus should be read and understood in conjunction with any supplement hereto and with any documents incorporated herein or therein by reference.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "GENERAL INFORMATION ON THE ISSUER AND THE GROUP" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Joint Bookrunners nor any of its respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any

document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the European Economic Area, the United States of America and the United Kingdom, see "Offer, Sale and Subscription of the Notes – Selling Restrictions".

The language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE OF THE RECEIPT OF THE PROCEEDS OF THE ISSUE BY THE ISSUER AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING SHALL BE IN COMPLIANCE WITH LAWS, DIRECTIVES, REGULATIONS AND RULES OF ANY RELEVANT JURISDICTION.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

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

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

Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent to the use of the prospectus	<p>The Issuer consents to the use of the Prospectus by Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank, London Branch and Merrill Lynch International (together the "Joint Bookrunners") and/or by all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any Joint Bookrunner and/or by any financial intermediary which was given consent to use the Prospectus.</p>
	Indication of the offer period	<p>The subsequent resale or final placement of Notes by the Joint Bookrunners and/or by financial intermediaries can be made during the offer period which is expected to commence on 30 June 2017 and will be open until 7 July 2017 being the date of issuance of the Notes.</p>

Element	Description of Element	Disclosure requirement
	Member States in which prospectus may be used	The Joint Bookrunners and/or the financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Austria, Germany and The Netherlands.
	Conditions attached to the consent	The Joint Bookrunners and any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.
	Notice in bold	In the event of an offer being made by a Joint Bookrunner and/or a financial intermediary, this Joint Bookrunner and/or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Section B – Issuer

Element	Evonik Industries AG	
B.1	Legal and commercial name	Evonik Industries AG (“ Evonik ” and, together with its consolidated subsidiaries, “ Evonik Group ”).
B.2	Domicile / Legal form / Legislation / Country of incorporation	Evonik is incorporated under the laws of Germany in Essen, Germany as a joint stock corporation (<i>Aktiengesellschaft, AG</i>). Its registered office is located at Rellinghauser Straße 1-11, 45128 Essen, Federal Republic of Germany. Evonik operates under the company law of Germany.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Development in the global economy generally affects Evonik Group's sales and earnings and cyclicity may adversely affect operating margins. In addition, significant variations in the cost and availability of raw materials, energy, precursors and intermediates may adversely affect Evonik Group's operating results. Evonik Group operates in regulated industries and changes in regulatory controls and associated implementation of measures to comply with regulations could negatively affect Evonik Group's earnings.
B.5	Description of the group and the Issuer's position within the group	Evonik Group is a producer of specialty chemicals, active in more than 100 countries worldwide. Evonik is the parent company of Evonik Group.
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate are made.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not include any qualifications.

B.12**Selected historical key financial information**

The following table shows selected consolidated financial information for Evonik Group (prepared in accordance with IFRS):

	1 January 2016 – 31 December 2016	1 January 2015 – 31 December 2015
	million EUR (audited)	
Sales	12,732	13,507
Adjusted EBITDA ¹⁾	2,165	2,465
Adjusted EBIT ²⁾	1,448	1,752
Net income	844	991
Cash flow from operating activities	1,758	1,971
	31 December 2016	31 December 2015
	million EUR (audited)	
Total assets	19,645	17,005
Total equity	7,750	7,576
Non-current liabilities	8,700	6,353
Current liabilities	3,195	3,076

	1 January 2017 – 31 March 2017	1 January 2016 – 31 March 2016
	million EUR (unaudited)	
Sales	3,683	3,106
Adjusted EBITDA ¹⁾	612	565
Adjusted EBIT ²⁾	405	389
Net income	160	240
Cash flow from operating activities	277	338
	31 March 2017	31 December 2016
	million EUR (unaudited)	
Total assets	19,885	19,645
Total equity	7,786	7,750
Non-current liabilities	8,670	8,700
Current liabilities	3,429	3,195

¹⁾ Earnings before financial result, taxes, depreciation and amortization, after factoring out special items (adjusted). The special items that are factored out include restructuring, impairment losses / reversals of impairment losses, income and expenses in connection with the purchase / disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business. Earnings indicator showing Evonik's operating earnings performance irrespective of the structure of its assets and its investment profile.

²⁾ Earnings before financial result and taxes, after factoring out special items (adjusted). The special items that are factored out include restructuring, impairment losses / reversals of impairment losses, income and

	<p>expenses in connection with the purchase / disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business. Earnings indicator showing Evonik's operating earnings performance irrespective of the structure of its assets.</p>	
	<p>Trend information</p> <p>There has been no material adverse change in the prospects of Evonik since 31 December 2016. No developments are currently foreseen that are reasonably likely to have a material effect on Evonik's prospects.</p>	
	<p>Significant change in the financial and trading position</p> <p>Not applicable. There has been no significant change in the financial or trading position of Evonik since 31 March 2017.</p>	
B.13	Recent developments	<p>Not applicable. There are no recent developments particular to Evonik which are to a material extent relevant to Evonik's solvency.</p>
B.14.	Statement of dependency upon other entities within the group	<p>Not applicable. Evonik is not dependent upon other entities within Evonik Group.</p>
B.15	Principal activities	<p>Evonik conducts business in the area of chemicals within Germany and abroad, as well as in related areas, including rendering of services related thereto.</p>
B.16	Major shareholders	<p>Evonik's current direct major shareholder is RAG-Stiftung, Essen, Germany (approximately 68 per cent.).</p>
B.17	Credit ratings of the Issuer or its debt securities	<p>Credit ratings of Evonik:</p> <p>Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") has assigned the long-term credit rating BBB+ (outlook stable).</p> <p>Moody's Investors Service Ltd. ("Moody's") has assigned a Baa1 rating (outlook stable) to Evonik.</p> <p>It is expected that, upon issuance, the Notes will be assigned a rating of BBB- by Standard & Poor's and of Baa3 by Moody's.</p>

Section C – Securities

Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered / security identification numbers	<p>The Notes are unsecured.</p> <p>Security codes:</p> <p>ISIN: DE000A2GSFF1 Common Code: 164260704 German Securities Code (<i>WKM</i>): A2GSFF</p>
C.2	Currency	Euro
C.5	Restrictions on free transferability	Not applicable, the Notes are freely transferable.
C.8	Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes	<p><i>Rights attached to the Notes:</i></p> <p>The Notes entitle the Noteholders, in particular, to the interest payments described in Element C.9.</p> <p><i>Ranking of the Notes:</i></p> <p>The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking senior only to Junior Instruments, ranking <i>pari passu</i> among themselves and <i>pari passu</i> with any Parity Instruments, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.</p> <p>"Parity Instrument" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank <i>pari passu</i> with the Notes, or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank <i>pari passu</i> with the Issuer's obligations under the Notes.</p> <p>"Junior Instrument" means (i) the ordinary shares of the Issuer, (ii) any share of any other class of shares of the Issuer ranking <i>pari passu</i> with the ordinary shares of the Issuer, (iii) any other security, registered security or other instrument of the Issuer the Issuer's obligations under which rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i) and (ii) and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i), (ii) and (iii).</p> <p>"Subsidiary" means at any time any enterprise which was fully consolidated in the latest audited consolidated financial statements</p>

Element	Description of Element	Disclosure requirement
		<p>of Evonik (including any enterprise which would have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up, but excluding any enterprise which would no longer have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up).</p> <p><i>Limitation of the rights attached to the Notes:</i></p> <p>Except for (i) the possibility of the Issuer (x) to defer interest payments and (y) to call the Notes for redemption or to repurchase and cancel Notes prior to the Maturity Date (as defined below) and (ii) the prohibition of set-off, there are no limitations to the rights attached to the Notes.</p> <p>Prohibition of set-off</p> <p>The Noteholders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Noteholder against any claims of such Noteholder under the Notes.</p> <p>Maturity Date</p> <p>Unless previously redeemed in whole or in part or purchased and cancelled, each Note shall be redeemed at its specified denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid on 7 July 2077.</p> <p>Early redemption at the option of the Issuer</p> <p>The Issuer may, on giving a notice of redemption, call the Notes for redemption (in whole but not in part) with effect (i) as of any date during the period from and including 7 August 2022 to and including the First Call Date and (ii) as of each Interest Payment Date (as defined below) thereafter. If the Issuer exercises its call right in accordance with the previous sentence, the Issuer shall redeem the Notes at an amount per Note equal to the specified denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note, on the redemption date specified in the notice of redemption.</p> <p>Early redemption at the option of the Issuer upon occurrence of a special event</p> <p>After the occurrence of a Gross-up Event, a Tax Event, a Rating Agency Event or in case that the Issuer or any Subsidiary has purchased or redeemed Notes equal to or in excess of 80 per cent. of the aggregate principal amount of the Notes initially issued, the Issuer may, by giving not less than 30 and not more than 60 Business Days' prior notice to the Noteholders, call the Notes for redemption (in whole but not in part).</p>

Element	Description of Element	Disclosure requirement
		<p>In the case such call notice is given following a Gross-up Event, the Issuer shall redeem the remaining Notes on the specified redemption date at the specified denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note.</p> <p>In the case such call notice is given following (x) a Tax Event or a Rating Agency Event, the Issuer will redeem the remaining Notes on the specified redemption date (A) at 101.00 per cent. of the specified denomination if the redemption occurs prior to the First Call Date and (B) at 100.00 per cent. of the specified denomination if the redemption occurs on or after the First Call Date; and (y) in case of a redemption for minimal outstanding aggregate principal amount, at 100.00 per cent. of the specified denomination, in each case plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note.</p> <p>A "Gross-up Event" will occur if on or after the date of issue of the Notes as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.</p> <p>A "Rating Agency Event" will occur if either any Rating Agency (as defined below) publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Notes at the date of issue of the Notes, or if "equity credit" is not assigned on the Interest Commencement Date by such Rating Agency, at the date when the equity credit is assigned for the first time by such Rating Agency (a "Loss in Equity Credit"), or the Issuer has received a written confirmation from any Rating Agency, or any Rating Agency has otherwise published the Loss in Equity Credit, and such confirmation or publication evidences that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred and the Issuer has provided the Principal Paying Agent with a copy of such confirmation of publication, and the Issuer has given notice to the Noteholders in accordance with § 13 of such</p>

Element	Description of Element	Disclosure requirement
		<p>Rating Event prior to giving the notice of redemption referred to above.</p> <p>A "Tax Event" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Germany or any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.</p> <p>Early redemption at the option of the Issuer upon occurrence of a Change of Control Event</p> <p>If a Change of Control occurs and within the change of control period ending 90 days after the occurrence of the Change of Control all ratings previously assigned to Evonik are withdrawn or changed from an existing investment grade rating to a non-investment grade rating in respect of that Change of Control (together, a "Change of Control Event"), the Issuer will specify the Change of Control Effective Date and give notice of the occurrence of such Change of Control Event and the Change of Control Effective Date without undue delay (the "Change of Control Notice"), and (ii) the Issuer, on giving a notice of redemption not more than 45 days' notice after publication of the Change of Control Notice, may call the Notes for early redemption (in whole but not in part) at any time with effect on the change of control effective date at 100.00 per cent. of the specified denomination, in each case plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note.</p> <p>A "Change of Control" shall be deemed to have occurred if any person (other than RAG-Stiftung, Essen, Germany or a (direct or indirect) Subsidiary of RAG-Stiftung) or persons acting in concert directly or indirectly acquires more than fifty (50) per cent. of the voting shares of Evonik.</p> <p>"Change of Control Effective Date" means if at the time of the occurrence of a Change of Control Event any senior debt securities of Evonik or any senior debt securities of a Subsidiary are outstanding in relation to which Evonik has assumed a guarantee or other liability, the first Business Day following the last day on which</p>

Element	Description of Element	Disclosure requirement
		<p>such securities may become due for redemption in accordance with their terms as a result of put notices of the holders of such securities in respect of the same Change of Control Event (or a similar concept); and otherwise the Business Day falling 60 days following the occurrence of such Change of Control Event.</p> <p>Early redemption at the option of the Issuer upon occurrence of a transaction related event</p> <p>The Issuer may, on giving a Transaction Trigger Notice, call the Notes for redemption (in whole or in part) with effect on the relevant redemption date at 101 per cent. of the specified denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note.</p> <p>"Transaction Trigger Notice" means a notice to the Noteholders within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that Evonik has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the relevant redemption date.</p> <p>At any time the Issuer may waive its right to call the Notes for redemption, by giving notice thereof in accordance with the Terms and Conditions.</p> <p>"Transaction" means the acquisition by the Evonik Group of the silica business of the US company J.M. Huber Corporation and certain of its subsidiaries.</p> <p>"Transaction Notice Period" means the period from 7 July 2017 to 31 December 2017.</p> <p>Events of Default, Cross Default and Negative pledge</p> <p>The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.</p> <p>Resolutions of Noteholders</p> <p>In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz</i> – "SchVG") the Notes contain provisions pursuant to which the Noteholders consent by resolution to amendments of the Terms and Conditions (upon the Issuer's decision to amend the Terms and Conditions) and pursuant to which the Noteholders decide upon certain other matters regarding the Notes. Resolutions of Noteholders properly adopted, will be passed in a meeting of Noteholders (<i>Gläubigerversammlung</i>) or by vote taken without a meeting and are binding upon all Noteholders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by</p>

Element	Description of Element	Disclosure requirement
		<p>a simple majority of the votes cast.</p> <p>In accordance with the SchVG the Notes provide that the Noteholders may by majority resolution appoint a representative for all Noteholders (the "Noteholders' Representative"). The responsibilities and functions assigned to the Noteholders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders.</p>
C.9	Interest rate / Interest commencement date / Interest payment dates	<p>See C.8.</p> <p>Interest is scheduled to be paid annually in arrear on 7 November of each year, commencing on 7 November 2017 (short first coupon) with the last interest payment scheduled to be paid on the Maturity Date (subject to early redemption or repurchase and cancellation) (each an "Interest Payment Date").</p> <p>The Notes will bear interest from and including 7 July 2017 (the "Interest Commencement Date") to but excluding 7 November 2022 (the "First Call Date") at a fixed rate of 2.125 per cent. per annum.</p> <p>From and including the First Call Date to but excluding 7 November 2027 (the "First Modified Reset Date") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 195.1 basis points per annum (not including a step-up).</p> <p>From and including the First Modified Reset Date to but excluding 7 November 2042 (the "Second Modified Reset Date") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 220.1 basis points per annum (including a step-up of 25 basis points).</p> <p>From and including the Second Modified Reset Date to but excluding the Maturity Date the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 295.1 basis points per annum (including a step-up of 100 basis points).</p> <p>The "Reference Rate" for a Reset Period will be determined by the Calculation Agent and will be the 5-year EUR Swap Rate expressed as a percentage per annum.</p> <p>"Reset Date" means each of the First Call Date and each fifth anniversary of the First Call Date.</p> <p>"Reset Period" means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.</p>

Element	Description of Element	Disclosure requirement
		<p>Interest rate increase associated with a Change of Control Event</p> <p>If a Change of Control Event occurs and the Issuer does not redeem the Notes in whole, the applicable Rate of Interest will be increased by 5 percentage points per annum from (and including) the Change of Control Effective Date.</p> <p>Optional Interest Deferral</p> <p>The Issuer may elect to defer the payment of interest which will be due and payable (<i>fällig</i>) on an Interest Payment Date, upon giving not less than 10 and not more than 15 Business Days' prior notice to the Noteholders.</p> <p>If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Deferred Interest Payments will not bear interest.</p> <p>Optional Payment of Deferred Interest Payments</p> <p>The Issuer is entitled to pay outstanding Deferred Interest Payments (in whole but not in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the Noteholders specifying the amount of Deferred Interest Payments to be paid and the date fixed for such payment (the "Optional Settlement Date").</p> <p>Mandatory Payment of Deferred Interest Payments</p> <p>The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.</p> <p>"Mandatory Settlement Date" means the earliest of:</p> <ul style="list-style-type: none"> (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred; (ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment; (iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Instrument; (iv) the date on which the Issuer or any Subsidiary redeems any Parity Instrument, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Instrument;

Element	Description of Element	Disclosure requirement
		<p>(v) the date on which the Issuer redeems Notes in accordance with the Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and</p> <p>(vi) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),</p> <p>provided that</p> <p>(x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Instrument to make such payment, such redemption, such repurchase or such other acquisition;</p> <p>(y) in the cases (iv) and (v) above (other than in case of a redemption of the Note when due in accordance with these Terms and Conditions) no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Instrument or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Instrument or, as applicable, per Note below its par value; and</p> <p>(z) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, any Parity Instrument are Intra-Group Payments.</p> <p>"Intra-Group Payments" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.</p> <p>"Compulsory Settlement Event" means any of the following events:</p> <p>(i) the ordinary general meeting of shareholders (<i>ordentliche Hauptversammlung</i>) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer);</p> <p>(ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Instrument (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or</p> <p>(iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Instrument.</p>

Element	Description of Element	Disclosure requirement
		<p>The cases (ii) and (iii) above are subject to the proviso that no Compulsory Settlement Event occurs if</p> <p>(x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Instrument to make such payment, such redemption, such repurchase or such other acquisition;</p> <p>(y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Instrument pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or</p> <p>(z) the relevant payments on, or in respect of, any Junior Instruments are Intra-Group Payments.</p>
	<p>Underlying on which interest rate is based</p> <p>Maturity date including repayment procedures</p> <p>Indication of yield</p> <p>Name of representative of the Noteholders</p>	<p>Not applicable for the interest rate applicable in respect of the period from and including the Interest Commencement Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the Reference Rate (as defined above).</p> <p>The Maturity Date is 7 July 2077.</p> <p>Unless the Notes are previously redeemed or repurchased and cancelled, the Notes will be repaid at the principal amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and any Deferred Interest Payments (as defined above). Payment shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p> <p>The yield of the Notes from 7 July 2017 (the "Interest Commencement Date" of the Notes) to the First Call Date is 2.250 per cent. per annum and is calculated on the basis of the Issue Price. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.</p> <p>Not applicable. In accordance with the SchVG the Notes provide that the Noteholders may by majority resolution appoint a representative for all Noteholders (the "Noteholders' Representative"). The responsibilities and functions assigned to the Noteholders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Noteholders.</p>
C.10	Derivative component in	See C.9

Element	Description of Element	Disclosure requirement
	interest payment	Not applicable. The Notes have no derivative component.
C.11	Admission to trading of securities	Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market.

Section D – Risks

Element	Description of Element	Disclosure requirement
D.2	Key risks specific to the Issuer	<p>Evonik Group is inherently exposed to the general economic risks of the countries and regions in which it operates.</p> <p>Significant variations in the cost and availability of raw materials, semi-finished products and energy may adversely affect Evonik Group's business.</p> <p>Evonik Group is affected by the volatility in energy prices and factors impacting energy supply and prices, such as regulatory and tax decisions and legislation.</p> <p>Evonik Group is exposed to supply chain risks.</p> <p>Evonik Group depends on the success of its research and development activities.</p> <p>Evonik Group is exposed to the risk that the markets on which it is active may become more intensively competitive and may be impacted by significant pricing and margin pressure.</p> <p>Investments made by Evonik Group expose Evonik Group to the risk of misallocating resources or creating excess production.</p> <p>The consolidation of customers and end markets, the loss of major customers or the shift of production from one region to another can materially affect Evonik Group's sales volumes, prices, margins, and market position, either individually or together, and have material adverse effects on Evonik Group's business, net assets, financial condition, and results of operations.</p> <p>Any material defaults on receivables of, and a significant adverse change in the financial condition of Evonik Group's customers or other business partners could have material adverse effects on Evonik Group's business.</p> <p>Evonik Group is exposed to foreign exchange rate risks and interest rate risks.</p> <p>Manufacturing, storing, and transporting chemicals is inherently hazardous and may lead to personal injury, damage to property or other damage. The materialisation of such risk could have material adverse effects on Evonik Group's business, net assets, financial</p>

Element	Description of Element	Disclosure requirement
		condition, and results of operations.
		<p>Evonik Group may be held liable for damages based on product liability claims.</p> <p>Evonik Group is exposed to risks arising from acquisitions of new and divestments of former or current activities or entities of Evonik Group.</p> <p>Its globalised business activities expose Evonik Group to risks related to the fact that the general economic, political and legal environment in some regions to which Evonik Group expands its business activity may be more challenging and less predictable than those in Western Europe and North America.</p> <p>Evonik Group is exposed to regulatory risks.</p> <p>Evonik Group is exposed to risks of interruptions in operation, quality problems and unexpected technical difficulties, as well as to product safety, occupational safety and environmental risks.</p> <p>The worsening of credit market conditions and declines in credit ratings may negatively affect Evonik Group's ability to obtain credit facilities or to refinance its existing debt facilities in the longer term and may lead to higher costs associated with interest payments.</p> <p>Evonik Group is exposed to risks relating to activities on financial markets.</p> <p>Evonik is exposed to risks in connection with its shareholder structure.</p> <p>Evonik Group is exposed to risks from its pension and other benefits-related obligations.</p> <p>Evonik Group is exposed to risks related to infringements of its intellectual property rights by third parties as well as to its inability to protect adequately its intellectual property or know-how.</p> <p>Evonik Group is exposed to risks relating to the implementation of efficiency enhancement programs.</p> <p>Evonik Group is exposed to process/organization risks which cover the interface between risk management and the internal control system.</p> <p>Evonik Group is exposed to risks associated with functionality of its information technology and to the risk of infringements of data protection regulations by unauthorised access to information stored by it.</p> <p>Evonik Group's inability to recruit or retain qualified employees in the future and the loss of key members of management could negatively affect or disrupt Evonik Group's business.</p>

Element	Description of Element	Disclosure requirement
		Evonik Group is exposed to legal and tax risks.
D.3	Key risks specific to the Notes	<p>An investment in the Notes involves certain risks associated with the characteristics of the Notes which could result in principal or interest not being paid on time or at all and/or a material impairment of the market price of the Notes. Those risks include and comprise, inter alia, the following:</p> <p>The Notes may not be a suitable investment for all investors.</p> <p>The Notes are long-term securities. The Issuer is under no obligation to redeem the Notes at any time before 7 July 2077 and the Noteholders have no right to call for their redemption.</p> <p>At the Issuer's option, the Notes may be redeemed after the occurrence of a Gross-up Event, a Rating Agency Event, a Change of Control Event, a Tax Event, or if 80 per cent. or more of the principal amount of the Notes initially issued have been redeemed or purchased, or with effect on the First Call Date and each Interest Payment Date thereafter or if the Transaction has been terminated prior to its completion or the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue the Transaction. In such case, it may be the case that Noteholders might suffer a lower than expected yield.</p> <p>The Notes are non-voting. Consequently, the Noteholders cannot influence any decisions by the Issuer to defer interest payments or to settle such payments or any other decisions.</p> <p>Due to future money depreciation (inflation), the real yield of an investment may be reduced.</p> <p>Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments on the Notes.</p> <p>The obligations of the Issuer under the Notes are unsecured subordinated obligations of the Issuer. Consequently, in the event of a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, exist the possibility for the Noteholders to lose their whole investment.</p> <p>The Terms and Conditions do not contain any express provisions setting out events of default.</p> <p>There is no restriction on the amount of debt which the Issuer may issue ranking <i>pari passu</i> or senior to the obligations under or in connection with the Notes.</p> <p>Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market. However, there can be no assurance that a liquid secondary market for the Notes will develop.</p>

Element	Description of Element	Disclosure requirement
		<p>There exist exchange trading risks that trading in the Notes will be suspended, interrupted or terminated.</p> <p>During the period to but excluding the First Call Date, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</p> <p>After the First Call Date, investors should be aware that the interest rate will be determined with effect as of each Reset Date at the 5-year EUR Swap Rate for the relevant Reset Period plus a margin. The performance of the 5-year EUR Swap Rate and the interest income on the Notes cannot be anticipated and a definite yield of the Notes cannot be determined. In addition, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</p> <p>Noteholders should be aware that interest may be deferred. Deferred interest will not bear interest. Any deferral of interest will likely have an adverse effect on the market price of the Notes. The market price of the Notes may be more volatile than the market price of other debt securities.</p> <p>The rating of the Notes may not reflect all risks associated with an investment in the Notes and, in addition, is subject to change at all times and is not a recommendation to buy, sell or hold the Notes.</p> <p>The market value of the Notes could decrease if the creditworthiness of the Issuer and/or the Group worsens or the market participants' estimation of the creditworthiness of corporate debtors in general or of debtors operating in the same business as the Issuer and/or the Group adversely changes or for other reasons.</p> <p>The Euro-denominated Notes could represent a currency risk for a Noteholder if the Euro represents a foreign currency to such Noteholder; in addition governments and competent authorities could impose exchange controls in the future.</p> <p>No assurance can be given as to the impact of any possible judicial decision or change of laws (including German tax laws) or administrative practices after the Interest Commencement Date.</p> <p>The interest rate for the Notes which will be determined on each Reset Date at the 5-year EUR Swap Rate for the relevant Reset Period plus a margin, from and including the First Call Date to but excluding the Maturity Date, could be affected if the date on which the interest rate for the Notes is determined, falls in times of high volatility due to the sovereign debt crisis or for other reasons.</p> <p>If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes</p>

Element	Description of Element	Disclosure requirement
		as a result of FATCA, neither the Issuer, nor any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.
		<p>The EU respectively (certain) EU Member States might impose a Financial Transaction Tax and the implications are not fully foreseeable at the moment.</p> <p>Because the Global Note is held by or on behalf of Clearstream, investors will have to rely on Clearstreams' procedures for transfer, payment and communication with the Issuer.</p> <p>Since the Terms and Conditions of the Notes provide for resolutions of Noteholders passed in a meeting of Noteholders (<i>Gläubigerversammlung</i>) or by vote taken without a meeting, a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders according to the SchVG. As resolutions properly adopted are binding on all Noteholders, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.</p>

Section E – Offer

Element	Description of Element	Disclosure requirement
E.2b	Reasons for the offer and use of proceeds	The Issuer intends to use the net proceeds for corporate purposes, which may include the financing of the acquisition by the Evonik Group of the silica business of the US company J.M. Huber Corporation and certain of its subsidiaries.
E.3	Terms and conditions of the offer	<p>The Notes will be offered in Austria, Germany, Luxembourg and The Netherlands. The Notes will be offered during an offer period which will commence on the date of the publication of the approved Prospectus (30 June 2017) and which, in each case, will end with the expiry of 7 July 2017 (being the date of issuance of the Notes) subject to a shortening or extension of the offer period.</p> <p>There are no conditions to which the offer is subject.</p> <p>Investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. The Notes will be delivered via book-entry through the clearing system and its depositary banks against payment of 99.383 per cent. of the aggregate principal amount of the Notes (the "Issue</p>

Element	Description of Element	Disclosure requirement
		Price ") on 7 July 2017.
E.4	Material interests in the offer	There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.
E.7	Estimated expenses charged to the Investor	The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

**GERMAN TRANSLATION OF THE SUMMARY
(ZUSAMMENFASSUNG)**

Zusammenfassungen bestehen aus Informationsblöcken, die als "Angaben" bezeichnet werden. Diese Angaben sind in Abschnitten A-E (A.1 – E.7) nummeriert.

Diese Zusammenfassung enthält alle Angaben, die für eine Zusammenfassung für diese Art von Wertpapier und diese Emittentin erforderlich sind. Da einige Angaben nicht aufgenommen werden müssen, kann die Nummerierung Lücken enthalten.

Auch wenn eine Angabe für diese Art von Wertpapier und diese Emittentin in diese Zusammenfassung aufgenommen werden muss, kann es sein, dass keine relevanten Informationen zur Verfügung stehen. In diesem Fall wird eine kurze Beschreibung der geforderten Angabe mit dem Hinweis "entfällt" in die Zusammenfassung aufgenommen.

Abschnitt A – Einleitung und Warnhinweise

Punkt	Beschreibung	Geforderte Angaben
A.1	Warnhinweise	<p>Die Zusammenfassung sollte als Prospekteinleitung verstanden werden.</p> <p>Ein Anleger sollte sich bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen.</p> <p>Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss möglicherweise nach den nationalen Rechtsvorschriften seines Mitgliedstaats für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.</p> <p>Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</p>
A.2	<p>Zustimmung zur Verwendung des Prospekts</p> <p>Angabe der Angebotsfrist</p>	<p>Die Evonik Industries AG (nachfolgend auch die "Emittentin") stimmt der Verwendung des Prospekts durch die Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank, London, Branch und Merrill Lynch International (zusammen die "Joint Bookrunners") und/oder allen Finanzintermediären zu (generelle Zustimmung) und übernimmt die Verantwortung für den Inhalt des Prospekts auch im Hinblick für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch einen Joint Bookrunner und/oder einen Finanzintermediär, der die Zustimmung zur Verwendung des Prospekts erhalten hat.</p> <p>Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch die Joint Bookrunners und/oder die Finanzintermediäre kann während der Angebotsfrist erfolgen. Der Beginn der Angebotsfrist wird für den 30. Juni 2017 erwartet, und die Angebotsfrist endet am 7. Juli 2017, dem Tag der Begebung der</p>

Punkt	Beschreibung	Geforderte Angaben
		Schuldverschreibungen.
	Mitgliedsstaaten, in denen der Prospekt verwendet werden darf	Die Joint Bookrunners und/oder die Finanzintermediäre können diesen Prospekt für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen in Luxemburg, Österreich, Deutschland und den Niederlanden verwenden.
	Bedingungen, an die die Zustimmung gebunden ist hervorgehobener Hinweis für die Anleger	Jeder Joint Bookrunner und jeder Finanzintermediär, der diesen Prospekt verwendet, muss auf seiner Internetseite bestätigen, dass er diesen Prospekt in Übereinstimmung mit der Zustimmung und den ihr beigefügten Bedingungen verwendet. Falls ein Angebot durch einen Joint Bookrunner und/oder einen Finanzintermediär erfolgt, wird dieser Joint Bookrunner und/oder dieser Finanzintermediär den Anlegern Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung stellen.

Abschnitt B – Emittentin

Punkt	Evonik Industries AG	
B.1	Gesetzliche und kommerzielle Bezeichnung	Evonik Industries AG (“ Evonik ” und zusammen mit ihren konsolidierten Tochtergesellschaften die “ Evonik Gruppe ”).
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	Evonik ist eine Gesellschaft mit Sitz in Essen, Bundesrepublik Deutschland in der Rechtsform einer Aktiengesellschaft. Ihr Sitz befindet sich in Rellinghauser Straße 1-11, 45128 Essen, Bundesrepublik Deutschland. Für Evonik ist deutsches Gesellschaftsrecht maßgeblich.
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die Entwicklung des globalen wirtschaftlichen Umfelds beeinflusst grundsätzlich auch die Umsätze und das Ergebnis der Evonik Gruppe. Zyklische Absatzmärkte können die operativen Margen der Evonik Gruppe nachteilig beeinflussen. Zusätzlich können Schwankungen von Beschaffungskosten und die Verfügbarkeit von Rohstoffen, Energie und Vor- und Zwischenprodukten das operative Ergebnis der Evonik Gruppe negativ beeinflussen. Evonik Gruppe ist in regulierten Branchen tätig und Änderungen in aufsichtsrechtlichen Kontrollmechanismen und die damit verbundene Umsetzung von Maßnahmen, die der Einhaltung von aufsichtsrechtlichen Vorschriften dienen, können das Ergebnis der Evonik Gruppe negativ beeinflussen.

B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	Die Evonik Gruppe ist eine Spezialchemie-Produzentin. Sie ist weltweit in mehr als 100 Ländern aktiv. Evonik ist die Muttergesellschaft der Evonik Gruppe.	
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Es liegen keine Gewinnprognosen oder -schätzungen vor.	
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der Bestätigungsvermerk enthält keine Beschränkungen.	
B.12	Ausgewählte wesentliche historische Finanzinformationen		
	Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der Evonik Gruppe (erstellt gemäß IFRS):		
		1. Januar 2016 – 31. Dezember 2016	1. Januar 2015 – 31. Dezember 2015
		Millionen EUR (geprüft)	
	Umsatzerlöse	12.732	13.507
	Bereinigtes EBITDA ¹⁾	2.165	2.465
	Bereinigtes EBIT ²⁾	1.448	1.752
	Konzernergebnis	844	991
	Cashflow aus laufender Geschäftstätigkeit	1.758	1.971
		31. Dezember 2016	31. Dezember 2015
		Millionen EUR (geprüft)	
	Summe Vermögenswerte	19.645	17.005
	Eigenkapital	7.750	7.576
	Langfristige Schulden	8.700	6.353
	Kurzfristige Schulden	3.195	3.076
		1. Januar 2017 – 31. März 2017	1. Januar 2016 –31. März 2016
		Millionen EUR (ungeprüft)	
	Umsatzerlöse	3.683	3.106
	Bereinigtes EBITDA ¹⁾	612	565
	Bereinigtes EBIT ²⁾	405	389
	Konzernergebnis	160	240
	Cashflow aus laufender Geschäftstätigkeit	277	338

		31. März 2017	31. Dezember 2016
		Millionen EUR (ungeprüft)	
	Summe Vermögenswerte	19.885	19.645
	Eigenkapital	7.786	7.750
	Langfristige Schulden	8.670	8.700
	Kurzfristige Schulden	3.429	3.195
	<p>¹⁾ Ergebnis vor Finanzergebnis, Steuern, Abschreibungen angepasst um Sondereinflüsse (bereinigt). Zu den Sondereinflüssen gehören Restrukturierungen, Wertaufholungen / Wertminderungen, Erträge und Aufwendungen im Zusammenhang mit dem Kauf / Verkauf von Unternehmensbeteiligungen sowie weiterer Erträge und Aufwendungen, die aufgrund ihrer Art oder Höhe nicht dem typischen laufenden operativen Geschäft zuzurechnen sind. Ergebniskennzahl, die die operative Ertragskraft von Evonik unabhängig von der Kapitalstruktur und Investitionsneigung zeigt.</p> <p>²⁾ Ergebnis vor Finanzergebnis, Steuern angepasst um Sondereinflüsse (bereinigt). Zu den Sondereinflüssen gehören Restrukturierungen, Wertaufholungen / Wertminderungen, Erträge und Aufwendungen im Zusammenhang mit dem Kauf / Verkauf von Unternehmensbeteiligungen sowie weiterer Erträge und Aufwendungen, die aufgrund ihrer Art oder Höhe nicht dem typischen laufenden operativen Geschäft zuzurechnen sind. Ergebniskennzahl, die die operative Ertragskraft von Evonik unabhängig von der Kapitalstruktur darstellt.</p>		
	<p>Ausblick</p> <p>Der Geschäftsausblick von Evonik hat sich seit dem 31. Dezember 2016 nicht wesentlich negativ verändert. Aus heutiger Sicht sind keine Entwicklungen absehbar, die sich mit hinreichender Wahrscheinlichkeit maßgeblich auf die Zukunftsaussichten von Evonik auswirken könnten.</p>		
	<p>Signifikante Veränderungen in der Finanz- bzw. Handelsposition</p> <p>Nicht anwendbar. Seit dem 31. März 2017 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von Evonik gegeben.</p>		
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit von Evonik, die für die Bewertung der Zahlungsfähigkeit von Evonik in hohem Maße relevant sind.	
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Nicht anwendbar. Evonik ist nicht von anderen Unternehmen in der Evonik Gruppe abhängig.	
B.15	Haupttätigkeiten	Evonik ist auf dem Gebiet der Chemie in Deutschland und im Ausland sowie in damit verwandten Bereichen, einschließlich der Erbringung von hiermit in Zusammenhang stehenden Serviceleistungen, tätig.	
B.16	Hauptanteilseigner	Der gegenwärtige direkte Hauptanteilseigner von Evonik ist die RAG-Stiftung, Essen, Deutschland (ca. 68 %).	
B.17	Kreditratings der Emittentin oder ihrer Schuldtitel	<p>Kreditratings von Evonik:</p> <p>Evonik wurde von Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") das langfristige Kreditrating BBB+ (Ausblick stabil) erteilt.</p>	

		<p>Evonik wurde von Moody's Investors Service Ltd. ("Moody's") ein Baa1 Rating (Ausblick stabil) erteilt.</p> <p>Die Schuldverschreibungen werden bei Begebung voraussichtlich das Rating BBB- von Standard & Poor's und Baa3 von Moody's erhalten.</p>
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Abschnitt C – Wertpapiere

Punkt	Beschreibung	Geforderte Angaben
C.1	Art und Gattung der angebotenen Wertpapiere / Wertpapierkennnummern	<p>Die Schuldverschreibungen sind nicht besichert.</p> <p>Wertpapierkennung: ISIN: DE000A2GSFF1 Common Code: 164260704 Wertpapierkennnummer (WKN): A2GSFF</p>
C.2	Währung	Euro
C.5	Beschränkungen für die freie Übertragbarkeit	Entfällt, die Schuldverschreibungen sind frei übertragbar.
C.8	Rechte, die mit den Wertpapieren verbunden sind (einschließlich Rang der Wertpapiere und Beschränkungen dieser Rechte)	<p><i>Mit den Schuldverschreibungen verbundene Rechte:</i></p> <p>Die Schuldverschreibungen berechtigen die Anleihegläubiger insbesondere zu den in Punkt C.9 beschriebenen Zinszahlungen.</p> <p><i>Rang der Schuldverschreibungen:</i></p> <p>Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die nur den Nachrangigen Instrumenten im Rang vorgehen, untereinander und mit jedem Gleichrangigen Instrument im Rang gleich stehen; und nachrangig gegenüber allen gegenwärtigen und zukünftigen allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.</p> <p>"Gleichrangiges Instrument" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen ist oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind.</p> <p>"Nachrangiges Instrument" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii)</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>jedes andere Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.</p> <p>"Tochtergesellschaft" bezeichnet für einen bestimmten Zeitpunkt jedes ausweislich des letzten geprüften Konzernabschlusses von Evonik voll konsolidierte Unternehmen (einschließlich jedes Unternehmens, welches in einem solchen Abschluss voll zu konsolidieren wäre, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde, aber ausschließlich aller Unternehmen, die in einem solchen Abschluss nicht mehr voll zu konsolidieren wären, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde).</p> <p><i>Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte:</i></p> <p>Die mit den Schuldverschreibungen verbundenen Rechte unterliegen keinen Beschränkungen, mit Ausnahme (i) der Möglichkeit der Emittentin (x) Zinszahlungen aufzuschieben und (y) die Schuldverschreibungen vor dem Endfälligkeitstag (wie nachstehend definiert) zu kündigen oder zurückzukaufen und zu entwerten und (ii) einem Aufrechnungsverbot.</p> <p>Aufrechnungsverbot</p> <p>Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.</p> <p>Endfälligkeitstag</p> <p>Jede Schuldverschreibung wird, sofern sie nicht zuvor ganz oder teilweise zurückgezahlt oder angekauft und entwertet wurde, mit ihrer festgelegten Stückelung zuzüglich etwaig angefallener Zinsen, sofern diese noch nicht bezahlt wurden, bis zum Fälligkeitstag – diesen selbst jedoch ausgeschlossen – am 7. Juli 2077 zurückbezahlt.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin</p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung mit Wirkung zu (i) jedem Tag während des Zeitraums ab dem 7. August 2022 (einschließlich) bis zu dem Ersten Rückzahlungstermin (einschließlich) und (ii) jedem darauffolgenden Zinszahlungstag zur Rückzahlung zu kündigen. Wenn</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag zurückzuzahlen.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintreten eines speziellen Ereignisses</p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) nach Eintritt eines Gross-Up Ereignisses, eines Steuerereignisses, eines Ratingagenturereignisses oder falls die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt hat, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu kündigen.</p> <p>Im Falle einer solchen Kündigung nach Eintritt eines Gross-Up Ereignisses hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstag zur festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen zurück zu zahlen.</p> <p>Im Falle einer solchen Kündigung nach (x) Eintritt eines Steuerereignisses oder eines Ratingagenturereignisses, wird die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstag (a) zu 101% der festgelegten Stückelung, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, bzw. (B) zu 100% der festgelegten Stückelung, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin erfolgt, bzw. (y) im Falle der Kündigung aufgrund geringen ausstehenden Gesamtnennbetrags zu 100% der festgelegten Stückelung, jeweils zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen zurück zu zahlen.</p> <p>Ein "Gross-up Ereignis" tritt ein, wenn die Emittentin am oder nach dem Tag der Begebung der Schuldverschreibungen als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) zur Zahlung von zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Ein "Ratingagenturereignis" tritt ein, wenn entweder eine Ratingagentur (wie nachstehend definiert) eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Eigenkapitalanrechnung (oder einer vergleichbaren Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Emittentin unterstützen) wie an dem Tag der Begebung der Schuldverschreibungen einzuordnen sind oder, wenn keine Eigenkapitalanrechnung zum Zinslaufbeginn von der Ratingagentur bestimmt wurde, zu dem Tag, an dem erstmals die Eigenkapitalanrechnung von der Ratingagentur bestimmt wird (ein "Verlust der Eigenkapitalanrechnung"), oder die Emittentin eine schriftliche Bestätigung von einer Ratingagentur erhalten hat oder die Ratingagentur den Verlust der Eigenkapitalanrechnung in anderer Weise veröffentlicht hat und die Emittentin diese Bestätigung oder Veröffentlichung an die Hauptzahlstelle in Kopie weitergegeben hat, aus der hervorgeht, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie ein Verlust der Eigenkapitalanrechnung erfolgt ist, und die Emittentin die Anleihegläubiger über das Ratingereignis gemäß § 13 informiert hat bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.</p> <p>Ein "Steuerereignis" liegt vor, wenn am oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer voll abzugsfähig sind und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintreten eines Kontrollwechselereignisses</p> <p>Tritt ein Kontrollwechsel ein und kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings auf Grund des Kontrollwechsels, werden alle Ratings, die zuvor Evonik zugewiesen wurden, von einem bestehenden Investment Grade Rating zu einem Non-Investment Grade Rating zurückgestuft oder geändert (zusammen, ein "Kontrollwechselereignis"), (i) hat die Emittentin unverzüglich den</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Kontrollwechsel-Stichtag zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag anzuzeigen (die "Kontrollwechselmitteilung") und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Bekanntmachung unter Einhaltung einer Frist von nicht mehr als 45 Tagen nach Bekanntmachung der Kontrollwechselmitteilung zur Rückzahlung zu kündigen und an dem Kontrollwechsel-Stichtag zu 100% der festgelegten Stückelung, jeweils zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.</p> <p>Ein "Kontrollwechsel" gilt als eingetreten, wenn eine Person (außer der RAG-Stiftung, Essen, Deutschland oder eine (direkte oder indirekte) Tochtergesellschaft der RAG-Stiftung) oder Personen, die ihr Verhalten aufeinander abgestimmt haben, direkt oder indirekt mehr als fünfzig (50) % der Stimmrechte von Evonik erwerben.</p> <p>"Kontrollwechsel-Stichtag" bezeichnet falls bei Eintritt eines Kontrollwechselereignisses nicht nachrangige Fremdkapitalwertpapiere von Evonik oder einer Tochtergesellschaft ausstehen, bezüglich welcher Evonik eine Garantie oder sonstige Haftung übernommen hat, den ersten Geschäftstag nach dem Tag, an dem aufgrund einer Kündigung der Gläubiger solcher Wertpapiere nach Maßgabe der Bedingungen dieser Wertpapiere wegen des gleichen Kontrollwechselereignisses (oder eines vergleichbaren Konzepts) die Fälligkeit zur Rückzahlung spätestens eintreten kann; und ansonsten den Geschäftstag, der 60 Tage nach Eintritt dieses Kontrollwechselereignisses liegt.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines transaktionsbezogenen Ereignisses</p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt oder teilweise) durch eine Transaktions-Mitteilung mit Wirkung zum jeweiligen Rückzahlungstag zu 101 % pro festgelegter Stückelung jeweils zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen, zu kündigen.</p> <p>"Transaktions-Mitteilung" bezeichnet eine Mitteilung der Emittentin an die Gläubiger innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass Evonik öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den jeweiligen Rückzahlungstag zu bezeichnen.</p> <p>Zu jeder Zeit kann die Emittentin auf ihr Recht verzichten, die Schuldverschreibungen zu kündigen, indem sie dies gemäß den Anleihebedingungen bekannt gibt.</p> <p>"Transaktion" bezeichnet den Erwerb des Silica-Geschäfts des US-Unternehmens J.M. Huber Corporation und gewisser ihrer</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Tochtergesellschaften durch die Evonik Gruppe.</p> <p>"Transaktionskündigungsfrist" bezeichnet den Zeitraum ab dem 7. Juli 2017 bis zum 31. Dezember 2017.</p> <p>Kündigungsgründe (Events of Default), Drittverzug (Cross Default) und Negativerklärung</p> <p>Die Anleihebedingungen sehen weder Kündigungsgründe vor, noch eine Drittverzugs Klausel oder Negativverpflichtung.</p> <p>Gläubigerbeschlüsse</p> <p>In Übereinstimmung mit dem Schuldverschreibungsgesetz 2009 ("SchVG") sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss (auf die vorherige Entscheidung der Emittentin hin die Anleihebedingungen zu ändern) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen treffen können. Beschlüsse der Gläubiger werden im Rahmen einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst und sind für alle Anleihegläubiger verbindlich. Beschlüsse der Anleihegläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.</p> <p>In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss einen gemeinsamen Vertreter (der "gemeinsame Vertreter") bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Anleihegläubiger.</p>
C.9	Zinssatz / Zinslaufbeginn Fälligkeitstermine /	<p>Siehe C.8</p> <p>Zinsen sind nachträglich am 7. November eines jeden Jahres zur Zahlung vorgesehen, erstmals am 7. November 2017 (kurze erste Zinsperiode) und vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und anschließenden Entwertung letztmals am Endfälligkeitstermin (jeweils ein "Zahlungstag").</p> <p>Die Schuldverschreibungen werden vom 7. Juli 2017 (einschließlich) (der "Zinslaufbeginn") bis zum 7. November 2022 (der "Erste Rückzahlungstag") (ausschließlich) zu einem festen Zinssatz von 2,125 % per annum verzinst.</p> <p>Vom Ersten Rückzahlungstag (einschließlich) bis zum 7. November 2027 (der "Erste Modifizierte Reset-Termin") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 195,1 Basispunkte per annum (ohne einen Step-up zu beinhalten) verzinst.</p> <p>Vom Ersten Modifizierten Reset-Termin (einschließlich) bis zum 7. November 2042 (der "Zweite Modifizierte Reset-Termin") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 220,1 Basispunkte per annum (einschließlich eines Step-ups von 25 Basispunkten) verzinst.</p> <p>Vom Zweiten Modifizierten Reset-Termin (einschließlich) bis zum der "Endfälligkeitstag" (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 295,1 Basispunkte per annum (einschließlich eines Step-ups von 100 Basispunkten) verzinst.</p> <p>Der "Referenzsatz" für einen Reset-Zeitraum wird von der Berechnungsstelle festgelegt und ist der als Prozentsatz ausgedrückte 5-Jahres EUR-Swapsatz per annum.</p> <p>"Reset-Termin" bezeichnet jeweils den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.</p> <p>"Reset-Zeitraum" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstermin (ausschließlich).</p> <p>Zinserhöhung bei Kontrollwechselereignis</p> <p>Wenn ein Kontrollwechselereignis eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag (einschließlich) um 5 Prozentpunkte per annum.</p> <p>Fakultativer Aufschub von Zinszahlungen</p> <p>Die Emittentin kann sich dazu entscheiden, die Zahlung von Zinsen, die an einem Zinszahlungstag fällig werden, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag, auszusetzen.</p> <p>Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an diesem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.</p> <p>Aufgeschobene Zinszahlungen werden nicht verzinst.</p> <p>Freiwillige Zahlung von Aufgeschobenen Zinszahlungen</p> <p>Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt und nicht nur teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung den Betrag an</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und den für diese Zahlung festgelegten Termin (der "Freiwillige Nachzahlungstermin") enthalten muss.</p> <p>Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen</p> <p>Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.</p> <p>"Pflichtnachzahlungstag" bezeichnet den frühesten der folgenden Tage:</p> <p>(i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;</p> <p>(ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt;</p> <p>(iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Instrument zahlt;</p> <p>(iv) den Tag, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Instrument zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Instrument zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt);</p> <p>(v) den Tag an dem die Emittentin Schuldverschreibungen gemäß den Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und</p> <p>(vi) den Tag, an dem eine Entscheidung hinsichtlich der Auseinandersetzung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),</p> <p>mit der Maßgabe, dass</p> <p>(x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Instruments zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;</p> <p>(y) in den vorgenannten Fällen (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Instrument oder Schuldverschreibungen (insgesamt oder teilweise) nach</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Instrument bzw. je Schuldverschreibung insgesamt oder teilweise zurückkauft oder anderweitig erwirbt; und</p> <p>(z) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Instrument Konzerninterne Zahlungen sind.</p> <p>"Konzerninterne Zahlungen" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.</p> <p>Ein "Obligatorisches Nachzahlungsereignis" bezeichnet jedes der folgenden Ereignisse:</p> <p>(i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin);</p> <p>(ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Instrument (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin); oder</p> <p>(iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Instrument zurück oder erwirbt es auf andere Weise.</p> <p>In den vorgenannten Fällen (ii) und (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn</p> <p>(x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Instruments zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;</p> <p>(y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Instrument nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder</p> <p>(z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Instrument Konzerninterne Zahlungen sind.</p>
	Basiswert auf dem der Zinssatz basiert	Entfällt für den Zinssatz anwendbar auf den Zeitraum vom Zinslaufbeginn (einschließlich) bis zum Ersten Rückzahlungstag (ausschließlich). Dieser Zinssatz basiert nicht auf einem Basiswert. Der

Punkt	Beschreibung	Geforderte Angaben
		Zinssatz für die Reset-Zeiträume ab dem Ersten Rückzahlungstag (einschließlich) basiert auf dem Referenzsatz (wie vorstehend definiert).
	Fälligkeitstag einschließlich Rückzahlungsverfahren	Der Endfälligkeitstag ist der 7. Juli 2077. Soweit nicht die Schuldverschreibungen vorher zurückgezahlt oder zurückgekauft und gekündigt wurden, werden die Schuldverschreibungen zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie zuzüglich sämtlicher Aufgeschobenen Zinszahlungen (wie vorstehend definiert) zurückgezahlt. Zahlungen erfolgen an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
	Rendite Name des Vertreters der Inhaber der Wertpapiere	Die Rendite der Schuldverschreibungen wird vom 7. Juli 2017 (der " Begebungstag " der Schuldverschreibungen) bis zum Ersten Rückzahlungstermin 2,250 % jährlich sein und wird anhand des Ausgabepreises berechnet. Die Rendite der Schuldverschreibungen für die nachfolgenden Reset-Zeiträume kann zum Datum des Prospekts noch nicht bestimmt werden. Entfällt. In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss einen gemeinsamen Vertreter bestellen können (der " Gemeinsame Vertreter "). Die Aufgaben und Befugnisse des durch Beschluss bestellten Gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Anleihegläubiger.
C.10	Derivative Komponente bei Zinszahlung	Siehe C.9 Entfällt. Die Schuldverschreibungen haben keine derivative Komponente.
C.11	Handel in Wertpapieren	Bei der Luxemburger Wertpapierbörse wurde die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse beantragt.

Abschnitt D – Risiken

Punkt	Beschreibung	Geforderte Angaben
D.2	Zentrale Risiken bezogen auf die Emittentin	Die Evonik Gruppe ist zwangsläufig den allgemeinen wirtschaftlichen Risiken der Länder und Regionen ausgesetzt, in denen sie operativ tätig ist. Erhebliche Schwankungen von Beschaffungskosten und der Verfügbarkeit von Rohstoffen, Zwischenprodukten und Energie können das Geschäft der Evonik Gruppe negativ beeinflussen. Die Evonik Gruppe ist der Volatilität von Energiepreisen sowie Faktoren ausgesetzt, die die Energieversorgung und -preise bestimmen. Dazu gehören zum Beispiel regulatorische oder steuerliche Entscheidungen und entsprechende Gesetzgebung.

Punkt	Beschreibung	Geforderte Angaben
		<p>Die Evonik Gruppe ist den Risiken ihrer Lieferkette bzw. Zulieferern ausgesetzt.</p> <p>Der Erfolg der Evonik Gruppe ist abhängig vom Erfolg ihrer Forschungs- und Entwicklungsaktivitäten.</p> <p>Die Evonik Gruppe ist dem Risiko ausgesetzt, dass die Märkte, auf denen sie aktiv ist, höherem Wettbewerbsdruck ausgesetzt und von signifikantem Preis- und Gewinndruck gekennzeichnet sein werden.</p> <p>Von der Evonik Gruppe getätigte Investitionen setzen die Evonik Gruppe dem Risiko einer Fehlallokation von Ressourcen oder dem Risiko einer Verursachung eines Produktionsüberschusses aus.</p> <p>Die Konsolidierung von Kunden und Absatzmärkten, der Verlust von wesentlichen Kunden und der Wechsel der Produktion von einer Region in eine andere können das Absatzvolumen, die Preise, die Gewinnmargen und die Marktposition der Evonik Gruppe – jeweils einzeln oder zusammen – wesentlich beeinflussen und einen erheblichen negativen Einfluss auf die Vermögens-, Finanz- und Ertragslage der Evonik Gruppe haben.</p> <p>Forderungsausfälle und eine erhebliche nachteilige Veränderung der finanziellen Situation der Kunden oder anderer Geschäftspartner der Evonik Gruppe könnten einen erheblichen negativen Einfluss auf das Geschäft der Evonik Gruppe haben.</p> <p>Die Evonik Gruppe ist Währungs- und Zinsrisiken ausgesetzt.</p> <p>Produktion, Lagerung und Transport von Chemikalien sind von Natur aus gefährlich und können zu Personen-, Sach- oder anderen Schäden führen. Die Realisierung eines solchen Risikos könnte einen erheblichen negativen Einfluss auf die Vermögens-, Finanz und Ertragslage der Evonik Gruppe haben.</p> <p>Die Evonik Gruppe könnte aus Produkthaftung in Anspruch genommen werden.</p> <p>Die Evonik Gruppe ist Risiken ausgesetzt, welche aus Akquisitionen und Veräußerungen von Beteiligungen der Evonik Gruppe resultieren.</p> <p>Die globale Geschäftstätigkeit der Evonik Gruppe setzt sie dem Risiko aus, dass das allgemeine wirtschaftliche, politische und soziale Umfeld in einigen der Regionen, in denen die Evonik Gruppe ihre Geschäftstätigkeit entfaltet, weniger stabil ist als dies in Westeuropa und Nordamerika der Fall ist.</p> <p>Die Evonik Gruppe ist regulatorischen Risiken ausgesetzt.</p> <p>Die Evonik Gruppe ist dem Risiko von Geschäftsunterbrechungen, Qualitätsproblemen und unerwarteten technischen Schwierigkeiten sowie der Produktsicherheit, Arbeitssicherheit und Umweltrisiken ausgesetzt.</p> <p>Die Verschlechterung von Kreditmarktkonditionen und Herabstufung in Kreditratings können die Kreditaufnahme oder die Refinanzierung</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>bestehender Kreditrahmen für die Evonik Gruppe langfristig erschweren und können zu höheren Kosten im Zusammenhang mit Zinszahlungen führen.</p>
		<p>Die Evonik Gruppe ist Risiken, die in Verbindung mit Aktivitäten auf den Finanzmärkten auftreten, ausgesetzt.</p> <p>Evonik ist Risiken, die in Verbindung mit ihrer Aktionärsstruktur auftreten, ausgesetzt.</p> <p>Die Evonik Gruppe ist Risiken ausgesetzt, die aus ihren Renten- und anderen arbeitgeberleistungsbezogenen Verpflichtungen herrühren.</p> <p>Die Evonik Gruppe ist Risiken ausgesetzt, die sich aus der Verletzung eigener gewerblicher Schutzrechte durch Dritte ergeben sowie dem Risiko der Unmöglichkeit, eigene gewerbliche Schutzrechte und Know-how ausreichend zu schützen.</p> <p>Die Evonik Gruppe ist Risiken ausgesetzt, die in Verbindung mit der Umsetzung von Programmen zur Verbesserung der Effizienz stehen.</p> <p>Die Evonik Gruppe ist Prozess-/Organisationsrisiken ausgesetzt, die aus der Schnittstelle zwischen Risiko-management und internem Kontrollsystem resultieren.</p> <p>Die Evonik Gruppe ist Risiken ausgesetzt, die in Verbindung mit der Funktionsfähigkeit ihrer Datenverarbeitungssysteme stehen sowie dem Risiko der Verletzung von Datenschutzregeln durch nicht autorisierte Zugriffe auf vertrauliche Informationen, welche von der Evonik Gruppe gespeichert wurden.</p> <p>Sollte es in der Zukunft für die Evonik Gruppe unmöglich sein, qualifizierte Mitarbeiter anzuwerben oder zu halten oder verliert die Evonik Gruppe Schlüsselpersonen in ihrem Management, so könnte dies das Geschäft der Evonik Gruppe negativ beeinflussen.</p> <p>Die Evonik Gruppe ist rechtlichen sowie steuerlichen Risiken ausgesetzt.</p>
D.3	Zentrale Risiken bezogen auf die Wertpapiere	<p>Eine Anlage in die Schuldverschreibungen ist mit gewissen Risiken verbunden, die sich aus den typischen Eigenschaften der Schuldverschreibungen ergeben und dazu führen können, dass Zahlungen von Kapital und Zinsen auf die Schuldverschreibungen nicht oder nicht rechtzeitig erfolgen oder die sich negativ auf den Marktpreis der Schuldverschreibungen auswirken können. Zu diesen Risiken gehören insbesondere die folgenden:</p> <p>Die Schuldverschreibungen sind möglicherweise keine für alle Anleger geeignete Anlage.</p> <p>Die Schuldverschreibungen sind langfristige Wertpapiere. Die Emittentin ist nicht verpflichtet, die Schuldverschreibungen vor dem 7. Juli 2077 zurück zu zahlen, und die Anleihegläubiger sind nicht berechtigt, die Rückzahlung zu verlangen.</p> <p>Nach Wahl der Emittentin können die Schuldverschreibungen nach Eintritt eines Gross-up Ereignisses, eines Ratingagenturereignisses,</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>eines Kontrollwechselereignisses, eines Steuerereignisses oder wenn mehr als 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt wurden, oder zum Ersten Rückzahlungstermin oder jedem nachfolgenden Zinszahlungstag zurückgezahlt werden oder falls die Transaktion vor ihrem Abschluss beendet wurde oder die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. In diesem Fall können die Anleihegläubiger möglicherweise nur eine niedrigere Rendite erzielen als erwartet.</p>
		<p>Die Schuldverschreibungen verleihen keine Stimmrechte. Dementsprechend können die Anleihegläubiger Entscheidungen der Emittentin, Zinszahlungen aufzuschieben oder zu leisten oder andere Entscheidungen der Emittentin nicht beeinflussen.</p> <p>Die Anleihegläubiger tragen das Risiko, dass Zinszahlungen und/oder die Zahlung des Rückzahlungsbetrags durch die Emittentin ganz oder teilweise ausfallen.</p> <p>Aufgrund der künftigen Geldentwertung (Inflation) kann sich der reale Ertrag einer Investition reduzieren.</p> <p>Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen stellen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin dar. Folglich besteht für die Anleihegläubiger im Fall einer Liquidation, Auflösung, Insolvenz oder in einem anderen Verfahren zur Abwendung der Insolvenz der oder gegen die Emittentin die Möglichkeit, ihr gesamtes investiertes Kapital zu verlieren.</p> <p>Die Anleihebedingungen enthalten keine expliziten Kündigungsgründe für die Anleihegläubiger.</p> <p>Es besteht keine Beschränkung hinsichtlich der Ausgabe von Schuldtiteln durch die Emittentin, die den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im Rang gleichstehen oder gegenüber ihnen vorrangig sind.</p> <p>Bei der Luxemburger Wertpapierbörse wurde die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse beantragt. Es kann jedoch keine Zusicherung dafür abgegeben werden, dass sich ein liquider Sekundärmarkt für die Schuldverschreibungen entwickeln wird.</p> <p>In dem Zeitraum bis zum Ersten Rückzahlungstermin (ausschließlich) kann nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</p> <p>Es besteht das Risiko, dass der Börsenhandel der Schuldverschreibungen ausgesetzt, unterbrochen oder beendet wird.</p> <p>Ab dem Ersten Rückzahlungstermin sollten Anleihegläubiger berücksichtigen, dass der Zinssatz mit Wirkung ab jedem Reset-Termin</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>mit Bezug auf den 5-Jahres EUR-Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgesetzt wird. Die Entwicklung des 5-Jahres EUR-Swapsatzes und die Verzinsung der Schuldverschreibungen können nicht antizipiert werden und eine Rendite kann nicht berechnet werden. Zusätzlich kann in jedem Reset-Zeitraum nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</p>
		<p>Anleihegläubiger sollten berücksichtigen, dass Zinsen aufgeschoben werden können. Aufgeschobene Zinszahlungen werden nicht verzinst. Ein Zinsaufschub wird vermutlich nachteilige Auswirkungen auf den Marktpreis der Schuldverschreibungen haben. Der Marktpreis der Schuldverschreibungen kann volatiler sein als der Marktpreis anderer Wertpapiere.</p> <p>Das Rating der Schuldverschreibungen reflektiert möglicherweise nicht sämtliche Risiken einer Investition in die Schuldverschreibungen und kann sich außerdem jederzeit verändern und stellt keine Empfehlung zum Kauf, Verkauf oder zum Halten der Schuldverschreibungen dar.</p> <p>Der Marktwert der Schuldverschreibungen könnte sinken, falls sich die Kreditwürdigkeit der Emittentin und/oder der Gruppe verschlechtert oder sich die Einschätzung der Marktteilnehmer hinsichtlich der Kreditwürdigkeit von Unternehmensschuldern allgemein oder von Schuldnern, die im selben Geschäftsbereich wie die Emittentin und/oder die Gruppe tätig sind, nachteilig verändert.</p> <p>Die auf Euro lautenden Schuldverschreibungen könnten ein Währungsrisiko für einen Anleihegläubiger darstellen, wenn der Euro für den betreffenden Anleihegläubiger eine Fremdwährung ist; außerdem könnten Regierungen und zuständige Behörden künftig Devisenkontrollen verhängen.</p> <p>Es kann keine Gewähr hinsichtlich der Auswirkungen möglicher Gerichtsentscheidungen oder einer Änderung gesetzlicher Vorschriften (einschließlich von deutschem Steuerrecht) oder der Verwaltungspraxis nach dem Datum dieses Prospekts gegeben werden.</p> <p>Der Zinssatz der Schuldverschreibungen, welcher für den Zeitraum vom Ersten Rückzahlungstermin bis zum Endfälligkeitstag jeweils am Reset-Termin zum 5-Jahres EUR-Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgelegt wird, kann dann beeinflusst werden, wenn der Tag, an dem der Zinssatz festgelegt wird, in einen Zeitraum hoher Volatilität aufgrund der Staatsschuldenkrise bzw. aus anderen Gründen fällt.</p> <p>Falls ein Betrag aufgrund von FATCA für U.S. Steuerzwecke von Kapital- oder Zinszahlungen oder anderen Zahlungen auf die Schuldverschreibungen abgezogen oder einbehalten werden müsste, wären weder die Emittentin, noch eine Zahlstelle oder irgendeine andere Person nach den Anleihebedingungen verpflichtet, zusätzliche Beträge wegen eines solchen Abzugs oder Einbehalts zu leisten. Im Ergebnis</p>

Punkt	Beschreibung	Geforderte Angaben
		könnten daher Anleger weniger Zins- oder Kapitalzahlungen erhalten als erwartet.
		<p>Die EU bzw. (bestimmte) EU Mitgliedstaaten könnten eine Finanztransaktionssteuer einführen. Die Tragweite solcher Regelungen ist im Moment nicht vollständig vorhersehbar.</p> <p>Da die Globalurkunde von oder für Clearstream gehalten wird, müssen sich Anleihegläubiger auf das Verfahren von Clearstream zur Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen.</p> <p>Da die Anleihebedingungen der Schuldverschreibungen vorsehen, dass Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden, ist ein Anleihegläubiger dem Risiko ausgesetzt, durch einen Mehrheitsbeschluss der Anleihegläubiger überstimmt zu werden, gemäß dem SchVG. Da ein solcher Mehrheitsbeschluss für alle Anleihegläubiger verbindlich ist, können bestimmte Rechte des Anleihegläubigers gegen die Emittentin aus den Anleihebedingungen geändert, eingeschränkt oder sogar aufgehoben werden.</p>

Abschnitt E – Angebot

Punkt	Beschreibung	Geforderte Angaben
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse	Die Emittentin beabsichtigt, den Nettoemissionserlös aus der Begebung der Schuldverschreibungen zu allgemeinen Unternehmenszwecken zu verwenden, hiervon kann auch die Finanzierung der Übernahme des Betriebs des Silica-Geschäfts des US- Unternehmens J.M. Huber Corporation und bestimmter ihrer Tochtergesellschaften durch die Evonik Gruppe umfasst sein.
E.3	Angebotskonditionen	<p>Die Schuldverschreibungen werden in Deutschland, Österreich, Luxemburg und den Niederlanden angeboten. Die Schuldverschreibungen werden innerhalb eines Angebotszeitraumes angeboten, der am Tag der Veröffentlichung des gebilligten Prospekts (30. Juni 2017) beginnt und jeweils mit Ablauf des 7. Juli 2017, dem Ausgabetag der Schuldverschreibungen, endet, vorbehaltlich einer Verkürzung oder Verlängerung des Angebotszeitraums.</p> <p>Das Angebot unterliegt keinen Bedingungen.</p> <p>Anleger können Angebote zum Kauf der Schuldverschreibungen durch Nutzung des Informationssystems Bloomberg oder eines anderen üblicherweise verwendeten Informationssystems übermitteln. Jeder Anleger, der ein Angebot bezüglich der Schuldverschreibungen abgegeben hat und dessen Angebot angenommen wurde, erhält bezüglich der Zuteilung der Schuldverschreibungen eine Bestätigung per E-Mail, Fax oder über ein anderes üblicherweise verwendetes Informationssystem. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über das Clearingsystem und seine Depotbanken gegen Zahlung von 99,383 % des Gesamtnominalbetrages</p>

Punkt	Beschreibung	Geforderte Angaben
		der Schuldverschreibungen (der " Emissionspreis ") am 7. Juli 2017.
E.4	Für die Emission wesentliche Interessen	Außer den Interessen der Emittentin bestehen keinerlei Interessen von natürlichen oder juristischen Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch stehen und wesentlich für die Begebung wären.
E.7	Schätzung der Ausgaben, die dem Anleger in Rechnung gestellt werden	Entfällt. Die Emittentin wird den Anleihegläubigern in Verbindung mit den Schuldverschreibungen keine Kosten, Ausgaben oder Steuern direkt in Rechnung stellen. Anleihegläubiger müssen sich aber über etwaige Kosten, Ausgaben oder Steuern in Verbindung mit den Schuldverschreibungen informieren, die generell in ihrem jeweiligen Herkunftsstaat anfallen, einschließlich etwaiger Gebühren, die ihre eigenen Depotbanken für den Erwerb oder das Halten von Wertpapieren berechnen.

RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Evonik Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders could lose all or part of their investments. Factors which the Issuer believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which Evonik Group is not presently aware could also affect the business operations of Evonik Group and have a material adverse effect on Evonik Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.

Potential investors should, among other things, consider the following:

Risk factors regarding Evonik Industries AG and Evonik Group

Despite the risks to be considered material described below, Evonik Group may face additional risks which, whether they are known, not known by Evonik or not presently considered material, might also have an impact on Evonik Group's business operations.

Market and global financial and economic risks

Evonik Group is inherently exposed to the general economic risks of the countries and regions in which it operates.

The volatility and cyclicity of the global chemical markets and their dependence on developments in customer industries harbour opportunities and risks with respect to the business activities of Evonik Group's chemicals business. In addition, Evonik Group's risk profile is influenced by structural changes in markets, such as the entry of new suppliers, the migration of customers to countries with lower costs, and product substitution or market consolidation trends in some sectors.

A weak economic climate and weak demand in customer industries may lead to significant reductions in demand for Evonik Group's products and hence Evonik Group's profit. As a specialty chemicals company, Evonik Group features a significant fixed cost base and a continuing substantial investment program, hence a decrease in sales volumes could have a material adverse impact on Evonik Group's results of operations.

Concerns over the level of sovereign debt in many developed countries, particularly in the eurozone and the United States, have led to high levels of uncertainty in many economies, industries and markets, have resulted in reduced economic growth, impacting negatively the development of Evonik Group's sales and earnings.

Evonik Group is dependent on the availability of certain raw materials and semi-finished products; price increases for certain raw materials could impact margins and earnings significantly

Evonik Group's production processes are dependent on the availability of various raw materials and semi-finished products and Evonik Group relies on a number of third-party suppliers and other business partners to provide it with these raw materials. Material supply problems with one or more of these suppliers may lead to shortages in specific raw materials lowering their availability for some time which could jeopardise Evonik Group's business.

Furthermore, a large number of raw materials and semi-finished products Evonik Group is dependent on the purchase prices of raw materials, which generally follow the price trends of crude oil and natural gas. Prices of some petrochemical derivatives, however, may rise more significantly than crude oil prices.

To the extent possible in the competitive environment, Evonik Group endeavours to pass increases in raw material prices on to its customers as quickly as possible, for example through index-based pricing provisions in its long-term sales contracts or price adaptations when renegotiating its short-term contracts.

Significant increases of raw materials and semi-finished products prices could have a material impact on Evonik Group's result of operations.

Volatility in energy prices and factors impacting energy supply and prices, such as regulatory and tax decisions and legislation

Evonik Group requires large quantities of energy from various sources for use in its production facilities, the most important of which are oil, natural gas and electricity.

Evonik is exposed to fluctuations in the market price and cost of various energy sources as a result of the specific demand/supply situation and political events.

Further, Evonik Group currently benefits from significant tax allowances regarding the taxation of energy (in particular electricity and natural gas). The German Renewable Energy Act (Erneuerbare-Energien-Gesetz, "EEG") generally imposes a levy on energy consumption to finance renewable energy investments. Evonik Group benefits from several exemptions regarding this levy. As a result of the revision of the EEG in 2011, some rules regarding these exemptions became stricter. Due to the continuously rising EEG levy political discussions are ongoing regarding a further curtailment of the existing exemptions. This could result in significantly higher energy costs for Evonik Group in the future.

It also has to be expected that by special amendments in the existing regulatory framework price increases of carbon dioxide ("CO₂") certificates within the European Union's "cap-and-trade" system for greenhouse gases (EU-ETS) will lead to an increase in electricity prices.

Any failure by Evonik Group to pass on significantly higher energy costs to customers could have material adverse effects on its business, net assets, financial condition, and results of operations. In addition, higher energy costs can affect the prices of raw materials and transportation, which would increase Evonik Group's costs of goods sold and selling expenses.

Evonik Group's supply chain risks

Short- and mid-term bottlenecks in the availability of precursors and intermediates are potential risks for Evonik Group. Similarly, rising volatility will require an even greater focus on the various supply chain risks in the future. Ensuring the sustainability of the supply chain remains a central aspect of procurement. Globally, this approach to sustainability is supported by Evonik Group's sector initiative Together for Sustainability, of which Evonik is a founding member, through the use of standardized assessments. Evonik Group's principal suppliers and the majority of critical suppliers have already taken part in these assessments, which are evaluated by an impartial sustainability rating company.

Evonik Group's dependence on research and development

Evonik Group depends on its continued ability to develop new, improved, or more cost-effective materials, methods, technologies or other products, to produce the same in a cost-effective manner and then to commercialise and distribute new products successfully. The trend towards commoditisation and standardisation in some of Evonik Group's markets has increased the importance of research and development in supporting overall margins, as Evonik Group must offer ever more specialised products that are intended to offer higher value to customers in order to achieve satisfactory margins. Evonik Group may not successfully expand or improve its product portfolio or may lack the capacity to invest the required level of human or financial resources in the development of new products.

In order to keep the pace with new trends and market developments, Evonik is investing in new business areas, applications or even venture capital funding activities. These activities usually imply high uncertainty and risks. For example, a product risk could materialise as the products concerned may have little or no track record in the markets as they are largely untested and usually have high obsolescence rates. A duration risk could arise generally in case a longer gestation period for funding is needed. Another risk of particularly venture capital funding is that it is difficult to evaluate the new management and new business application without any prior track record.

Competitors may develop new types of materials or technologies with favourable characteristics, especially for regulatory purposes, or may improve on existing products and technologies. In addition, the market for a newly developed product may unexpectedly decline or could even disappear. Further, technological developments or improvements in processes may permit competitors to offer products at lower prices than Evonik Group. For example, if Evonik Group's competitors develop more innovative and economically efficient production processes, the value of Evonik Group's proprietary production processes could be significantly reduced.

Evonik Group's markets may become more intensively competitive and may be impacted by significant pricing and margin pressure.

Evonik Group's markets, in particular those with higher profit margins, may become intensively competitive which could lead to significant pricing and margin pressure.

Evonik believes that the major factors influencing the relative competitive situation of companies in the specialty chemicals business are competitors' relative ability to innovate and improve production processes, the results of their efforts to do so and the effects of a range of regional factors on production costs, including lower wages in developing countries, less stringent environmental regulations, and favourable exchange rates. Certain of Evonik Group's specialty chemical products are already relatively standardised. Others are at risk of becoming standardised products and may show a trend towards commoditisation which may significantly affect Evonik's margins.

The materialisation of any of the aforementioned risks could have material adverse effects on the market position and the market share of Evonik Group's specialty business as well as its sales, prices and realisable margins.

Investments made by Evonik Group expose Evonik Group to the risk of misallocating resources or creating excess production capacity and to various other risks

Production facilities in the specialty chemicals industry require high initial capital expenditures and continuous investment in modernisation and expansion measures.

In addition to the technological challenges embedded in many production and plant-related investments, the economic success of a specialty chemicals company requires that investments in new production facilities are properly timed. To some extent, Evonik Group's growth prospects thus depend on the successful realisation of these investments. In making such investments, Evonik Group runs the risk of expanding its production capacity beyond market demand, resulting in negative consequences for

capacity utilisation and/or product pricing, or of not being able to match excess market demand with its available production capacity, which may result in that demand being met by competitors instead.

Based on circumstances which are not necessarily in Evonik Group's sphere of influence, complex investment projects such as new chemical production facilities may be subject to significant cost overruns and/or delays despite diligent planning. Evonik Group cannot rule out that defects or other external factors may cause interruptions in the operation after the construction has been completed.

If Evonik Group misjudges market developments or underestimates the rate at which its competitors are expanding their production capacity (or intend to expand according to their communication), it may contribute to create excess production capacities that cannot be utilised as planned. In addition, investments in production capacity may be unsuccessful if the products turn out to be uncompetitive or if research and development expenditures fail to generate the anticipated results. Any unnecessary increase in production capacity and any inefficiencies resulting from the expansion of its production capacity could materially decrease the specialty chemicals business' margins and require substantial impairments.

Intangible assets can be subject to impairment losses, which result from a change in the reporting structure, the weighted average cost of capital and, above all, lower cash flow expectations.

Concentration risks connected to markets, which are or may become characterised by a small number of major customers

Some markets (e.g. the markets in which some personal units in Evonik Group's Nutrition & Care and Resource Efficiency segments are active) in which Evonik Group offers its products are characterised by a small number of major customers. Moreover, Evonik Group's other markets, which currently have a diverse and balanced customer base, may change, for example as a result of consolidation among customers. In the future, customers in consolidated markets or customers in other industries which are currently facing a consolidation process, such as in the automotive or cosmetics markets, could use their power to exert pressure on Evonik Group's prices and margins.

In addition, in some of Evonik Group's business units, customers have been moving their operations to other geographic areas, particularly to Asia, at an accelerated rate. As a result, the European and American customer base for these business units has contracted. While Evonik Group could in some instances export the relevant products to Asia, transportation costs and tariffs could negatively affect margins, putting the relevant business unit at a competitive disadvantage. In addition, it may also lead to remaining customers having increased purchasing power and to less aggregate demand for Evonik Group's products in Europe.

The consolidation of customers and end markets, the loss of major customers or the shift of production from one region to another can materially affect Evonik Group's sales volumes, prices, margins, and market position, either individually or together, and have material adverse effects on Evonik Group's business, net assets, financial condition, and results of operations.

Risk of defaults on receivables and credit risk of Evonik Group's customers and other business partners could have a material adverse effect on Evonik Group's business

A significant adverse change in a customer's financial condition could cause Evonik Group to limit or discontinue business with that customer, require it to assume more credit risk relating to that customer's receivables, or limit its ability to collect accounts receivables from that customer. Even though Evonik Group generally monitors and considers, e.g., credit ratings and other customer-related financial parameters and indicators when engaging with business partners and banks, contractual or business partners may not be able to perform their contractual obligations. As a result, any defaults of customers may have a material adverse effect on Evonik Group's financial results or its financial position.

Risks of changes in foreign exchange rates and of interest rates on Evonik Group's business

A considerable portion of Evonik Group's assets, liabilities, sales, expenses, and earnings is denominated in currencies other than the Euro. The most important foreign currencies, however, are the US dollar and the Chinese renminbi.

Foreign exchange rate risks relate to the sourcing of raw materials and the sale of end products. Changes in exchange rates may lead to higher costs or lower sales than expected at the time of entry into the relevant contract and may reduce margins. In view of the rising importance of regions outside the euro zone, exchange rate risks will increase in the long term.

Evonik Group is exposed to interest rate fluctuations. These fluctuations could increase the interest expense on its existing floating interest debt, the cost of new financing and the valuation of its defined benefit obligations.

Chemicals manufacturing, storage, and transportation are inherently hazardous and may lead to personal injury, damage to property or other damage

Evonik Group's operations face risks associated with chemicals manufacturing and the related storage and transportation of raw materials, products and wastes. These potential risks include, but are not necessarily limited to, accidents, explosions, fires, lightning, transport risks, terrorist attacks, natural disasters, mechanical or other operational failure, pipeline leaks and ruptures, storage tank leaks, chemical spills, and other discharges or releases of toxic or hazardous substances or gases.

The occurrence of any such event could be seriously detrimental to Evonik Group's reputation and harm Evonik Group's ability to obtain or maintain its existing licences or its key commercial, regulatory, and governmental relationships. Disruptions at one or more production sites may also interrupt production further down the production chain and lead to lower volumes and sales, and potentially the loss of market share. The costs associated with any of these events may be substantial and could exceed or otherwise not be covered by Evonik Group's insurance coverage.

Should any of these risks materialise, this could have material adverse effects on Evonik Group's business, net assets, financial condition, and results of operations.

Risk that Evonik Group may be liable for damages based on product liability claims

Many of Evonik Group's products provide critical performance attributes to customers' products, which are in turn sold to consumers. The sale of these products may give rise to product liability claims or other claims based on damage caused by Evonik Group's products. If a consumer were to bring a product liability claim with respect to a product that contains Evonik Group's products, Evonik Group could be named as a defendant in that claim or could be subject to separate litigation brought by its own customer.

In addition, Evonik Group's product portfolio contains some substances that are harmful to human health. Other Evonik Group products that are not currently considered harmful to human health may be discovered to be harmful to human health in the future, which could lead to liability claims. Any allegation of harm caused by an Evonik Group product may significantly negatively affect Evonik Group's reputation.

Risks arising from acquisitions and divestments of Evonik Group

In the past, Evonik Group has engaged in acquisitions of businesses, companies and equity interests in companies, including venture capital participations, and it intends to make further selective acquisitions in the future in order to improve its competitive position and/or activities in target areas. Such acquisitions are preceded by an assessment and approval process consisting of several steps and stages. Despite this risk monitoring mechanism, it is possible that potential acquisition targets are misjudged or a company acquired cannot be integrated into Evonik Group as expected or at all.

In some circumstances, Evonik may readjust its financial investments and, e.g., acquire further shares from related companies. If minority shareholders were to be paid out, there could be the risk that Evonik, as a majority shareholder, pays larger premiums than expected. Furthermore, squeeze-outs might be challenged legally by minority shareholders and therefore postpone the final agreement.

In the case of disinvestments, there is a risk that these prove in retrospect to have negative effects on Evonik Group's business activities and/or its financial positions as a whole or that the expected positive effects do not occur or not to the extent envisaged. Synergy effects, for instance, that have not been recognised or were wrongly assessed may cease to exist. Evonik Group could also be subject to claims based on warranty provisions agreed to in divestment agreements.

Risks relating to Evonik Group's international activities

Evonik Group manufactures products in various parts of the world and markets its products on a worldwide basis. In addition, Evonik Group plans to expand its international activities, particularly in Asia. The general conditions in some of the countries in which Evonik Group manufactures products or into which it exports products are different from, and the general economic, political and legal environment may be less stable than those in Western Europe and North America. Due to the international nature of its business, Evonik Group is exposed to a number of risks over which it has little control, any of which may materially adversely affect its business, net assets, financial condition, and results of operations. These risks include, but are not limited to: political, social, economic, financial or market-related instability or volatility; nationalisations or currency control regulations and currency exchange rules it cannot influence; credit risk and financial condition of local customers and distributors; or national and local labour strikes.

Evonik Group is exposed to regulatory risks

Evonik Group conducts its activities in the context of vast, constantly changing and partly highly complex legal and regulatory, national and international conditions. The regulatory framework includes, but is not limited to, provisions on environmental protection, chemicals and hazardous substances, provisions applicable to residential real estate as well as tax law. Moreover, Evonik Group has to observe numerous national and international safety and administration rules as well as related procedures and standards regarding the construction, operation and maintenance of production sites, power plants and other buildings, machines and plants required for its business activities.

Many of Evonik Group's operations regarding manufacturing of chemicals may potentially incur significant expenditures in order to comply with future environmental, and health and safety laws and regulations or with more stringent enforcement of existing rules (e.g. the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH")).

In Evonik Group's chemicals business, the energy policy framework could have a detrimental effect. This applies, in particular, to future regulatory measures to reduce CO₂ emissions further. Moreover, plans to reduce temporarily the number of CO₂ allowances made available through auctions ("backloading") and/or to curtail the list of "carbon leakage sectors" entitled to receive allowances free of charge will hamper the economical and competitive construction of new chemical and coal-fired power plants in Germany and abroad, in particular if a sufficient amount of emission certificates is not available or cannot be acquired on acceptable terms. These and other changes to the legal, regulatory, tax and political conditions may complicate operational procedures, increase costs or require Evonik Group to abandon certain substances or discontinue certain production methods.

Operational, production and environmental risks

Evonik Group is exposed to risks of interruptions in operation, quality problems and unexpected technical difficulties, as well as to product safety, occupational safety and environmental risks.

Despite the high technical and safety standards Evonik Group applies to the construction, operation and maintenance of its production sites in Evonik Group's chemicals business, the risk of operational

disturbances cannot be excluded. These may be caused both by external factors, which Evonik Group is unable to influence, such as natural disasters, war, acts of terrorism, strikes, official orders, technical interruptions or material defects, and accidents or other mistakes in internal procedures such as fire, explosion, release of toxic or hazardous substances. In all of these cases, humans, third party property or the environment may sustain damages resulting in material financial liabilities for Evonik Group. Damage of this kind may entail civil or criminal law consequences as well as the drop out of the relevant production site or power plant. Consequently, such operational disturbances could have significant negative influence on business and earnings performance.

The product portfolio of Evonik Group's chemicals business also includes hazardous substances. It cannot be excluded that products of its chemicals business that are currently classified as harmless will be classified as dangerous in the future or that product characteristics that are not known today cause impairments of health.

Furthermore, Evonik Group possesses a number of properties which are or were being used industrially (including landfills, dumps and mining sites) and Evonik Group could potentially be held liable for existing pollution or other potential hazards on or in the environment of such properties or it cannot be ruled out that this will be the case. Landfills, dumps and mining sites may require a considerable amount of redevelopment. Environmental liabilities occur or may also occur with regard to property sold to third parties in the past. Moreover, Evonik Group is or may be held liable as polluter or legal successor of the polluter regardless of the ownership in the property involved.

Evonik Group has taken out the necessary property, third party and advance loss of profit insurances in the scope customary in the sector and has made appropriate provisions where required. However, significant additional environmental costs and liabilities may need to be incurred in the future in excess of these provisions.

In addition, some of Evonik Group production sites and properties were, or may have been, targets of attacks or otherwise affected by war-related operations during World War II, and it cannot be ruled out that wartime artefacts will be found or have to be searched for, which may lead to a disruption of production and other business activities and significant removal and remediation costs.

Credit market conditions and declines in credit ratings may restrict Evonik Group's ability to obtain credit facilities or to refinance its existing debt facilities in the longer term and may lead to higher costs associated with interest payments

Conditions in the credit markets may be challenging, and financial institutions may apply very stringent lending criteria to the approval of any commercial lending transactions. If market conditions, or financial and economic conditions deteriorate (also due to stricter capital requirements applicable for financial institutions), it may be more costly and more difficult for Evonik Group to refinance its debts as they fall due on terms that are acceptable to it, or at all.

If Evonik Group is unable to refinance its existing financial indebtedness or access new financing, this may have material adverse effects on Evonik Group's business, net assets, financial condition, and results of operations in the longer term.

Standard and Poor's Ratings Services and Moody's Investors Service each maintain credit ratings for Evonik. Any decision to downgrade such ratings could result in increased interest and other financial expenses and could restrict its ability to obtain additional financing on satisfactory terms. In addition, any downgrade could restrict Evonik Group's access to, and negatively impact the terms of, trade credit extended by its raw material suppliers.

The terms of Evonik Group's existing debt financings (both outstanding and undrawn) could restrict its financial and operational flexibility

Some of the financing agreements Evonik Group has entered into with banks, other financial institutions or other creditors contain restrictions, undertakings, warranties, limitations as to further financing,

covenants and definitions of events of default which may reduce Evonik Group's financial and operational flexibility. Through cross-default clauses, the breach of covenants or other obligations of one or more financing agreements may lead to a default under other financing agreements. Any such restrictions contained in Evonik Group's financing arrangements could also have a material adverse effect on its ability to react to changes in its business environment and its ability to incur additional debt to fund future liquidity requirements or refinancings. In addition, change of control clauses may require Evonik Group to repay its debt. If Evonik Group cannot meet its repayment obligations, it may have to pursue financial restructuring, which may be achieved only at increased cost or not at all.

Risks relating to activities on financial markets

Evonik Group handles financial instruments in connection with pension plan assets and manages currency risks by using forward exchange contracts, currency swaps and cross-currency interest rate swaps. Evonik Group is exposed to risks associated with price and liquidity as well as default risks in connection with its activities on financial markets. Default risks entail the risk of a loss if a third-party debtor is fully or partially unable to meet its payment commitments.

Other price risks relating to the financial markets come mainly from investments in companies that are listed on a stock exchange, which IAS 39 specifies have to be recognized on the balance sheet at their stock market value. Since Evonik Group does not generally undertake such investments with a view to short-term purchase or sale, the unrealized changes in market value are only recognized in the income statement if they represent a significant or long-term loss of value. Otherwise, they are recognized as changes in equity with no impact on profit or loss until such gains or losses are realized through sale of the investment.

Risks related to Evonik's shareholder structure

The current direct major shareholder of Evonik is RAG-Stiftung. Due to its shareholdings, RAG-Stiftung will be in a position to exert substantial influence at the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the appointment of supervisory board members, the distribution of dividends, capital reductions, actions within the meaning of the German Transformation Act (Umwandlungsgesetz), the buyback of shares and any proposed capital increase.

RAG-Stiftung has expressed its intention to reduce further its stake in Evonik shares but to maintain, over the long-term, a stake of at least 25.1 per cent. in Evonik, guaranteeing its influence in structural decisions. Future disposals of shares in Evonik by RAG-Stiftung will be evaluated by RAG-Stiftung with a view to the fulfilment of RAG-Stiftung's purpose (Stiftungszweck) and its liquidity situation. Therefore, RAG-Stiftung may stay invested in Evonik with a stake higher than 25.1 per cent. for a considerable period of time. In any event, RAG-Stiftung's future stake in Evonik would result in the RAG-Stiftung's ability to block certain measures that require a majority of more than 75 per cent. of Evonik's share capital or votes at the general shareholders' meeting.

According to its statutes, RAG-Stiftung is required to pursue certain objectives related to the public interest, in particular the funding of the long-term liabilities arising from the winding-down of coal-mining activities (Ewigkeitslasten) in Germany.

In any of the above instances, the interest of RAG-Stiftung could deviate from the interests of other shareholders. For example, this concentration of share ownership might delay, postpone or prevent a change of control of Evonik and might inhibit mergers, consolidations, acquisitions or other forms of combinations that might be advantageous for other shareholders.

Conflicts of interest could arise as a result of the fact that members of the Supervisory Board of Evonik simultaneously exercise executive functions at Evonik's shareholder RAG-Stiftung.

Evonik Group has substantial pension and other employee benefits-related obligations

Evonik Group has made certain pension commitments to its existing and some of its former employees. These commitments are partially covered by a pension scheme, by pension funds, special purpose funds and insurance policies. The remainder is being accounted for by balance sheet reserves. The amount of the obligations is based on certain actuarial assumptions, which Evonik Group considers reasonable, including discount factors, life expectancy, pension trends, future salary development as well as expected interest rates applicable to the plan assets. If the actual results deviate from these assumptions, in particular with regard to the discount factors, this will entail a considerable increase of the pension commitments and thus to higher allocations to the pension reserves in future years. This applies in particular in case of a reduction of the present value factor or an increase in the pension increase/inflation rate or salary rises.

Evonik Group may not be able to protect adequately its intellectual property and know-how

Evonik Group holds a large number of patents, as well as other intellectual property rights that are of considerable importance for its business success. Third parties may infringe on Evonik Group's patents or other intellectual property rights, and Evonik Group may not be able to stop any such infringement. In particular, in some regions of Asia, such as China, Evonik Group has faced and may continue to face challenges in enforcing its intellectual property rights. In addition, Evonik Group cannot guarantee that all of the patents it has applied for, or plans to apply for, will be granted in each of the countries in which it seeks protection. Patents generally expire after a certain period, allowing competitors to freely use the patented technology.

Non-patentable or non-patented business secrets and non-confidential and confidential know-how including processes, apparatuses, technology, trade secrets and proprietary manufacturing expertise, methods and compounds are crucial to the success of Evonik Group's business, in particular in areas with technically sophisticated products and production processes. There is a risk, which has materialised occasionally in the past that competitors could obtain priority patent protection for products and production processes that Evonik Group produces or uses on a non-patented basis in certain countries. This could adversely affect the distribution and sale of Evonik Group's products or impair the use of the affected production processes or lead to an obligation to pay licensing fees in these countries.

If Evonik Group is unable to protect its intellectual property, Evonik Group's ability to profit from its technology may be limited or its future profits may decrease as a result, insofar as other manufacturers can make or market products that are similar to the products developed by Evonik Group. This could affect Evonik Group's competitive position, and any resulting drop in sales revenue could have material adverse effects on Evonik Group's business, net assets, financial condition, and results of operations.

Evonik Group may infringe on the intellectual property rights of third parties

Evonik Group cannot guarantee that it will not infringe on, or be alleged to have infringed on, third-party patents or other third-party intellectual property rights, since its competitors also apply for, and obtain, numerous patents to protect their inventions. Patent holders have approached Evonik Group in the past, and may approach Evonik Group in the future, to allege that Evonik Group has infringed on their intellectual property rights, and it is currently a defendant in several patent-related proceedings.

Evonik Group may have to obtain third-party licences to gain access to technology, which could entail considerable costs. Evonik Group may be unable to acquire licences that it will need for its future business with the appropriate scope, under acceptable conditions or at all. In addition, licences Evonik Group currently holds may not continue to be effective, and it may be prevented from making or marketing products.

Risks relating to efficiency enhancement programs

Evonik Group faces risks relating to the implementation of efficiency enhancement programs. This includes the risk not to meet timelines, the risk of loss of personnel with key expertise, the risk of a failure to meet financial targets and the risk of higher restructuring costs.

Process/organization risks

Process/organization risks cover the interface between risk management and the internal control system (“ICS”). In this category, Evonik Group faces the risk of process shortcomings. In addition to general weaknesses, such risks include, in particular, risks within the ICS and the accounting-related ICS. The classification of such risks is therefore based on the list of processes drawn up by Evonik Group’s corporate audit.

Information technology risks

In order to secure its operability, Evonik Group is dependent on the efficient and uninterrupted functionality of its servers and data processing systems. If an interruption or breakdown of Evonik Group’s servers or data processing systems occurs affecting the operation of one or more business at Evonik Group, this may have a detrimental impact on the asset, financial and profit situation of Evonik Group as well as its general business activities.

Evonik Group is subject to the Federal Data Protection Act (Bundesdatenschutzgesetz) and similar regulations. Unauthorised access to information stored by Evonik Group by a third party may cause damage to Evonik Group's reputation, constitute infringements of administrative and criminal law and grant the affected persons a right to damage claims against Evonik Group. Events of this kind may have a detrimental impact on the asset, financial and profit situation of Evonik Group as well as its general business activities.

Evonik Group cannot guarantee that it will be able to recruit or retain qualified employees in the future

Evonik Group is dependent on highly qualified employees, particularly in the areas of research and development, engineering, sales and management. In recent years, competition for employees with scientific, technical or industry-specific know-how has been intense. Evonik Group’s future success will continue to depend on its ability to recruit and retain highly qualified employees. Evonik Group’s current employees may be hired by competitors. This risk is increased by the fact that many of Evonik Group’s employees are regularly transferred between domestic and foreign production sites, further increasing their qualifications and mobility.

The loss of qualified employees or long-lasting difficulties in hiring suitable employees could cause difficulties in implementing important decisions and measures and negatively affect Evonik Group’s research and development activities, which could impact its business operations and materially adversely affect its business, net assets, financial condition, and results of operations. Risks for the development of personnel expenses could come, for example, from future collective agreements.

Loss of key members of management could disrupt Evonik Group’s business

Evonik Group depends on the continued employment and performance of its senior executives and other key members of management. If any of these individuals resigns, is recruited away by competitors or other companies, or becomes unable to continue in his or her present role and is not adequately replaced, Evonik Group’s business operations and ability to implement its growth strategies could be materially disrupted.

Evonik Group is exposed to legal risks

Evonik Group is exposed to risks relating to current or threatened legal disputes, administrative proceedings, fines or damage claims, in particular with respect to shareholder compensation, alleged

patent breaches, antitrust infringements, as well as guarantee claims from divestments. In its operating business, Evonik Group is exposed to liability risks, especially in connection with product liability and environmental law. The outcome of individual proceedings cannot be predicted with assurance due to the uncertainties always associated with legal disputes and administrative proceedings. To the extent necessary in light of the known circumstances in each case, Evonik Group has set up risk provisions for the event of an unfavourable outcome of such disputes and proceedings.

Evonik Group could face risks relating to antitrust investigations brought by regulatory authorities or competitors concerning Evonik Group's chemicals business. Any actions initiated by government authorities may include fines, sanctions and other measures and may entail third party claims for damages.

Evonik Group is exposed to tax risks

There is a principle risk that the tax authorities carrying out tax audits in the future may not concur with previous tax assessments with regard to certain transactions or the intra-group performance of services. Accordingly, the tax authorities may re-assess these transactions or intra-group services which may increase the tax burden. Evonik Group considers the provisions made for risks of this kind to be sufficient. There is also a risk that existing tax loss carry forwards may not be set-off or will cease to exist. Should Evonik Group be requested to pay taxes for prior years or should the extent or manner of offsetting existing loss carry forwards be limited or should the taxation be increased as a consequence of the interest barrier rules (Zinsschrankenregelung), this would have a detrimental impact on the asset, financial and profit situation of Evonik Group.

Risk factors regarding the Notes

Risks relating to the Notes

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Notes. The following is a description of risk factors in relation to the Notes.

Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks, and
- (vi) know that it might be impossible to dispose of the Notes for a substantial period of time, if at all.

Long-term securities, Risk of Early Redemption

The Notes will be redeemed on 7 July 2077, unless they have been previously redeemed or repurchased and cancelled. The Issuer is under no obligation to redeem the Notes at any time before this date. The holders of the Notes (each a "Noteholder") have no right to call for their redemption. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions of the Notes after the occurrence of a Gross-up Event, a Rating Agency Event, a Tax Event, a Change of Control Event or if 80 per cent. or more in aggregate principal amount of the Notes initially issued have been redeemed or purchased, or with effect (i) as of any date during the period from and including 7 August 2022 to and including the First Call Date and (ii) as of each Interest Payment Date thereafter or if the Transaction has been terminated prior to its completion or the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue with the Transaction by 31 December 2017. In the event that the Issuer exercises the option to call and redeem the Notes, the Noteholders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, the market value of the Notes and the development of an active public market may be adversely affected.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Notes for a long period and may not recover their investment before the end of this period.

No voting rights

The Notes are non-voting with respect to general meetings of shareholders of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Deferred Interest Payments or any other decisions by the Issuer's shareholders concerning the capital structure or any other matters relating to the Issuer.

The Noteholders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings

The only remedy against the Issuer available to Noteholders for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amount. In an insolvency or liquidation of the Issuer, any Noteholder may only claim amounts due under the Notes after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Notes.

Due to future money depreciation (inflation), the real yield of an investment may be reduced.

Inflation risk describes the possibility that the value of assets such as the Notes or income therefrom will decrease as inflation reduces the purchasing power of a currency. Inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes the yield on such Notes will become negative and investors will have to suffer a loss.

Risk of a partial or total failure of the Issuer to make interest and/or redemption payments

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk (for example, because of the materialisation of any of the risks regarding

the Issuer and/or the Group) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

Claims under the Notes are subordinated

The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking senior only to Junior Instruments, *pari passu* among themselves and *pari passu* with any Parity Instruments, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument. In a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, the Noteholders may recover proportionately less than the holders of unsubordinated obligations of the Issuer. In the afore-mentioned events exist the possibility for the Noteholders to lose their whole investment. Noteholders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer, holders of subordinated debt, such as the Notes, will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*) pursuant to the German Insolvency Code.

Investors should take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in winding-up or insolvency proceedings of the Issuer, become unsubordinated liabilities and will therefore be paid in full before payments are made to Noteholders.

In case of insolvency plan proceedings (*Insolvenzplanverfahren*) the Noteholders generally would have no voting right on the adoption of an insolvency plan presented by the Issuer, the relevant insolvency administrator or custodian (sections 237 and 246 of the German Insolvency Code). In addition, their claims would be waived after the adoption of the insolvency plan, unless the insolvency plan makes an exception to this general rule (section 225 paragraph 1 German Insolvency Code).

No express Events of Default

The Noteholders should be aware that the Terms and Conditions of the Notes do not contain any express events of default provisions.

No limitation on issuing further debt

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of payments of interest under the Notes and/or may reduce the amount recoverable by Noteholders in the event of insolvency or liquidation of the Issuer. In addition, under the Notes, the Issuer will not be restricted from issuing or repurchasing its other securities. Noteholders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect the Noteholders.

Liquidity risk

There is currently no secondary market for the Notes. Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

There is a risk that trading in the Notes will be suspended, interrupted or terminated.

The listing of the Notes may be suspended or interrupted by the Luxembourg Stock Exchange or a competent regulatory authority for any of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the stock exchange or generally if deemed required in order to secure a functioning market or to safeguard the interests of investors. Furthermore, trading in the Notes may be terminated, either upon decision of the stock exchange, a regulatory authority or upon application by the Issuer. Investors should note that the Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and that investors in any event must bear the risks connected therewith. In particular, investors may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Notes may not adequately reflect the price of such Notes. Finally, even if trading in the Notes is suspended, interrupted or terminated, investors should note that such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the investors' interests; for example, where trading in the Notes is suspended after price-sensitive information relating to such Notes has been published, the price of such Notes may already have been adversely affected. All these risks would, if they materialize, have a material adverse effect on the investors.

Fixed Interest Rate Notes

The Notes bear interest at a fixed rate to but excluding the First Call Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Noteholders if they sell their Notes.

The market price of the Notes may also be negatively affected by an increase in the Issuer's credit spreads, i.e. the difference between yields in the Issuer's debt and the yield of government bonds or swap rates of similar maturity. The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such securities.

Reset of Interest Rate linked to the 5-year EUR Swap Rate

From and including the First Call Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year EUR Swap Rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5-year EUR Swap Rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year EUR Swap Rate is an indication of the future development of the 5-year EUR Swap Rate. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described in the section "Fixed Interest Rate Notes".

So-called benchmarks and other indices such as the 5-year EUR swap rate which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest of Notes will, from and including the First Call Date to but excluding the Maturity Date, be linked to, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of the Notes and the interest which the Notes bear.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). In addition to the aforementioned proposal, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

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

- a rate or index which is a 'benchmark' could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the 'equivalence' conditions, is not 'recognised' pending such a decision and is not 'endorsed' for such purpose. In such event, depending on the particular 'benchmark' and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the 'benchmark' could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities, including Calculation Agent determination of the rate or level in its discretion.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes, the interest of which will, as from and including the First Call Date to but excluding the Maturity Date, be linked to the relevant Benchmark, investors should be aware that any changes to the relevant Benchmark may have a material adverse effect on the value of the Notes.

Optional deferral of interest payments

The Issuer may elect in its discretion to defer the payment of interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Noteholders. Such interest will not be due and payable (*fällig*) on that Interest Payment Date.

Noteholders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest. Any failure to pay interest as a result of an optional deferral will not constitute a default of the Issuer or any other breach of obligations

under the Notes or for any other purpose. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes.

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The market value of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons

The market value of the Notes is, amongst others, influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, economic and political events in Germany or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded, market interest, rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption on the relevant First Call Date (or a certain period before) or any Interest Payment Date (or a certain period before) thereafter and the price at which a Noteholder can sell the Notes might be considerably below the issue price or the purchase price paid by such Noteholder.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Market participants may in particular have a different perception if market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes is likely to decrease.

Ratings of the Notes may not reflect all associated risk and may be subject to change at all times

The Notes are expected to be assigned credit ratings by Moody's and Standard & Poor's. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Other independent credit rating agencies could decide to assign credit ratings to the Notes and such credit ratings may be higher than, the same as or lower than the credit ratings provided by Moody's and Standard & Poor's which could adversely affect the market value and liquidity of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes or the Issuer were to be lowered, this may have a negative impact on the market price of the Notes.

Currency Risk

The Notes are denominated in euro. If such currency represents a foreign currency to a Noteholder, such Noteholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes measured in the Noteholder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the Interest Commencement Date

The Terms and Conditions of the Notes are based on German law in effect as at Interest Commencement Date. No assurance can be given as to the impact of any possible judicial decision or change to German law (including German tax laws) or administrative practice or the official application or interpretation of German law after the Interest Commencement Date.

Risks related to the Sovereign Debt Crisis or other circumstances leading to high volatility in the markets

Increased government spending, high levels of national debt and loss of trust of market participants in the ability to repay these debts have led to the sovereign debt crisis, affecting the rating of various European States and the yield for sovereign bonds and leading to high volatility in the markets. From and including the First Call Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year EUR Swap Rate for the relevant Reset Period plus a margin. Should a date on which the interest rate for the Notes is determined fall into times of such high volatility due to the sovereign debt crisis or for other reasons, this could have an effect on the interest rate then determined.

Special Investment Risks- U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within a clearing system in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing system. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA including any IGA legislation, if applicable), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer, nor any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). The FTT as provided under the Draft Directive was originally scheduled to be applicable as of 1 January 2014.

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established

in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Ten EU Member States (including Germany) had announced that they intend to reach an agreement with regard to the FTT by the end of June 2016, focussing initially on the taxation of shares and certain derivatives. Estonia decided that it will not participate. The FTT has not been implemented yet. As to the further implementation of any FTT there is currently no detailed plan or timetable available.

Nevertheless, the FTT remains subject to negotiation between the EU Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which remains unclear. Moreover, once any directive has been adopted (the "Directive"), it will need to be implemented into the respective domestic laws of the participating EU Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

Because the Global Note is held by or on behalf of Clearstream, investors will have to rely on its procedures for transfer, payment and communication with the Issuer

The Notes will be represented by a Global Note. Such Global Note will be deposited with Clearstream. Investors will not be entitled to receive definitive Notes. Clearstream will maintain records of the beneficial interests in the Global Note. While the Notes are represented by the Global Note, investors will be able to trade their beneficial interests only through Clearstream and the Issuer will discharge its payment obligations under the Notes by making payments to Clearstream or to its order for distribution to their account holders. A Noteholder of a beneficial interest in a Global Note must rely on the procedures of Clearstream to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Note.

Risks in connection with the application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen, "SchVG")

Since the Terms and Conditions of the Notes provide for meetings of Noteholders or the taking of votes without a meeting, the Terms and Conditions of the Notes may be amended by majority resolution of the Noteholders and a Noteholders is subject to the risk of being outvoted by a majority resolution of the Noteholders. The rules pertaining to resolutions of Noteholders are set out in the SchVG and are largely mandatory. Pursuant to the SchVG the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the Aggregate Principal Amount of the Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such majority resolution is binding on all Noteholders,

certain rights of a Noteholder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

Since the Terms and Conditions of the Notes provide that the Noteholders are entitled to appoint a Noteholders' Representative by a majority resolution of such Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

USE OF PROCEEDS

In connection with the issue of the Notes, the Issuer will receive net proceeds of approximately EUR 494,665,000. The Issuer intends to use the net proceeds for general corporate purposes, which may include the financing of the acquisition by the Evonik Group of the silica business of the US company J.M. Huber Corporation and certain of its subsidiaries.

TERMS AND CONDITIONS OF THE NOTES

§ 1

WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Stückelung.* Diese Emission von Schuldverschreibungen (die "**Schuldverschreibungen**") der Evonik Industries AG ("**Evonik**" oder die "**Emittentin**") wird in Euro (die "**festgelegte Währung**") im Gesamtnennbetrag von EUR 500.000.000 (**in Worten:** fünfhundert Millionen) in einer Stückelung von EUR 1.000 (die "**festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Globalurkunde.* Die Schuldverschreibungen sind durch eine Globalurkunde (die "**Globalurkunde**") ohne Zinsscheine verbrieft. Die Globalurkunde trägt die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Hauptzahlstelle (wie nachstehend in § 7(1) definiert) oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben und das Recht der Anleihegläubiger von Schuldverschreibungen, die Ausstellung und Lieferung von Einzelurkunden zu verlangen, ist ausgeschlossen.

(4) *Clearing System.* Die Globalurkunde wird vom Clearing System verwahrt.

"**Clearing System**" bezeichnet die Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**").

Gemäß dem zwischen der Emittentin und Clearstream Frankfurt abgeschlossenen Book-Entry Registration Agreement hat die Emittentin Clearstream Frankfurt als Effektenregisterführer bezüglich der Schuldverschreibungen bestellt und Clearstream Frankfurt hat sich verpflichtet, ein Register über die jeweilige Gesamtzahl der durch die Globalurkunde verbriefen Schuldverschreibungen in eigenem Namen zu führen. Clearstream Frankfurt hat sich verpflichtet, als Beauftragte der Emittentin in

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This issue of Notes (the "**Notes**") of Evonik Industries AG ("**Evonik**" or the "**Issuer**") is being issued in Euro (the "**Specified Currency**") in the aggregate principal amount of EUR 500,000,000 (**in words:** five hundred million) in the denomination of EUR 1,000 (the "**Specified Denomination**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Global Note.* The Notes are represented by a global note (the "**Global Note**") without interest coupons. The Global Note shall be signed manually by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent (as defined in § 7(1) below). Definitive Notes and interest coupons will not be issued and the right of the Noteholders of Notes to request the issue and delivery of definitive Notes shall be excluded.

(4) *Clearing System.* The global note representing the Notes will be kept in custody by the Clearing System.

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**").

Pursuant to the book-entry registration agreement between the Issuer and Clearstream Frankfurt, the Issuer has appointed Clearstream Frankfurt as its book-entry registrar in respect of the Notes, and Clearstream Frankfurt has agreed to maintain a register showing the aggregate number of the Notes represented by the Global Note under its own name. Clearstream Frankfurt has agreed, as agent of the Issuer, to maintain records of the Notes credited to the accounts of the accountholders of Clearstream Frankfurt for the benefit of the holders of the co-ownership

ihren Büchern Aufzeichnungen über die auf den Konten der Kontoinhaber in Clearstream Frankfurt zugunsten der Inhaber der Miteigentumsanteile an den durch diese Globalurkunde verbrieften Schuldverschreibungen zu führen. Die Emittentin und Clearstream Frankfurt haben ferner vereinbart, dass sich die tatsächliche Zahl der Schuldverschreibungen, die jeweils verbrieft sind, aus den Unterlagen von Clearstream Frankfurt ergibt.

(5) *Anleihegläubiger*. "**Anleihegläubiger**" bezeichnet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

§ 2 STATUS

(1) *Status*. Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die

- (a) nur den Nachrangigen Instrumenten im Rang vorgehen,
- (b) untereinander und mit jedem Gleichrangigen Instrument im Rang gleich stehen; und
- (c) nachrangig sind gegenüber allen gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

Im Fall der Auflösung, der Liquidation, der Eröffnung des Insolvenzverfahrens oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens stehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen nicht nachrangigen und allen nachrangigen Verbindlichkeiten der Emittentin im Rang nach, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen, so dass Zahlungen auf die

interests in the Notes represented by the Global Note, and the Issuer and Clearstream Frankfurt have agreed that the actual number of Notes from time to time shall be evidenced by the records of Clearstream Frankfurt.

(5) *Noteholders*. "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

§ 2 STATUS

(1) *Status*. The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking

- (a) senior only to Junior Instruments,
- (b) pari passu among themselves and pari passu with any Parity Instruments; and
- (c) subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

In the event of the dissolution, liquidation, opening of the insolvency proceeding or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Notes will be subordinated to all unsubordinated and all subordinated obligations of the Issuer, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument, so that in any such event payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2 are expressed to, or by operation of law,

Schuldverschreibungen erst erfolgen, wenn alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2 oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt sind; erst nach Befriedigung aller der vorgenannten Ansprüche und der Verbindlichkeiten aus den Schuldverschreibungen können die verbleibenden Vermögenswerte an die Eigner der Nachrangigen Instrumente der Emittentin verteilt werden.

Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.

"Gleichrangiges Instrument" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen ist oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind.

"Nachrangiges Instrument" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii) jedes andere Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung

rank senior to the obligations of the Issuer under the Notes will first have been satisfied in full; only after all of the aforementioned claims and claims under the Notes will first have been satisfied any remaining assets may be distributed to the holders of the Junior Instruments of the Issuer.

Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes also from other distributable assets (freies Vermögen) of the Issuer.

"Parity Instrument" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank *pari passu* with the Notes, or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under the Notes.

"Junior Instrument" means (i) the ordinary shares of the Issuer, (ii) any share of any other class of shares of the Issuer ranking *pari passu* with the ordinary shares of the Issuer, (iii) any other security, registered security or other instrument of the Issuer and where the Issuer's obligations under which rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i) and (ii) and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i), (ii)

übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.

"Tochtergesellschaft" bezeichnet für einen bestimmten Zeitpunkt jedes ausweislich des letzten geprüften Konzernabschlusses von Evonik voll konsolidierte Unternehmen (einschließlich jedes Unternehmens, welches in einem solchen Abschluss vollumfänglich zu konsolidieren wäre, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde, aber ausschließlich aller Unternehmen, die in einem solchen Abschluss nicht mehr vollumfänglich zu konsolidieren wären, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde).

(2) *Aufrechnungsausschluss.* Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.

§ 3 ZINSEN

(1) *Zinszahlungstage.* In dem Zeitraum ab dem 7. Juli 2017 (der "**Zinslaufbeginn**") (einschließlich) bis zum Zinslaufende gemäß § 3(3) werden die Schuldverschreibungen bezogen auf den Gesamtnennbetrag in Höhe des Zinssatzes (wie nachstehend definiert) verzinst. Während dieses Zeitraums sind Zinsen nachträglich am 7. November eines jeden Jahres zur Zahlung vorgesehen (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung ist am 7. November 2017 zur Zahlung vorgesehen (kurze erste Zinsperiode) und beläuft sich auf EUR 7,16 je festgelegte Stückelung. Zinszahlungen werden nach Maßgabe der in § 4 dargelegten Bedingungen fällig.

and (iii).

"Subsidiary" means at any time any enterprise which was fully consolidated in the latest audited consolidated financial statements of Evonik (including any enterprise which would have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up, but excluding any enterprise which would no longer have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up).

(2) *Exclusion of set-off.* The Noteholders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Noteholder against any claims of such Noteholder under the Notes.

§ 3 INTEREST

(1) *Interest Payment Dates.* In the period from and including 7 July 2017 (the "**Interest Commencement Date**") to the cessation of interest accrual in accordance with § 3(3) the Notes bear interest on their aggregate principal amount at the Rate of Interest (as defined below). During such period, interest is scheduled to be paid annually in arrear on 7 November of each year (each an "**Interest Payment Date**"). The first payment of interest is scheduled to be paid on 7 November 2017 (short first coupon) and will amount to EUR 7.16 per Specified Denomination. Interest payments will become due and payable (*fällig*) in accordance with the conditions set out in § 4.

(2) *Zinssatz.*

(a) Der "**Zinssatz**" entspricht

- (i) ab dem Zinslaufbeginn (einschließlich) bis zum 7. November 2022 (der "**Erste Rückzahlungstermin**") (ausschließlich) einem Zinssatz in Höhe von jährlich 2,125 %;
- (ii) ab dem Ersten Rückzahlungstermin (einschließlich) bis zum 7. November 2027 (der "**Erste Modifizierte Reset-Termin**") (ausschließlich) dem Reset-Zinssatz für den betreffenden Reset-Zeitraum;
- (iii) ab dem Ersten Modifizierten Reset-Termin (einschließlich) bis zum 7. November 2042 (der "**Zweite Modifizierte Reset-Termin**") (ausschließlich) dem Ersten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum; und
- (iv) ab dem Zweiten Modifizierten Reset-Termin (einschließlich) bis zum Endfälligkeitstermin (ausschließlich) dem Zweiten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum.

(b) Wenn ein Kontrollwechselereignis eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(3) zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag (einschließlich) um 5 Prozentpunkte per annum.

(c) Dabei gilt Folgendes:

Der "**Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 1,951 % per annum, wie von der Berechnungsstelle festgelegt.

Der "**Erste Modifizierte Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 2,201 % per annum, wie von der Berechnungsstelle festgelegt.

(2) *Interest rate.*

(a) The "**Rate of Interest**" will be

- (i) from (and including) the Interest Commencement Date to (but excluding) 7 November 2022 (the "**First Call Date**") a rate of 2.125 per cent. per annum;
- (ii) from (and including) the First Call Date to (but excluding) 7 November 2027 (the "**First Modified Reset Date**") the Reset Interest Rate for the relevant Reset Period;
- (iii) from (and including) the First Modified Reset Date to (but excluding) 7 November 2042 (the "**Second Modified Reset Date**") the First Modified Reset Interest Rate for the relevant Reset Period; and
- (iv) from (and including) the Second Modified Reset Date to (but excluding) the Maturity Date the Second Modified Reset Interest Rate for the relevant Reset Period.

(b) If a Change of Control Event occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(3), the applicable Rate of Interest will be increased by 5 percentage points per annum from (and including) the Change of Control Effective Date.

(c) Where:

The "**Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 1.951 per cent. per annum, as determined by the Calculation Agent.

The "**First Modified Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 2.201 per cent. per annum, as determined by the Calculation Agent.

Der "**Zweite Modifizierte Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 2,951 % per annum, wie von der Berechnungsstelle festgelegt.

- (d) Die Berechnungsstelle wird den Zinssatz für die Schuldverschreibungen an jedem Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.

(3) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf diese Schuldverschreibungen bei Fälligkeit nicht leisten, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen (§ 288 BGB).

(4) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(5) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für eine Schuldverschreibung für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode; und

The "**Second Modified Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 2.951 per cent. per annum, as determined by the Calculation Agent.

- (d) The Calculation Agent will, on each Interest Determination Date, determine the Rate of Interest and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Noteholders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

(3) *Cessation of interest accrual.* The Notes will cease to bear interest from the beginning of the day their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law (§ 288 of the German Civil Code (BGB)).

(4) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(5) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from (and including) the first day of such period to (but excluding) the last day of such period) (the "**Calculation Period**"):

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode; und

(B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode.

Dabei gilt folgendes:

"Feststellungsperiode" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

"Feststellungstermin" bezeichnet jeden 7. November.

(6) *Definitionen.*

Der **"Referenzsatz"** für einen Reset-Zeitraum wird von der Berechnungsstelle an dem jeweiligen Zinsfeststellungstag (wie nachstehend definiert) vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt (der **"Referenz-Reset-Termin"**), festgelegt und ist

(i) der als Prozentsatz ausgedrückte 5-Jahres EUR-Swapsatz per annum; oder

(ii) falls eine für die Festlegung des 5-Jahres EUR Swapsatzes benötigte Information am jeweiligen Zinsfestlegungstag nicht auf der Bildschirmseite erscheint, der 5-Jahres Reset-Referenzbankensatz an diesem Zinsfestlegungstag,

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

Where:

"Determination Period" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means each 7 November.

(6) *Definitions.*

The **"Reference Rate"** for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences (the **"Reference Reset Date"**) and will be

(i) the 5-year EUR Swap Rate expressed as a percentage per annum; or

(ii) in the event that any of the information required for the purposes of the determination of the 5-year EUR Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Reset Reference Bank Rate on that Interest Determination Date,

wobei alle Festlegungen durch die Berechnungsstelle vorgenommen werden.

Dabei gilt Folgendes:

"5-Jahres EUR Swapsatz" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) gefixten, als Prozentsatz ausgedrückten Swapsatz per annum bezüglich in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am jeweiligen Zinsfestlegungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

Der **"5-Jahres Reset-Referenzbankensatz"** ist der Prozentsatz, der auf Basis der 5-Jahres Mid Swapsatz-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden Swap-Händlern im Interbankenhandel (die **"Reset-Referenzbanken"**) gestellt werden, am Zinsfestlegungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres Mid Swapsatz-Quotierungen genannt werden, wird der 5-Jahres Reset-Referenzbankensatz das arithmetische Mittel der 5-Jahres Mid Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei 5-Jahres Mid Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der 5-Jahres Reset-Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz die zur Verfügung gestellte Quotierung. Falls keine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz der letzte Mid Swap-Satz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Bildschirmseite verfügbar ist.

Dabei bezeichnet **"5-Jahres Mid Swapsatz-Quotierungen"** das arithmetische Mittel der nachgefragten und angebotenen Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-

in each case as determined by the Calculation Agent.

Where:

"5-year EUR Swap Rate" means the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage per annum for euro swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

"5-year Reset Reference Bank Rate" means the percentage rate determined by the Calculation Agent on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market (the **"Reset Reference Banks"**) to the Calculation Agent at approximately 11.00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three 5-year Mid Swap Rate Quotations are provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be the quotation provided. If no 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.

Where **"5-year Mid Swap Rate Quotations"** means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which

Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am jeweiligen Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

"Bildschirmseite" bezeichnet die Reuters Bildschirmseite "ICESWAP2", unter der Überschrift "EURIBOR BASIS". Hat die Bildschirmseite dauerhaft aufgehört, den 5-Jahres EUR Swapsatz anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die **"Ersatzbildschirmseite"**), wird die Ersatzbildschirmseite zum Zweck der Festlegung des 5-Jahres EUR Swapsatzes eingesetzt.

"Geschäftstag" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen.

"Reset-Termin" bezeichnet jeweils den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.

"Reset-Zeitraum" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstermin (ausschließlich).

"Zinsfeststellungstag" bezeichnet den zweiten Geschäftstag vor dem jeweiligen Referenz-Reset-Termin.

transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

"Screen Page" means Reuters Screen Page "ICESWAP2" under the heading "EURIBOR BASIS". If the Screen Page permanently ceases to quote the 5-year EUR Swap Rate but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the **"Replacement Screen Page"**), the Replacement Screen Page must be used for the purpose of the calculation of the 5-year EUR Swap Rate.

"Business Day" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational.

"Reset Date" means each of the First Call Date and each fifth anniversary of the First Call Date.

"Reset Period" means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.

"Interest Determination Date" means the second Business Day prior to the relevant Reference Reset Date.

§ 4

FÄLLIGKEIT VON ZINSAZHLUNGEN; AUFSCHUB VON ZINSAZHLUNGEN; ZAHLUNG AUFGESCHOBENER ZINSAZHLUNGEN

- (1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.*
- (a) Zinsen werden für jede Zinsperiode an dem unmittelbar auf diese Zinsperiode folgenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung auszusetzen.

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 4(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

"**Zinsperiode**" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.
- (2) *Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.*

Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt und nicht nur teilweise nach Bekanntmachung an die Anleihegläubiger

§ 4

DUE DATE FOR INTEREST PAYMENTS; DEFERRAL OF INTEREST PAYMENTS; PAYMENT OF DEFERRED INTEREST PAYMENTS

- (1) *Due date for interest payments; optional interest deferral.*
- (a) Interest for each Interest Period will be due and payable (*fällig*) on the Interest Payment Date immediately following such Interest Period, unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 4(1)(a) will constitute deferred interest payments ("**Deferred Interest Payments**").

"**Interest Period**" means each period from and including 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.

- (b) Deferred Interest Payments will not bear interest.
- (2) *Optional Settlement of Deferred Interest Payments.*

The Issuer will be entitled to pay outstanding Deferred Interest Payments (in whole but not in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the

gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstermin**") enthalten muss.

(3) *Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.*

Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.

"**Pflichtnachzahlungstag**" bezeichnet den frühesten der folgenden Tage:

- (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;
- (ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt;
- (iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Instrument zahlt;
- (iv) den Tag, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Instrument zurückzahlt, oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Instrument zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt);
- (v) den Tag an dem die Emittentin diese Schuldverschreibungen gemäß diesen Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und
- (vi) den Tag, an dem eine Entscheidung hinsichtlich der Auflösung, der Liquidation oder der Eröffnung des Insolvenzverfahrens der Emittentin ergeht (sofern dies nicht für die Zwecke oder als

Noteholders in accordance with § 13 which notice will specify the date fixed for such payment (the "**Optional Settlement Date**").

(3) *Mandatory payment of Deferred Interest Payments.*

The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;
- (ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment;
- (iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Security;
- (iv) the date on which the Issuer or any Subsidiary redeems any Parity Security, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security;
- (v) the date on which the Issuer redeems Notes in accordance with these Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and
- (vi) the date on which an order is made for the dissolution, liquidation or opening of the insolvency proceeding of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or

Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),

mit der Maßgabe, dass

- (x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Instruments zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (y) in den vorgenannten Fällen (iv) und (v) (außer im Fall der Rückzahlung der Schuldverschreibungen bei Fälligkeit nach Maßgabe dieser Anleihebedingungen) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Instrument oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Instrument bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und
- (z) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Instrument Konzerninterne Zahlungen sind.

(4) *Definitionen.*

In diesen Anleihebedingungen gilt Folgendes:

"Konzerninterne Zahlungen" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.

restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),

provided that

- (x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;
- (y) in the cases (iv) and (v) above (other than in case of a redemption of the Note when due in accordance with these Terms and Conditions) no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and
- (z) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.

(4) *Definitions.*

For the purposes of these Terms and Conditions:

"Intra-Group Payments" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.

Ein "**Obligatorisches Nachzahlungsereignis**" bezeichnet vorbehaltlich des nachstehenden Satzes 2 jedes der folgenden Ereignisse:

- (i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin);
- (ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Instrument (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin); oder
- (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Instrument zurück oder erwirbt es auf andere Weise.

In den vorgenannten Fällen (ii) und (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, sofern bzw. soweit

- (x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Instruments zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Instrument nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder

"**Compulsory Settlement Event**" means any of the following events, subject to the proviso in sentence 2 below:

- (i) the ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer);
- (ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Security (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or
- (iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.

The cases (ii) and (iii) above are subject to the proviso that no Compulsory Settlement Event occurs if and as far as

- (x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security to make such payment, such redemption, such repurchase or such other acquisition;
- (y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or

indirekt) zurückkauft oder anderweitig erwirbt; oder

- (z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Instrument ausschließlich Konzerninterne Zahlungen sind.

§ 5 ZAHLUNGEN

(1) *Zahlungen.* Zahlungen auf Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden § 5(2) an das Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der festgelegten Währung.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder an dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf die Schuldverschreibungen auf einen Tag, der kein Zahltag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") offen sind, um Zahlungen abzuwickeln.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; sowie sonstige auf oder

- (z) the relevant payments on, or in respect of, any Junior Securities are exclusively Intra-Group Payments.

§ 5 PAYMENTS

(1) *Payment.* Payment of principal and interest in respect of Notes shall be made, subject to § 5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Noteholder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to effect payments.

(5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Redemption Amount of the Notes; and any other amounts which may be payable under or in respect of the Notes. References in these Terms

in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren zusätzlichen Beträge einschließen.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main, Bundesrepublik Deutschland, Zins- oder Kapitalbeträge zu hinterlegen, die von den Anleihegläubigern nicht innerhalb von zwölf Monaten nach dem jeweiligen Fälligkeitstag beansprucht worden sind, auch wenn die Anleihegläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Anleihegläubiger gegen die Emittentin.

§ 6 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen am 7. Juli 2077 (der "**Endfälligkeitstermin**") zu ihrem Rückzahlungsbetrag (wie in § 6(7) definiert) zurückgezahlt.

(2) *Rückzahlung nach Eintritt eines Gross-up Ereignisses, eines Steuerereignisses oder eines Ratingagenturereignisses.*

(a) Gross-up Ereignis.

Wenn ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 6(6) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zur Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend

and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main, Federal Republic of Germany, principal or interest not claimed by Noteholders within twelve months after its respective due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 6 REDEMPTION

(1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Redemption Amount (as defined in § 6(7)) on 7 July 2077 (the "**Maturity Date**").

(2) *Redemption following a Gross-up Event, a Tax Event or a Rating Agency Event.*

(a) Gross-up Event.

If a Gross up Event (as defined below) occurs, the Issuer may, on giving a notice of redemption in accordance with § 6(6), call the Notes for redemption (in whole but not in part) at any time with effect on the date fixed for redemption in the notice of redemption. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice of redemption.

definiert) zurückzuzahlen.

Ein "**Gross-up Ereignis**" tritt ein, wenn die Emittentin am oder nach dem Tag der Begebung der Schuldverschreibungen als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die Schuldverschreibungen begeben werden, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 8 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

- (b) Steuerereignis, Ratingagenturereignis oder geringer ausstehender Gesamtnennbetrag.

Wenn

- (i) ein Ratingagenturereignis eintritt; oder
(ii) ein Steuerereignis eintritt; oder
(iii) die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der

A "**Gross-up Event**" will occur if on or after the date of issue of the Notes as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts (as defined in § 8 below) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

- (b) Tax Event, Rating Agency Event or minimal outstanding aggregate principal amount.

If

- (i) a Rating Agency Event occurs; or
(ii) a Tax Event occurs; or
(iii) the Issuer or any Subsidiary has purchased or redeemed Notes equal to or in excess of 80 per cent. of the aggregate principal amount of the

Schuldverschreibungen erworben oder zurückgezahlt hat,

dann ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 6(6) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß dem ersten Satz ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem festgelegten Rückzahlungstag

(x) im Falle der Kündigung aufgrund des Eintritts eines Ratingagenturereignisses oder eines Steuerereignisses

(A) zu 101 % der festgelegten Stückelung, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, bzw.

(B) zu 100 % der festgelegten Stückelung, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin erfolgt, bzw.

(y) im Falle der Kündigung aufgrund geringen ausstehenden Gesamtnennbetrags gemäß § 6(3)(b)(iii) zu 100 % der festgelegten Stückelung,

jeweils zuzüglich jeweils der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen in Bezug auf die Schuldverschreibung zurückzuzahlen.

Notes initially issued,

the Issuer may, on giving a notice of redemption in accordance with § 6(6), call the Notes for early redemption (in whole but not in part) at any time with effect on the date fixed for redemption in the notice of redemption. If the Issuer exercises its call right in accordance with the first sentence, the Issuer shall redeem the Notes

(x) in case of a redemption following the occurrence of a Rating Agency Event or a Tax Event

(A) at 101.00 per cent. of the Specified Denomination if the redemption occurs prior to the First Call Date, and

(B) at 100.00 per cent. of the Specified Denomination if the redemption occurs on or after the First Call Date,

(y) in case of a redemption for minimal outstanding aggregate principal amount in accordance with § 6(3)(b)(iii) at 100.00 per cent. of the Specified Denomination,

plus, in each case, any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note pursuant to § 4(3).

Ein "**Ratingagenturereignis**" tritt ein, wenn entweder:

- (x) eine Ratingagentur (wie nachstehend definiert) eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Eigenkapitalanrechnung (oder einer vergleichbaren Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Emittentin unterstützen) wie an dem Tag der Begebung der Schuldverschreibungen einzuordnen sind oder, wenn keine Eigenkapitalanrechnung zum Zinslaufbeginn von der Ratingagentur bestimmt wurde, zu dem Tag, an dem erstmals die Eigenkapitalanrechnung von der Ratingagentur bestimmt wird (ein "**Verlust der Eigenkapitalanrechnung**"), oder
- (y) die Emittentin eine schriftliche Bestätigung von einer Ratingagentur erhalten hat oder die Ratingagentur den Verlust der Eigenkapitalanrechnung in anderer Weise veröffentlicht hat und die Emittentin diese Bestätigung oder Veröffentlichung an die Hauptzahlstelle in Kopie weitergegeben hat, aus der hervorgeht, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie ein Verlust der Eigenkapitalanrechnung erfolgt ist,

und die Emittentin die Anleihegläubiger über das Ratingereignis gemäß § 13 informiert hat bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

A "**Rating Agency Event**" will occur if either:

- (x) any Rating Agency (as defined below) publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Notes at the date of issue of the Notes, or if "equity credit" is not assigned on the Interest Commencement Date by such Rating Agency, at the date when the equity credit is assigned for the first time by such Rating Agency (a "**Loss in Equity Credit**"), or
- (y) the Issuer has received a written confirmation from any Rating Agency, or any Rating Agency has otherwise published the Loss in Equity Credit, and such confirmation or publication evidences that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred and the Issuer has provided the Principal Paying Agent with a copy of such confirmation of publication,

and the Issuer has given notice to the Noteholders in accordance with § 13 of such Rating Event prior to giving the notice of redemption referred to above.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Investors Services Limited oder eine ihrer Nachfolgegesellschaften bezeichnet und "**S&P**" S&P Global Ratings bezeichnet, oder eine andere durch die Emittentin bestellte Ratingagentur mit gleichwertiger internationaler Anerkennung sowie jeweils ihre Tochter- oder Nachfolgegesellschaften.

Ein "**Steuerereignis**" liegt vor, wenn am oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer voll abzugsfähig sind und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

(3) *Kontrollwechsel.* Tritt ein Kontrollwechsel ein und kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings auf Grund des Kontrollwechsels (zusammen, ein "**Kontrollwechselereignis**"), (i) hat die Emittentin unverzüglich den Kontrollwechsel-Stichtag zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag gemäß § 13

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Investors Services Limited or any of its successors, and "**S&P**" means S&P Global Ratings, or any other rating agency of equivalent international standing appointed from time to time by the Issuer and, in each case their respective subsidiaries or successors.

A "**Tax Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

(3) *Change of Control.* If a Change of Control occurs and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs (together, a "**Change of Control Event**"), (i) the Issuer will specify the Change of Control Effective Date and give notice in accordance with § 13 of the occurrence of such Change of Control Event and the Change of Control Effective Date without undue delay (the

anzuzeigen (die "**Kontrollwechselmitteilung**") und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht mehr als 45 Tagen nach Bekanntmachung der Kontrollwechselmitteilung zur Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem Kontrollwechselstichtag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

Dabei gilt Folgendes:

Eine "**Absenkung des Ratings**" in Bezug auf einen Kontrollwechsel gilt als eingetreten, wenn innerhalb des Kontrollwechselzeitraums sämtliche vorher für Evonik vergebene Ratings der Ratingagenturen (wie vorstehend definiert) (i) zurückgezogen oder (ii) von einem existierenden Investment Grade Rating (BBB- von S&P/Baa3 von Moody's oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von S&P/Ba1 von Moody's oder jeweils gleichwertig, oder schlechter) geändert werden.

Ein "**Kontrollwechsel**" gilt als eingetreten, wenn eine Person (außer der RAG-Stiftung, Essen, Deutschland oder eine (direkte oder indirekte) Tochtergesellschaft der RAG-Stiftung) oder Personen, die ihr Verhalten aufeinander abgestimmt haben, direkt oder indirekt mehr als fünfzig (50) % der Stimmrechte von Evonik erwerben.

"**Kontrollwechselstichtag**" bezeichnet:

(i) falls bei Eintritt eines Kontrollwechselereignisses nicht nachrangige Fremdkapitalwertpapiere von Evonik oder einer Tochtergesellschaft ausstehen, bezüglich welcher Evonik eine Garantie oder sonstige Haftung übernommen hat, den ersten Geschäftstag nach dem Tag, an dem aufgrund einer Kündigung der Gläubiger solcher Wertpapiere nach Maßgabe der Bedingungen dieser Wertpapiere wegen des gleichen Kontrollwechselereignisses (oder eines vergleichbaren Konzepts) die Fälligkeit zur Rückzahlung spätestens

"**Change of Control Notice**"), and (ii) the Issuer, on giving a notice of redemption not more than 45 days' notice after publication of the Change of Control Notice in accordance with § 13, call the Notes for early redemption (in whole but not in part) at any time with effect on the Change of Control Effective Date. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the Change of Control Effective Date.

Where:

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period all ratings previously assigned to Evonik by the Rating Agencies (as defined above) are (i) withdrawn or (ii) changed from an existing investment grade rating (BBB- by S&P/Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (BB+ by S&P/Ba1 by Moody's, or its equivalent for the time being, or worse).

A "**Change of Control**" shall be deemed to have occurred if any person (other than RAG-Stiftung, Essen, Germany or a (direct or indirect) Subsidiary of RAG-Stiftung) or Persons Acting in Concert directly or indirectly acquires more than fifty (50) per cent. of the voting shares of Evonik.

"**Change of Control Effective Date**" means:

(i) if at the time of the occurrence of a Change of Control Event any senior debt securities of Evonik or any senior debt securities of a Subsidiary are outstanding in relation to which Evonik has assumed a guarantee or other liability, the first Business Day following the last day on which such securities may become due for redemption in accordance with their terms as a result of put notices of the holders of such securities in respect of the same Change of Control Event (or a similar concept); and

eintreten kann; und

- (ii) ansonsten den Geschäftstag, der 60 Tage nach Eintritt dieses Kontrollwechselereignisses liegt.

"Kontrollwechselzeitraum" ist der Zeitraum, der mit dem Eintritt des Kontrollwechsels beginnt und 90 Tage nach dem Eintritt eines Kontrollwechsels endet.

Als **"Personen, die ihr Verhalten aufeinander abgestimmt haben"** gelten Personen, die ihr Verhalten i.S.v. § 30 Absatz 2 WpÜG aufeinander abgestimmt haben, es sei denn, die RAG-Stiftung, Essen, Deutschland und/oder eine (direkte oder indirekte) Tochtergesellschaft der RAG-Stiftung (zusammen die **"RAG-Stiftung Unternehmen"**) stimmen ihr Verhalten mit (einer) anderen Person(en) ab; In diesem Fall gelten die RAG-Stiftung Unternehmen und die andere(n) Person(en) nicht als Personen, die ihr Verhalten aufeinander abgestimmt haben, wenn die RAG-Stiftung Unternehmen gemeinsam insgesamt mehr Stimmrechte an Evonik halten als alle anderen Personen, die ihr Verhalten mit ihnen abgestimmt haben.

"Tochtergesellschaft der RAG-Stiftung" ist eine Gesellschaft,

- (i) die von der RAG-Stiftung, Essen, Deutschland im Sinne von § 17 des Aktiengesetzes direkt oder indirekt kontrolliert wird;
- (ii) von deren ausgegebenen Anteilen und/oder Stimmrechten direkt oder indirekt mehr als die Hälfte von der RAG-Stiftung, Essen, Deutschland gehalten werden; oder
- (iii) die eine Tochtergesellschaft im Sinne von Absatz (i) oder Absatz (ii) einer anderen Tochtergesellschaft der RAG-Stiftung ist.

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 6(6) mit Wirkung zu (i) jedem Tag während des Zeitraums ab dem 7. August 2022 (einschließlich) bis zu dem Ersten

- (ii) otherwise the Business Day falling 60 days following the occurrence of such Change of Control Event.

"Change of Control Period" means the period starting with the occurrence of the Change of Control and ending 90 days after the occurrence of the Change of Control.

"Persons Acting in Concert" means any persons acting in concert within the meaning of § 30(2) of the German Securities Acquisition and Takeover Act (*Wertpapierübernahmegesetz*) provided that if RAG-Stiftung, Essen, Germany and/or a (direct or indirect) Subsidiary of RAG-Stiftung (together, the **"RAG-Stiftung Entities"**) act in concert with any other person(s), the RAG-Stiftung Entities and the other person(s) are not considered to be persons acting in concert if the RAG-Stiftung Entities jointly hold more voting shares in Evonik than (in aggregate) all other persons acting in concert with them.

"Subsidiary of RAG-Stiftung" means any company

- (i) which is controlled, directly or indirectly, by RAG-Stiftung, Essen, Germany within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*);
- (ii) of which RAG-Stiftung, Essen, Germany owns directly or indirectly more than half of the issued share capital and/or voting rights; or
- (iii) which is a subsidiary within the meaning of subparagraph (i) or subparagraph (ii) above of another Subsidiary of RAG-Stiftung.

(4) *Early Redemption at the Option of the Issuer.*

The Issuer may, on giving a notice of redemption in accordance with § 6(6), call the Notes for redemption (in whole but not in part) with effect (i) as of any date during the period from and including 7 August 2022 to and including the First Call Date and (ii) as of each Interest Payment

Rückzahlungstermin (einschließlich) und (ii) jedem darauffolgenden Zinszahlungstag zur Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

(5) *Vorzeitige Rückzahlung nach Wahl der Emittentin durch eine Transaktions-Mitteilung.*

Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Transaktions-Mitteilung gemäß den nachstehend aufgeführten Bedingungen mit Wirkung zu dem Ereignis-Wahl-Rückzahlungstag zur Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem Ereignis-Wahl-Rückzahlungstag zum Ereignis-Wahl-Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

"Transaktion" bezeichnet den Erwerb des Silica-Geschäfts des US-Unternehmens J.M. Huber Corporation und gewisser ihrer Tochtergesellschaften durch die Evonik Gruppe.

"Transaktionskündigungsfrist" bezeichnet den Zeitraum ab dem 7. Juli 2017 bis zum 31. Dezember 2017.

"Transaktions-Mitteilung" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß § 13 innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen gemäß diesem § 6(5) jederzeit durch Bekanntmachung gemäß § 13 verzichten.

"Ereignis-Wahl-Rückzahlungsbetrag" je Schuldverschreibung ist gleich 101 % der Festgelegten Stückelung zuzüglich der bis zum

Date thereafter. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice of redemption.

(5) *Early Redemption at the Option of the Issuer upon giving a Transaction Trigger Notice.*

The Issuer may, on giving a Transaction Trigger Notice in accordance with the requirements set out below, call the Notes for redemption (in whole but not in part) with effect on the Trigger Call Redemption Date. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at the Trigger Call Redemption Amount (as defined below) on the Trigger Call Redemption Date.

"Transaction" means the acquisition by the Evonik Group of the silica business of the US company J.M. Huber Corporation and certain of its subsidiaries.

"Transaction Notice Period" means the period from 7 July 2017 to 31 December 2017.

"Transaction Trigger Notice" means a notice to the Noteholders given in accordance with § 13 within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Call Redemption Date.

At any time the Issuer may waive its right to call the Notes for redemption in accordance with this § 6(5) at any time, by giving notice in accordance with § 13.

"Trigger Call Redemption Amount" per Note means 101 per cent. of the Specified Denomination plus any interest accrued on such

Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen in Bezug auf die Schuldverschreibung.

"**Ereignis-Wahl-Rückzahlungstag**" bezeichnet den in der Transaktions-Mitteilung festgelegten Rückzahlungstag.

(6) *Bekanntmachung der Vorzeitigen Rückzahlung.*

Die Emittentin kann ein Recht zur Rückzahlung gemäß § 5(2) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen ausüben. Die Bekanntmachung hat in den Fällen des § 5(2) diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung festgelegten Tag bezeichnen.

(7) *Rückzahlungsbetrag.* Der "**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen in Bezug auf die Schuldverschreibung.

§ 7

DIE HAUPTZAHLSTELLE UND DIE BERECHNUNGSSTELLE

(1) *Bestellung;* bezeichnete *Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle (die "**Hauptzahlstelle**") und die anfänglich bestellte Berechnungsstelle (die "**Berechnungsstelle**") und deren bezeichnete Geschäftsstellen lauten wie folgt:

Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note pursuant to § 4(3).

"**Trigger Call Redemption Date**" means the redemption date specified in the Transaction Trigger Notice.

(6) *Notice of Early Redemption.*

The Issuer will give not less than 30 nor more than 60 days' notice to the Noteholders in accordance with § 13 of any redemption pursuant to § 5(2) and (4). In the case of § 5(2) such notice must specify the underlying facts of the Issuer's right to early redemption and specify the date fixed for redemption.

(7) *Redemption Amount.* The "**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Deferred Interest Payments due on such Note pursuant to § 4(3).

§ 7

THE PRINCIPAL PAYING AGENT AND THE CALCULATION AGENT

(1) *Appointment; Specified Office.* The initial Principal Paying Agent (the "**Principal Paying Agent**") and the initial Calculation Agent (the "**Calculation Agent**") and their initial specified offices shall be:

Hauptzahlstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Berechnungsstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in demselben Land zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Hauptzahlstelle und (ii) eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 Tagen und nicht mehr als 45 Tagen informiert wurden.

(3) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

§ 8
STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen

Principal Paying Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

Calculation Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

The Principal Paying Agent and the Calculation Agent reserve the right at any time to change their specified offices to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Principal Paying Agent and (ii) a Calculation Agent. 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 days nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 13.

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

§ 8
TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or

oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist die Emittentin gesetzlich zu einem solchen Einbehalt oder Abzug verpflichtet, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Anleihegläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die

- (a) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung

duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If the Issuer is required by law to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or are otherwise payable in a manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive,

umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird.

Ungeachtet anderslautender Bestimmungen in diesem § 8 sind weder die Emittentin, noch eine Zahlstelle oder eine andere Person, die Zahlungen im Namen der Emittentin tätigt, dazu verpflichtet, zusätzliche Beträge im Hinblick auf solche Steuern zu zahlen, die gemäß Section 1471(b) des United States Internal Revenue Code von 1986, in der jeweils gültigen Fassung (das "**Gesetz**"), oder anderweitig gemäß den Sections 1471 bis 1474 des Gesetzes, aufgrund von darunter fallenden Verordnungen oder Vereinbarungen, offiziellen Auslegungen dieses Gesetzes oder eines Gesetzes, wodurch ein zwischenstaatliches Abkommen dazu umgesetzt wird, erhoben werden.

Die seit dem 1. Januar 2009 in der Bundesrepublik Deutschland geltende Abgeltungsteuer und der darauf erhobene Solidaritätszuschlag sind keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die zusätzliche Beträge seitens der Emittentin zu zahlen wären.

§ 9

VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 10

ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Anleihegläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle

Regulation, treaty or understanding; or

- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later.

Notwithstanding anything in this § 8 to the contrary, neither the Issuer, any paying agent nor any other person making payments on behalf of the Issuer shall be required to pay additional amounts in respect of such taxes imposed pursuant to Section 1471(b) of the United States Internal Revenue Code of 1986, as amended ("**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

The flat tax (Abgeltungsteuer) which has been in effect in the Federal Republic of Germany since 1 January 2009 and the solidarity surcharge (Solidaritätszuschlag) imposed thereon do not constitute a tax as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 9

PRESENTATION PERIOD

The presentation period provided in § 801(1), sentence 1 of the German Civil Code (*BGB*) is reduced to ten years for the Notes.

§ 10

SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of the Issuer as principal debtor in respect of all obligations arising from or in connection with these Notes (the "**Substitute Debtor**") provided that:

Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- | | |
|---|--|
| (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt; | (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes; |
| (b) die Nachfolgeschuldnerin und die Emittentin alle erforderlichen Genehmigungen erhalten haben und berechtigt sind, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten; | (b) the Substitute Debtor and the Issuer have obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes; |
| (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden; | (c) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; |
| (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge auf nachrangiger Basis garantiert; | (d) the Issuer irrevocably and unconditionally guarantees on a subordinated basis in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes; |
| (e) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Nachfolgeschuldnerin dazu berechtigen würde, die Schuldverschreibung gemäß § 6(2) zu kündigen und zurückzuzahlen; und | (e) no event would occur as a result of the substitution that would give rise to the right of the Substitute Debtor to call the Notes for redemption pursuant to § 6(2); and |
| (f) der Hauptzahlstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c), (d) und (e) dieses § 10 erfüllt wurden. | (f) there shall have been delivered to the Principal Paying Agent for each jurisdiction affected one opinion of lawyers of recognised standing to the effect that § 10(a), (b), (c), (d) and (e) above have been satisfied. |

Für die Zwecke dieses § 10 bezeichnet "**verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von §§ 15 ff. Aktiengesetz.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) *Bekanntmachung*. Jede Ersetzung ist gemäß § 13 bekannt zu machen.

(2) *Notice*. Notice of any such substitution shall be published in accordance with § 13.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung in § 8, in der Definition des Begriffs "Gross-up Ereignis" in § 6(2)(a) und in der Definition des Begriffs "Steuerereignis" in § 6(2)(b) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat):.

§ 11

ÄNDERUNG DER ANLEIHEBEDINGUNGEN, GEMEINSAMER VERTRETER

(1) *Änderung der Anleihebedingungen.* Mit der Zustimmung der Anleihegläubiger durch einen Beschluss mit der in § 11(2) bestimmten Mehrheit kann die Emittentin die Anleihebedingungen im Hinblick auf im Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – "**SchVG**") zugelassene Gegenstände ändern. Die Mehrheitsbeschlüsse der Anleihegläubiger sind für alle Anleihegläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Anleihegläubiger, der nicht gleiche Bedingungen für alle Anleihegläubiger vorsieht, ist unwirksam, es sei denn die benachteiligten Anleihegläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse.* Die Anleihegläubiger entscheiden mit einer Mehrheit von 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**qualifizierte Mehrheit**"). Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand der § 5 Absatz 3 Nr. 1 bis Nr. 8 des SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution in § 8, in the definition of the term "Gross-up Event" in § 6(2)(a) and in the definition of the term "Tax Event" in § 6(2)(b) an alternative reference to the Federal Republic of Germany shall be deemed to have been included (in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor).

§ 11

AMENDMENT OF THE TERMS AND CONDITIONS, NOTEHOLDERS' REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with regard to matters permitted by the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz aus Gesamtemissionen* – "**SchVG**") with the consent of the Noteholders by resolution with the majority specified in § 11(2). Majority resolutions shall be binding on all Noteholders. Resolutions which do not provide for identical conditions for all Noteholders are void, unless Noteholders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions shall be passed by a majority of not less than 75% of the votes cast (a "**Qualified Majority**"). Resolutions relating to amendments of the Terms and Conditions which are not material and which do not relate to the matters listed in § 5(3), nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

(3) *Verfahren für Abstimmungen und Abstimmungen ohne Versammlung.* Abstimmungen der Anleihegläubiger können entweder in einer Anleihegläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gemäß § 18 SchVG durchgeführt werden. Der Einberufende wird im Falle der Einberufung bestimmen, ob die Abstimmungen in einer Anleihegläubigerversammlung oder im Wege der Abstimmung ohne Versammlung durchgeführt werden. Der Antrag für eine Anleihegläubigerversammlung oder eine Abstimmung ohne Versammlung wird die näheren Details für die Entscheidungen und das Abstimmungsverfahren enthalten. Der Gegenstand der Anleihegläubigerversammlung oder der Abstimmung ohne Versammlung sowie die Entscheidungsvorschläge sollen den Anleihegläubigern zusammen mit dem Antrag für eine Anleihegläubigerversammlung oder eine Abstimmung ohne Versammlung mitgeteilt werden. Eine Anleihegläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4 Satz 2 SchVG statt.

(4) *Leitung der Anleihegläubigerversammlung oder Abstimmung ohne Versammlung.* Die Anleihegläubigerversammlung oder die Abstimmung ohne Versammlung wird von einem von der Emittentin beauftragten Notar oder, falls der gemeinsame Vertreter (wie nachstehend definiert) zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.

(5) *Stimmrecht.* Anleihegläubiger müssen ihre Berechtigung zur Teilnahme an der Anleihegläubigerversammlung oder der Abstimmung ohne Versammlung zum Zeitpunkt der Anleihegläubigerversammlung oder der Abstimmung ohne Versammlung nachweisen durch (a) eine gesonderte Bestätigung der Depotbank zusammen mit einer Kopie der Globalurkunde (deren Echtheit von einem ordnungsgemäß Bevollmächtigten des Clearing Systems oder der Hauptzahlstelle beglaubigt wurde) und durch die Vorlage (b) einer Sperrerklärung der Depotbank zugunsten der Hinterlegungsstelle, aus der sich ergibt, dass die jeweiligen Schuldverschreibungen ab

(3) *Procedures of Votes and Votes without a Meeting.* Resolutions of Noteholders may be taken either in a meeting of Noteholders (*Anleihegläubigerversammlung*) or by vote taken without a meeting in accordance with § 18 of the SchVG. The person convening a meeting or the vote without a meeting (*der Einberufende*) shall, in each case, elect whether the resolutions shall be taken in a meeting or by vote taken without a meeting. The request for a meeting or vote without a meeting will provide further details relating to the resolutions and the voting procedures. The subject matter of the meeting or vote without a meeting as well as the proposed resolutions shall be notified to Noteholders together with the request for a meeting or vote without a meeting. In the case, where a vote without a meeting has been chosen, a meeting of Noteholders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18(4), sentence 2 of the SchVG.

(4) *Chair of the Meeting of Noteholders or Vote without a Meeting.* The meeting of Noteholders or vote without a meeting will be chaired by a notary appointed by the Issuer or, if the Noteholders' Representative (as defined below) has convened the vote, by the Noteholders' Representative.

(5) *Voting Rights.* Noteholders must demonstrate their eligibility to participate in the meeting of Noteholders or the vote without a meeting at the time of the meeting or vote without a meeting by means of (a) a special confirmation of the depositary bank together with a copy of the Global Note (certified by a duly authorised officer of the Clearing System or the Principal Paying Agent as being a true copy) and by submission of (b) a blocking instruction by the depositary bank for the benefit of a depositary (*Hinterlegungsstelle*) stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including (x) the day of the meeting of

(einschließlich) dem Tag der Eintragung bis (einschließlich) zu (x) dem Tag der Anleihegläubigerversammlung oder (y) dem Tag an dem die Abstimmungsperiode endet nicht übertragbar sind. Diese gesonderte Bestätigung der Depotbank soll (i) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthalten, (ii) den Gesamtnennbetrag der Schuldverschreibungen angeben, die an dem Tag der Ausstellung der Bestätigung auf dem Wertpapierkonto des Anleihegläubigers bei der Depotbank verbucht sind und (iii) bestätigen, dass die Depotbank dem Clearing System sowie der Hauptzahlstelle eine schriftliche Mitteilung über die Informationen gemäß (i) und (ii) gemacht hat und die Bestätigung des Clearing Systems und des jeweiligen Clearing System Kontoinhabers enthalten.

(6) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter (der "**gemeinsame Vertreter**") für alle Anleihegläubiger bestellen. Die Bestellung eines gemeinsamen Vertreters muss von einer qualifizierten Mehrheit beschlossen werden, wenn der gemeinsame Vertreter ermächtigt wird, wesentlichen materiellen Änderungen der Anleihebedingungen gemäß § 11(2) zuzustimmen.

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

Noteholders or (y) the day the voting period ends. The special confirmation of the depositary bank shall (i) state the full name and address of the Noteholder, (ii) specify an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirm that the depositary bank has given a written notice to the Clearing System as well as to the Principal Paying Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and of the relevant Clearing System accountholder.

(6) *Noteholders' Representative.* The Noteholders may by majority resolution appoint a common representative (the "**Noteholders' Representative**") to exercise the Noteholders' rights on behalf of each Noteholder. An appointment of a common representative may only be passed by a Qualified Majority if such common representative is to be authorised to consent, in accordance with § 11(2) hereof, to a material change in the substance of the Terms and Conditions.

The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Noteholders' Representative shall comply with the instructions of the Noteholders. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Noteholders' Representative.

§ 12
BEGEBUNG WEITERER
SCHULDVERSCHREIBUNGEN, ANKAUF UND
ENTWERTUNG

(1) *Begebung* *weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.

§ 13
MITTEILUNGEN

(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch Veröffentlichung im Bundesanzeiger und durch elektronische Publikation auf der Website der Luxemburger Börse (www.bourse.lu). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System*. Solange Schuldverschreibungen an der offiziellen Liste der Luxemburger Börse notiert und zum Handel am Regulierten Markt (*Bourse de Luxembourg*) zugelassen sind, findet § 13(1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 13(1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.

§ 12
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*. The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

§ 13
NOTICES

(1) *Publication*. All notices concerning the Notes will be published in the Federal Gazette (*Bundesanzeiger*) and made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System*. So long as any Notes are listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*), § 13(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 13(1) above; any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

§ 14

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main, Bundesrepublik Deutschland.

(3) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank (wie nachstehend definiert) bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben

§ 14

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(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 District Court (*Landgericht*) in Frankfurt am Main, Federal Republic of Germany shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

(3) *Enforcement.* Any Noteholder of Notes may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Anleihegläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§ 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

Die folgenden Absätze in Kursivschrift sind nicht Bestandteil der Anleihebedingungen.

Verwendete Begriffe, die in den folgenden Absätzen nicht definiert werden, haben dieselbe Bedeutung wie in den Anleihebedingungen.

Absicht bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen

Es sei denn,

- (a) *das der Emittentin durch S&P erteilte Rating entspricht mindestens "BBB+" (oder einer von S&P dann verwendeten gleichwertigen Klassifikation) und die Emittentin ist der Ansicht, dass ihr Rating nicht aufgrund der Rückzahlung oder des Rückkaufs unter diesen Wert fallen würde; oder*
- (b) *den Schuldverschreibungen wird im Zeitpunkt der Rückzahlung oder des Rückkaufs noch nicht einmal eine geringe Eigenkapitalanrechnung ("minimal equity content" oder eine andere, dann von S&P verwendete vergleichbare Klassifikation) zugebilligt; oder*
- (c) *im Falle eines Rückkaufs ist dieser in einer Höhe erforderlich, um den Gesamtnennbetrag des verbleibenden ausstehenden Hybridkapitals der Emittentin nach dem Rückkauf auf einen*

§ 15 LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

The following paragraphs in italics do not form part of the Terms and Conditions.

Terms used but not defined in the following paragraphs shall have the meaning set out in the Terms and Conditions.

Intention regarding redemption and repurchase of the Notes

Unless

- (a) *the credit rating assigned by S&P to the Issuer is at least "BBB+" (or such similar nomenclature then used by S&P) and the Issuer is of the view that its credit rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) *the Notes are not even assigned "minimal equity content" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or*
- (c) *in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to*

Betrag zu senken, der unter dem maximalen Gesamtnennbetrag von Hybridkapital, dem S&P nach seiner geltenden Methodologie den Rang als Eigenkapitalanrechnung (equity content) zuteilen würde, liegt,

beabsichtigt die Emittentin (ohne dadurch eine Rechtspflicht zu übernehmen), während des Zeitraums ab dem Zinslaufbeginn (einschließlich) bis zum Zweiten Modifizierten Reset-Termin (ausschließlich) im Falle

- (x) einer vorzeitigen Rückzahlung der Schuldverschreibungen gemäß § 6(4) der Anleihebedingungen, oder
- (y) eines Rückkaufs von Schuldverschreibungen gemäß § 12(2) der Anleihebedingungen in Höhe von mehr als (i) 10 % des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 12 aufeinander folgenden Monaten oder (ii) 25 % des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 10 aufeinander folgenden Jahren,

die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit nicht der Teil des Gesamtnennbetrags der zurückzahlenden oder zurückzukaufenden Schuldverschreibungen, die S&P zum Zeitpunkt ihrer Ausgabe als Eigenkapital anerkennt (wobei Änderungen der Hybrid Rating Methodologie oder einer anderen relevanten Methodologie oder deren Auslegung seit Ausgabe der Schuldverschreibungen berücksichtigt werden), die Nettoerlöse übersteigt, die die Emittentin oder eine Tochtergesellschaft während eines Zeitraums von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs aus dem Verkauf oder durch die Ausgabe von Schuldverschreibungen, die zum Zeitpunkt des Verkaufs oder der Ausgabe von S&P als Eigenkapital anerkannt werden, durch die Emittentin oder eine Tochtergesellschaft an Dritte (ausgenommen Tochtergesellschaften der Emittentin) erhält.

remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology,

the Issuer intends (without thereby assuming a legal obligation), during the period from and including the Interest Commencement Date to but excluding the Second Modified Reset Date, in the event of:

- (x) an early redemption of the Notes pursuant to § 6(4) of the Terms and Conditions, or
- (y) a repurchase of Notes pursuant to § 12(2) of the Terms and Conditions of more than (i) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (ii) 25 per cent. of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years,

to redeem or repurchase any Notes only to the extent that such part of the aggregate principal amount of the Notes to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer or any Subsidiary during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than Subsidiaries of the Issuer) of securities as is characterised by S&P at the time of sale or issuance, as equity.

GENERAL INFORMATION ON THE ISSUER AND THE GROUP

Formation, Incorporation, Trade Name, Fiscal Year and Registered Office

Evonik was originally formed by memorandum of association dated 19 September 1969 as a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) under the legal name “GMT Chemie-Beteiligung Gesellschaft mit beschränkter Haftung” with its registered office in Düsseldorf, Germany. In 1982, Evonik’s registered office was moved to Essen, Germany and the general shareholders’ meeting approved a resolution in 1993 to change its legal name to “RAG Beteiligungs-GmbH.” In 2006, the general shareholders’ meeting approved a resolution to change the legal form of Evonik to a stock corporation under German law (*Aktiengesellschaft*) with the name “RAG Beteiligungs-AG.” On 11 September 2007, the general shareholders’ meeting approved a resolution to change Evonik’s legal name to “Evonik Industries AG”. The change in name was registered with the Commercial Register at the Local Court of Essen (*Amtsgericht*) on 12 September 2007. Evonik’s trade name is “Evonik”. Evonik’s fiscal year is the calendar year.

Evonik’s registered office is at Rellinghauser Straße 1-11, 45128 Essen, Germany (telephone: +49 201 177-01). Evonik is registered with the Commercial Register of the Local Court of Essen under the number HRB 19474 and operates under German law.

Investors should read the information below together with the consolidated financial statements of Evonik, including the notes thereto, and the other financial information that is included elsewhere in, or incorporated by reference into, this Prospectus.

Selected Financial Information

Evonik Group

The following table shows selected consolidated financial information for Evonik Group:

	1 January 2016 - 31 December 2016	1 January 2015 - 31 December 2015
	million EUR (audited)	
Sales	12,732	13,507
Adjusted EBITDA ¹⁾	2,165	2,465
Adjusted EBIT ²⁾	1,448	1,752
Net income	844	991
Cash flow from operating activities	1,758	1,971
	31 December 2016	31 December 2015
	million EUR (audited)	
Total assets	19,645	17,005
Total equity	7,750	7,576
Non-current liabilities	8,700	6,353
Current liabilities	3,195	3,076

	1 January 2017 – 31 March 2017	1 January 2016 –31 March 2016
	million EUR (unaudited)	
Sales	3,683	3,106
Adjusted EBITDA ¹⁾	612	565
Adjusted EBIT ²⁾	405	389
Net income	160	240
Cash flow from operating activities	277	338
	31 March 2017	31 December 2016
	million EUR (unaudited)	
Total assets	19,885	19,645
Total equity	7,786	7,750
Non-current liabilities	8,670	8,700
Current liabilities	3,429	3,195

¹⁾ Earnings before financial result, taxes, depreciation and amortization, after factoring out special items (adjusted). The special items that are factored out include restructuring, impairment losses / reversals of impairment losses, income and expenses in connection with the purchase / disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business. Earnings indicator showing Evonik's operating earnings performance irrespective of the structure of its assets and its investment profile.

²⁾ Earnings before financial result and taxes, after factoring out special items (adjusted). The special items that are factored out include restructuring, impairment losses / reversals of impairment losses, income and expenses in connection with the purchase / disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business. Earnings indicator showing Evonik's operating earnings performance irrespective of the structure of its assets.

Historical Financial Information

As detailed in this Prospectus under "Documents incorporated by reference", the audited consolidated financial statements of Evonik for the fiscal year ending on 31 December 2015 and the auditors' report thereon are incorporated by reference into this Prospectus.

As detailed in this Prospectus under "Documents incorporated by reference", the audited consolidated financial statements of Evonik for the fiscal year ending on 31 December 2016 and the auditors' report thereon are incorporated by reference into this Prospectus.

Evonik's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Interim Financial Information

As detailed in this Prospectus under "Documents incorporated by reference", the unaudited consolidated interim financial statements of Evonik for the first quarter ending on 31 March 2017 are incorporated by reference into this Prospectus.

History and Development

Evonik evolved from RAG Aktiengesellschaft group ("**RAG Group**"), an industrial conglomerate that had originally been involved in the German coal mining industry, but that had acquired several other businesses over the course of its history. When Evonik was separated from RAG Group at the end of 2007, it was made up of three business areas: chemicals, energy and real estate.

Following a change of Evonik's strategy adopted in 2009, Evonik began to restructure its operations to focus on its specialty chemicals business. This restructuring involved the sale of a 51 per cent. interest

in the energy company Steag GmbH (“**Steag**”) to a consortium of municipal energy companies in 2010. In September 2014, the remaining stake of 49 per cent. was divested to the aforementioned purchaser.

In July 2013, Evonik divested the majority of its shares in Vivawest GmbH (formerly “*Evonik Immobilien GmbH*”) in which the real estate operations were bundled. At the end of June 2015, Evonik divested its remaining stake of 10.3 per cent. in Vivawest GmbH to RAG Aktiengesellschaft.

Corporate Purpose

According to Section 2(1) of the articles of association, Evonik’s corporate purpose is to conduct a business in the area of chemicals within Germany and abroad, as well as in related areas, including rendering of services related thereto.

Evonik is authorised to undertake all business and other activities connected with the purpose of Evonik or that, directly or indirectly, serve the purpose of Evonik. It may establish, acquire or take shares in other companies, combine them under uniform management or confine itself to administration of its shares in other companies or transfer its shareholdings or the administration of its shareholdings to a third party for the account of Evonik, dispose of its shares in other companies and conclude affiliation agreements (*Unternehmensverträge*) and establish branches. Evonik is also authorised to transfer its business in whole or in part to direct and indirect subsidiaries and to confine itself to the management of a group of companies operating in the areas set out in the previous paragraph.

Evonik Group Structure

Evonik is the strategic management holding company of Evonik Group. Its consolidated direct or indirect subsidiaries as of 31 December 2016 are further listed on pages 141 et seqq. of Evonik’s annual report 2016 as incorporated by reference into this Prospectus under “Documents incorporated by reference”.

There exist several domination and profit-and-loss transfer agreements between Evonik as dominating company and its subsidiaries as dominated companies as well as domination and profit-and-loss transfer agreements between subsidiaries of Evonik as dominating companies and other subsidiaries as dominated companies. In addition, several operational management agreements (*Betriebsführungsverträge*) between subsidiaries of Evonik as managing companies and other subsidiaries as managed companies are in place.

Statutory Auditor

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (formerly PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, hereinafter “**PwC**”), Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany, was appointed as the statutory auditor of Evonik Industries AG, Essen for the fiscal years ended 31 December 2016 and 31 December 2015, respectively. PwC audited the consolidated financial statements for Evonik prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) for 2016 and 2015 and issued in each case an unqualified auditor’s report (*uneingeschränkter Bestätigungsvermerk*). PwC is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

Current Share Capital; Shares

Evonik’s share capital currently amounts to € 466,000,000.00. It is divided into 466,000,000 ordinary registered shares with no par value, each such share with a notional value of € 1.00. The share capital has been fully paid up. The shares were created pursuant to German law.

The share capital of Evonik has not changed since 1 January 2008. On 13 December 2011, Evonik’s extraordinary shareholders’ meeting resolved to convert the bearer shares into registered shares and the conversion was registered in the commercial register on 16 December 2011.

Description of the Governing Bodies of Evonik

Overview

Evonik's governing bodies are the Executive Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the general shareholders' meeting (*Hauptversammlung*). The powers of these governing bodies are determined by the German Stock Corporation Act (*Aktiengesetz*), Evonik's articles of association and the internal rules of procedure of both the Supervisory Board and Executive Board.

The Executive Board is responsible for managing Evonik in accordance with applicable law, Evonik's articles of association and its internal rules of procedure, including the schedule of responsibilities. The Executive Board represents Evonik in dealings with third parties.

The principal function of the Supervisory Board is to appoint and supervise the Executive Board. The Supervisory Board may not make management decisions, but Evonik's articles of association or the Supervisory Board itself may require the prior consent of the Supervisory Board for certain types of transactions.

Conflicts of interest could arise as a result of the fact that members of the Supervisory Board of Evonik simultaneously exercise executive functions at Evonik's shareholder RAG-Stiftung. The members of the Executive Board, however, have no conflicts of interest because no member exercises simultaneously functions at Evonik's shareholder RAG-Stiftung.

Executive Board

Current Composition of the Executive Board

Under Evonik's articles of association, the Executive Board must consist of at least two persons. The Supervisory Board appoints Executive Board members for a maximum period of five years. The Supervisory Board may appoint an Executive Board member as chairman of the Executive Board. Currently, Evonik's Executive Board consists of five members.

On 1 March 2017, Evonik's Supervisory Board passed the resolution that the future Executive Board of Evonik will consist of four members. This reduction shall be effective as of 1 September 2017.¹

Evonik is represented by two Executive Board members or an Executive Board member jointly with an authorised signatory.

The table below lists the current members of Evonik's Executive Board and indicates the principal activities of the current members of Evonik's Executive Board (such as acting as a member of the administrative, management or supervisory bodies of and/or a partner in companies and partnerships) outside Evonik Group to the extent those activities are significant with respect to Evonik Group:

Christian Kullmann, Hamminkeln

Chairman of the Executive Board

Chief Strategic Officer

a) Borussia Dortmund GmbH & Co. KGaA

Evonik Performance Materials GmbH

¹ On 1 September 2017, Dr. Harald Schwager will be appointed as a member of the Executive Board and becomes Deputy Chairman of the Executive Board.

Dr. Ralph Sven Kaufmann, Düsseldorf

Chief Operating Officer (until 30 June 2017)
Responsible for the Nutrition & Care, Resource
Efficiency and Performance Materials segments

- a) Evonik Nutrition & Care GmbH (Chair)
 - Evonik Resource Efficiency GmbH (Chair)
 - Evonik Performance Materials GmbH (Chair)

Thomas Wessel, Herten

Chief Human Resources Officer
Responsible for Technology & Infrastructure

- a) Evonik Nutrition & Care GmbH
 - Evonik Resource Efficiency GmbH
 - Evonik Performance Materials GmbH
 - Evonik Technology & Infrastructure GmbH (Chair)
 - Pensionskasse Degussa VVaG
 - Vivawest GmbH
 - Vivawest Wohnen GmbH
- b) Gesellschaft zur Sicherung von
Bergmannswohnungen mbH

Ute Wolf, Düsseldorf

Chief Financial Officer

- a) Deutsche Asset Management Investment GmbH
 - Evonik Nutrition & Care GmbH
 - Evonik Resource Efficiency GmbH
 - Evonik Performance Materials GmbH
 - Pensionskasse Degussa VVaG
- a) Membership of statutory supervisory boards.
- b) Membership of comparable German and foreign supervisory bodies of business enterprises pursuant to Section 125 Paragraph 1 Sentence 5 of the German Stock Corporation Act (AktG).

The members of the Executive Board may be reached at Evonik's business address at Rellinghauser Straße 1-11, 45128 Essen, Germany, (tel. +49 (0) 201-177-01).

Supervisory Board

In accordance with Evonik's articles of association and Sections 95 and 96 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board consists of 20 members (ten shareholder representatives and ten employee representatives). Given the number of employees employed by Evonik Group, Evonik is subject to statutory co-determination law. Therefore the employee representatives are elected in accordance with the German Company Co-Determination Act (*Mitbestimmungsgesetz*). The shareholder representatives are elected by the shareholders at the general shareholders' meeting.

Members of Evonik's Supervisory Board

The table below lists the current members of Evonik's Supervisory Board:

Dr. Werner Müller, Mülheim an der Ruhr

Chairman of the Supervisory Board

Chairman of the Executive Board of RAG-Stiftung

- a) Borussia Dortmund GmbH & Co. KGaA
 - RAG Aktiengesellschaft (Chair)
 - RAG Deutsche Steinkohle AG (Chair)
- b) Contilia GmbH
 - Stadler Rail AG, Bussnang (Switzerland)

Edeltraud Glänzer, Hanover

Deputy Chairman of the Supervisory Board

Deputy Chairperson of the Mining, Chemical and Energy Industrial Union (IG BCE)

- a) B. Braun Melsungen AG
 - Merck KGaA

Martin Albers, Dorsten

Deputy Chairman of the Works Council for the Essen Campus facilities

- a) Pensionskasse Degussa VVaG
- b) PEAG Holding GmbH

Prof. Barbara Albert, Darmstadt

Professor of Solid State Chemistry at the Eduard-Zintl Institute of Inorganic and Physical Chemistry of the Technical University of Darmstadt

- a) Schunk GmbH & Co. KG

Karin Erhard, Hanover

Board Secretary to the Pay-Scale/Finances Division of the Mining, Chemical and Energy Industrial Union (IG BCE)

a) INEOS Deutschland GmbH

INEOS Köln GmbH

Carmen Fuchs, Alzenau

Chairperson of the Works Council for the Hanau facilities

a) Pensionskasse Degussa VVaG

Prof. Dr. Aldo Belloni, Munich

Chairman of the Management Board of Linde Aktiengesellschaft

b) Board of Administration TÜV Süd e.V.

Prof. Barbara Grunewald, Bonn

Chair for Civil Law and Commercial Law at the University of Cologne

Ralf Hermann, Herten

Chairman of the Group Works Council of Evonik Industries AG

b) RAG-Stiftung

Prof. Wolfgang A. Herrmann, Freising

President of Munich Technical University

b) Bayerische Forschungsallianz GmbH (Chair)

Frank Löllgen, Cologne

Regional Director North Rhine of the Mining, Chemical and Energy Industrial Union (IG BCE)

a) Bayer AG

Dr. Siegfried Luther, Gütersloh

Former CFO of Bertelsmann AG

a) Schaeffler AG

Sparkasse Gütersloh-Rietberg

Norbert Pohlmann, Essen

Chairman of the Works Council for the Goldschmidtstraße facilities

a) BKK Novitas

Dr. Wilfried Robers, Gescher

Chairman of the Executive Staff Council of Evonik Group

a) Pensionskasse Degussa VVaG

Michael Rüdiger, Utting am Ammersee

Chief Executive Officer of DekaBank Deutsche Girozentrale

a) Deka Immobilien GmbH

Deka Investment GmbH

Liquiditäts-Konsortialbank GmbH in liquidation (Chair)

Anke Strüber-Hummelt, Marl

Chairperson of the Works Council for the Marl facilities

a) Evonik Resource Efficiency GmbH

Ulrich Terbrack, Reinheim

Deputy Chairman of the Group Works Council of Evonik Industries AG

Angela Titzrath, Hamburg

Chairperson of the Executive Board of Hamburger Hafen und Logistik AG

a) AXA Konzern Aktiengesellschaft

Ulrich Weber, Krefeld

Member of the Board of Management of Deutsche Bahn AG responsible for Human Resources

a) DB Cargo AG

Schenker AG

DB Gastronomie GmbH (Chair)

DB JobService GmbH (Chair)

DB Zeitarbeit GmbH (Chair)

DEVK Deutsche Eisenbahn Versicherung

Lebensversicherungsverein a.G.

Betriebliche Sozialeinrichtung der Deutschen Bahn

DEVK Deutsche Eisenbahn Versicherung

Sach- und HUK-Versicherungsverein a.G.

Betriebliche Sozialeinrichtung der Deutschen Bahn

HDI Global SE

Dr. Volker Trautz, Munich

Former Chairman of the Management Board
of LyondellBasell Industries

- a) Citigroup Global Markets Deutschland AG
 - b) CERONA Companhia de Energia Renovável,
São Paulo (Brazil)
Perstorp Holding AB, Malmö (Sweden)
- a) Membership of statutory supervisory boards.
 - b) Membership of comparable German and foreign supervisory bodies of business enterprises pursuant to Section 125 Paragraph 1 Sentence 5 of the German Stock Corporation Act (AktG).

The members of the Supervisory Board may be reached at Evonik's business address at Rellinghauser Straße 1-11, 45128 Essen, Germany, (tel. +49 (0) 201-177-01).

Supervisory Board Committees

The Supervisory Board has established the following committees: the "*Mediation Committee*", the "*Executive Committee*", the "*Finance and Investment Committee*", the "*Audit Committee*" and the "*Nomination Committee*". Other committees may be formed. The Audit Committee is concerned, in particular, with the supervision of Evonik's accounting process and the efficiency of its internal control system, risk management system, internal auditing system and compliance, as well as the audit of the annual financial statements, in particular the necessary independence of the auditor and additional services provided by the auditor, the conclusion of audit agreements with the auditor and – as the case may be – the auditor for the interim financial report, and, where applicable, setting focus points for the audit and agreeing audit fees. It is responsible for preparing the Supervisory Board's proposal to the general shareholders' meeting on the election of the auditor, decide on the instruction of the auditor and authorise the chairman of the Supervisory Board to conclude the audit agreement. The Audit Committee also prepares the Supervisory Board's decision on the adoption of the financial statements and the approval of the annual consolidated financial statements. Moreover, it is concerned with the interim financial statements, discusses the audit report with the auditor and concludes whether there are objections to be raised. It monitors Evonik's management system and internal audit and compliance system. Members of the Audit Committee are Dr. Siegfried Luther (chair), Karin Erhard (vice chair), Prof. Dr. Barbara Grunewald, Norbert Pohlmann, Dr. Wilfried Robergs and Angela Titzrath.

Corporate Governance

The German Corporate Governance Code (the "**Code**") makes recommendations (*Empfehlungen*) and suggestions (*Anregungen*) on how to manage and supervise listed German companies with regard to shareholders and shareholders' meetings, Executive and Supervisory Boards, transparency, accounting and the auditing of financial statements.

Executive and Supervisory Boards of Evonik as a listed company, are required to submit annually a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*). The Executive and Supervisory Boards identify with the objectives of the Code.

As of the date of this Prospectus, Evonik follows all recommendations and suggestions of the Code, in its version as amended on 5 May 2015 with the following exceptions:

The suggestion set forth in Section 2.3.3 of the German Corporate Governance Code (the company should make it possible to follow the general meeting using modern communication media) was not and will not be applied. Instead, for organisational reasons, only the speeches by the Chairman of the Supervisory Board and the Chairman of the Executive Board will be transmitted. This procedure also correlates with widespread practice. Moreover, it cannot be excluded that a more extensive transmission

could infringe the personal rights of shareholders, which are to be protected. Further, Section 2.3.2 Sentence 2, second half-sentence of the German Corporate Governance Code (the representative appointed to exercise shareholders' voting rights in accordance with instructions should also be reachable during the general meeting) was not and will not be applied. Application of this suggestion would only be appropriate in the event of transmission of the general shareholders' meeting in full via modern communication media. Furthermore, the availability of the representatives nominated by the company via electronic media during the meeting as put forward by this suggestion involves technical uncertainties. These and the associated risks for the efficacy of resolutions are to be avoided.

The members of Evonik's Executive and Supervisory Boards have last issued a declaration of conformity in December 2016, which was published on Evonik's website at the same time.

Employees

As of 31 December 2016, Evonik Group had a total of 34,351 employees, 775 more than at year end 2015. Nearly two-thirds of the workforce is employed in Germany. In line with Evonik's global focus, other significant areas of employment are the Asia-Pacific region (2016: 15 per cent.) and North America (2016: 11 per cent.).

Rating

Rating of the Notes

The following table shows the expected credit ratings of the Notes as of the date of the Prospectus:

Rating Agency	Expected Rating	Outlook	Explanation of the credit ratings
Moody's Investors Service Ltd., London, United Kingdom ("Moody's")	Baa3	n/a	Pursuant to Moody's rating definitions, the expected credit rating of the Notes means that the "obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics". The modifier 3 indicates a ranking in the lower end of that generic rating category
Standard & Poor's Credit Market Services Europe Limited (Niederlassung Deutschland) ("Standard & Poor's")	BBB-	n/a	Pursuant to Standard & Poor's rating definitions, the expected credit rating of the Notes means that "an obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation". The modifier minus (-) shows the relative standing within the major rating category BBB.

Rating of the Issuer

The following table shows the credit ratings of Evonik as of the date of the Prospectus:

Rating Agency	Rating	Outlook	Explanation of the credit ratings
Moody's Investors Service Ltd., London, United Kingdom ("Moody's")	Baa1	Stable	Pursuant to Moody's rating definitions, the assigned credit rating of Evonik means that the "obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics". The modifier "1" indicates that Evonik is in the higher end of its rating category and "outlook stable" indicates the likely direction of the rating over the medium term.
Standard & Poor's Credit Market Services Europe Limited (Niederlassung Deutschland) ("Standard & Poor's")	BBB+	Stable	Pursuant to Standard & Poor's rating definitions, the assigned credit rating of Evonik means that Evonik as the obligor "has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments". Whereas, the "+" indicates the highest relative standing in that rating category and "stable outlook" indicates that it is likely for the credit rating to remain unchanged in the coming 6 to 24 months.

Each of these rating agencies has a registered seat in the European Union and has been declared to be registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on rating agencies by the ESMA (source: *ESMA, Press release of October 31, 2011, ESMA, List of registered and Certified Credit Rating Agencies, <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>*).

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the rated company is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the rated company is in the lower end of its letter-rating category. Moody's short-term ratings are opinions of the ability of issuers to honour short-term financial obligations and range from P-1, P-2, P-3 down to NP.

Standard & Poor's assigns long-term credit ratings on a scale from AAA to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. Standard & Poor's may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral). Standard & Poor's assigns short-term credit ratings for specific issues on a scale from A-1, A-2, A-3, B, C down to D. Within the A-1 category the rating can be designated with a "+".

BUSINESS OVERVIEW – PRINCIPAL ACTIVITIES AND PRINCIPAL MARKETS

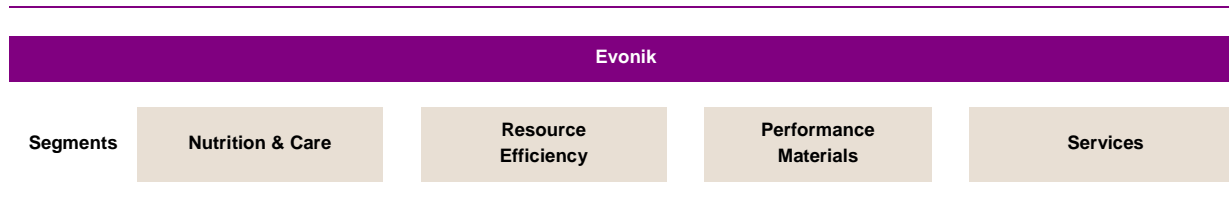
Overview

Evonik Group is a producer of specialty chemicals. Building on a history that goes back over 150 years, Evonik Group currently operates in more than 100 countries worldwide. Evonik Group develops, manufactures, and distributes a broadly diversified portfolio of specialty chemicals products, which it produces at its technologically advanced production facilities. According to various sources and Evonik's own estimates, Evonik believes that Evonik Group is among the top three producers by sales revenues, production volume or production capacity (depending on available data) in most of its identified product markets.

The specialty chemicals operations are divided into three chemical manufacturing segments, which operate close to their markets and customers and have a high degree of entrepreneurial independence.

The following diagram provides a simplified overview of the structure of Evonik Group's business as of 31 December 2016:

Corporate structure



The Nutrition & Care segment produces specialty chemicals, principally for use in consumer goods for daily needs, and in animal nutrition and healthcare products.

The Resource Efficiency segment supplies high-performance materials for environment-friendly and energy-efficient system solutions for the automotive, paints, coatings, adhesives and construction industries and many other sectors.

The heart of the Performance Materials segment is the production of polymer materials and intermediates, mainly for the rubber, plastics and agriculture industries.

The Services segment offers services for the chemical segments and external customers at Evonik Group's sites and supports the chemicals businesses and the management holding company by providing standardised Group-wide business services.

The Nutrition & Care and Resource Efficiency segments operate principally in markets with high margins, growth rates and entry barriers. They both offer customers customised, innovation-driven solutions and the aim is for them to achieve above-average, profitable growth through innovations, investments and acquisitions.

The Performance Materials segment is characterised by processes that make intensive use of energy and raw materials. It therefore concentrates on integrated, cost-optimised technology platforms, efficient workflows, and economies of scale. With its commitment towards efficiency and cash generation, the strategic goal for this segment is to contribute earnings to finance the growth of Evonik Group.

Strategy and Business Model

Evonik Group's specialty chemicals activities focus on specific growth markets, especially health, nutrition, resource efficiency and globalisation. Evonik Group has, in particular, identified four growth engines in its portfolio that will especially benefit from this growth:

- Health and Care solutions for the pharma and cosmetics industry;
- Specialty Additives for increased product performance and efficiency;
- Smart Materials as tailored functionalities for sustainable solutions in high demanding applications; and
- Animal Nutrition for a more sustainable food chain.

Evonik Group is also systematically building up its activities in dynamic economic regions of the world. The strong competitive position is based on integrated technology platforms, customer proximity, innovative strength and working closely with the customers.

Sustained value creation is the overriding goal and the basis for Evonik's strategic alignment. Evonik targets excellence in three strategic focus areas:

- A more balanced & more specialty portfolio,
- Customer-focused innovation and
- Open & performance-oriented culture.

This will form the basis for profitable growth of the company.

Evonik's strategic agenda is complemented by ambitious financial targets:

- Above-average (and above global GDP) volume growth;
- Adjusted EBITDA margin of 18-20 per cent.;
- Return on investment (expressed as return on capital employed; ROCE) above cost of capital;
- Sustainable free cash flow generation;
- Reliable and sustainably growing dividend; and
- Solid investment grade rating.

Active portfolio management has priority for Evonik as part of its value-based management approach. Evonik Group's businesses are regularly screened for sustainable growth and return profiles and to ensure they fit the central elements of Evonik Group's corporate strategy. The strategic development of Evonik may entail the expansion of specific operations, divestment or gaining a foothold in completely new fields of business. Evonik has defined structured processes for all of these alternatives.

Evonik Group develops tailored, value-added solutions and offers customer-specific product and application characteristics and effects. Because Evonik believes that responding creatively to customers' needs is essential to its success, its businesses work in close cooperation with their customers to develop new products, processes and solutions that are tailored to its customers' individual needs. This cooperation helps both to enhance the properties of Evonik Group's end products, for example by improving their quality, appearance or performance, and to simplify customers' manufacturing processes.

The products are manufactured using highly developed technologies that Evonik is constantly refining. In many cases Evonik has backwardly integrated production complexes where it produces key precursors for its operations in neighbouring production facilities. In this way, Evonik offers the customers maximum

reliability of supply in terms of quantity and quality. At the same time, backwardly integrated world-scale production facilities combined with technologically demanding production processes act as high entry barriers. Further advantages are leveraged by the use of Evonik Group's integrated technology platforms for several businesses. That generates economies of scale and optimizes the use of product streams because by-products from one production facility can be used as starting materials for other products. This results in optimum utilization of capacity and resources and thus high added value. Moreover, the operating units can share the site energy supply and infrastructure cost effectively.

Evonik Group's specialty chemicals business is organised into three chemical manufacturing segments, each of which consists of several business lines. They are granted a high degree of autonomy in order to promote entrepreneurial dynamics.

The Nutrition & Care and Resource Efficiency segments operate principally in markets with high margins, growth rates and entry barriers. They both offer customers customised, innovation-driven solutions and the aim is for them to achieve above-average, profitable growth through innovations, investments and acquisitions in the identified four growth engines.

The Performance Materials segment is characterised by processes that require intensive use of energy and raw materials. It therefore concentrates on integrated, cost-optimised technology platforms, efficient workflows, and economies of scale. Evonik Group's strategic goal for this segment is to contribute to finance the growth of Evonik Group. Investments and, where appropriate, alliances will concentrate on securing and extending Evonik Group's good market positions.

Many of Evonik Group's products serve markets with a low level of customer consolidation, such as the market for feed additives, in which a major share of the volume is sold to a large number of customers. By contrast, certain of Evonik Group's markets are characterised by consolidated customer structures, such as the markets for tires or hygiene products. In those markets, Evonik Group provides a small number of global customers with large volumes.

Evonik Group's specialty chemicals business operates worldwide and serves a variety of end markets and customers.

Nutrition & Care

The Nutrition & Care segment produces specialty chemicals, principally for use in consumer goods for daily needs, and in animal nutrition and healthcare products.

The long-term development of this segment's business is driven by socioeconomic megatrends. As a result of growth in the world population, demand for food based on animal protein is rising steadily. At the same time, the rise of an affluent middle class in the emerging markets is increasing consumption of meat and leading to higher demand for better quality day-to-day consumer goods such as personal care products and cosmetics. Moreover, as a result of demographic change the proportion of older people in the developed markets will rise in the long term, leading to higher demand for cosmetics, wellness and healthcare products.

This segment produces essential amino acids for animal nutrition and is a strategic partner for the healthcare industry. Success factors include years of experience of chemical synthesis and biotechnology. Evonik Group's amino acids are used as building blocks in the synthesis of animal protein, especially in nutrition tailored to the needs of poultry and pigs. As a result, livestock needs less feed. That also reduces excretion of nitrogen and other undigested nutrients, which improves the carbon footprint of livestock farming and reduces over fertilization of the soil. All amino acids for animal nutrition are marketed via a common global distribution platform.

Ingredients, additives and system solutions, especially for high-quality consumer goods and specific industrial applications, are further focal areas of this segment. Nutrition & Care has outstanding knowledge of interfacial chemistry. Its portfolio includes products based on an extensive range of oleochemical derivatives, organically modified silicones, and active ingredients produced by

biotechnology. Key success factors are high innovative capacity and strategic partnerships with important consumer goods manufacturers. In addition, Evonik Group utilises its silicon technology platform to produce specialties for industrial applications.

The Personal Care and Household Care Business Lines supply a wide range of innovative system solutions to the consumer goods industry for use in cosmetics, personal care products and cleaning agents. They impart special properties to cremes and solutions, sunscreens, hair conditioners and fabric care products: They make hair smoother and glossier, improve the skin's elasticity, enhance the effectiveness of sunscreens and make cremes easier to apply.

Evonik is the world market leader in additives for polyurethane foam. The Comfort & Insulation Business Line develops and produces innovative additives and processing auxiliaries based on organically modified silicones for use in the manufacture of polyurethane foam. Significant applications for these foams include insulation for building facades and refrigerators.

The Interface & Performance Business Line offers oleochemical and siliconebased specialties for customers in various markets. The principal focus is on properties for specific applications. The solutions offered by this business line improve the efficacy of crop protection products and raise the efficiency of industrial production processes. Examples are radiation-cured components for release coatings, process auxiliaries such as antifoams, and specialties that improve the feel of fibers.

The Baby Care Business Line is one of the leading producers of superabsorbents for diapers, feminine hygiene products and incontinence products. These powder polymers form a gel that can absorb up to 500 times its weight in liquid and does not release it even under pressure. Therefore, only a few grams of superabsorbents are needed to achieve the necessary properties in the end-products.

Nutrition & Care is also a strategic partner for producers of pharmaceuticals, nutritional supplements and medical products. Evonik Group's Health Care Business Line is a single-source supplier of an extensive range of products, from active ingredients to smart drug delivery systems that regulate the exact time and place at which active ingredients are released in the body. Evonik Group's offering comprises exclusive synthesis of active pharmaceutical ingredients tailored to customers' needs, and the development and production of amino acids for pharmaceuticals. Evonik Group's activities in the field of functional excipients for pharmaceutical applications comprise technology platforms for methacrylatebased coatings for oral drug delivery systems and lactide polymers for bioresorbable medical products and parenteral depot formulations. Based on this broad portfolio of polymers, Evonik Group has systematically expanded its range of development services. Today, Evonik Group provides support for customers from the development of formulations and the provision of samples for clinical development to commercial production of the final medications.

Through its Animal Nutrition Business Line, Evonik offers five key amino acids for animal nutrition: methionine (MetAMINO®), and three products produced by fermentation lysine (Biolys®), threonine (ThreAMINO®), tryptophan (TrypAMINO®) and valine (ValAmino®). As the global market leader in DL-methionine, Evonik Group has many years of experience of the technically demanding production process, which Evonik Group is constantly developing and optimising. This expertise, which is implemented via backwardly integrated world-scale production plants, secures Evonik Group's strong competitive position. In the market, Evonik differentiates itself through its portfolio of high-quality products, a worldwide distribution network and extensive services in the field of animal nutrition.

Evonik Group has highly efficient state-of-the-art production facilities for DL-methionine in all major economic regions worldwide. The most recent is a new DL-methionine complex in Singapore, which was taken into service in fall 2014. To drive forward its strategic development, Evonik has successfully launched innovations giving it access to new markets and applications for amino acids such as aquaculture. These include a new source of methionine to meet the nutritional requirements of shrimp and other crustaceans.

Resource Efficiency

The Resource Efficiency segment provides environment-friendly and energy-efficient system solutions, mainly for the automotive sector and for the paints, coatings and construction industries.

The Resource Efficiency segment has several integrated technology platforms, for example, based on silicon or based on isophorone. Its core competencies include the production, design and structuring of the specific surface properties of inorganic particles based on silicon oxides and metal oxides. It supplies high-quality additives, for example, for paints, coatings, adhesives and sealants. It also produces high-performance additives for oil and hydraulic fluids. In addition, Resource Efficiency specializes in custom-tailored high-performance plastics and has entered several new growth markets in recent years thanks to innovations, for example, in the hydrogen peroxide business.

The Silica Business Line, which bundles Evonik's activities in the area of silica products, has a very robust business base thanks to its broad spectrum of non-cyclic end-markets. Evonik is the only company offering precipitated and fumed silica out of one hand with the broadest silica product portfolio in the industry. Particle properties and surface modification are tailor-made for numerous applications. Precipitated silica are mainly used in energy-saving tires with low rolling resistance ("green tires"). In addition, Evonik Group's portfolio of precipitated silica includes advanced products for the food, cosmetics and pharmaceutical industries, for example, to improve the flow properties of powders and clarify liquids. Fumed silica is mainly used in the silicone rubber, food and cosmetics sectors because of its reinforcing and thickening properties. Water-repellent (hydrophobic) fumed silica types are excellent insulating materials and are also used to produce scratch-resistant coatings and plastics. Special hydrophobic silica and metal oxides are used to regulate the electrostatic properties of toners to optimize resolution and improve the sharpness of printing. Fumed silica is also responsible for the polishing effect in the CMP (chemical mechanical polishing) application needed to produce semiconductors for the electronics industry.

The Silanes Business Line is backward integrated in the production of chlorosilanes from silicon metal. Within Evonik's Silicon-based technology platform, chlorosilanes are the raw material backbone for a major part of Evonik's fumed silica production. The Silanes Business Line further refines the chlorosilanes to produce a wide range of specialty silanes for different end-markets. High-purity silanes are raw materials for the production of optical fibres and semiconductors. Organofunctional silanes, allow modification of the surface properties of inorganic particles, polymers and resins. They are additives used in adhesives, sealing compounds, insulating materials and in paints and coatings. An important area of application is the protection of buildings, for example, against corrosion and graffiti. Rubber silanes are used together with precipitated silica in energy-efficient tires with low rolling resistance. Accordingly, to Evonik's knowledge, it is the only manufacturer that offers the tire and rubber industry both key components for silica-silane systems, which reduce rolling resistance and fuel consumption by up to 8 per cent. compared with conventional automobile tires.

The product portfolio of the Catalysts Business Line comprises a wide range of catalytic systems. These are used for selective and cost-efficient production of active ingredients for pharmaceuticals and agrochemicals, and fine and industrial chemicals. A large proportion of this business line's catalysts is produced for internal use and therefore plays an important part in process innovations in Evonik Group.

The Active Oxygens Business Line produces hydrogen peroxide, an environmental friendly oxidation agent, for a wide range of applications. Traditional markets include the refining of paper and textiles. or the treatment of wastewater and exhaust air. Ultrapure hydrogen peroxide is used to clean silicon wafers in chip production. In collaboration with the engineering firm ThyssenKrupp Industrial Solutions, Evonik has developed an economically viable and environmentally compatible process technology for the production of propylene oxide with the aid of hydrogen peroxide: the hydrogen peroxide to propylene oxide (HPPO) process. Propylene oxide is an important precursor for production of polyurethanes.

High-performance additives marketed by the Oil Additives Business Line improve the lubricating and flow properties of engine oils, hydraulic fluids, fuels, biodiesel and industrial fluids. In this way they improve fuel efficiency, i.e. they reduce fuel consumption and CO₂ emissions. Thanks to many years of close collaboration with well-known lubricant manufacturers and automotive OEMs, this business line has developed specialist expertise in engines, gears and hydraulic systems. Customers benefit from this through custom-tailored high-performance additives and an extensive range of technical services.

Evonik is the market and technology leader in isophorone chemistry and bundles the related core competencies in the Crosslinkers Business Line. To Evonik's knowledge, Evonik is the only company in the world that covers all steps from isophorone (IP) over isophorone diamine (IPD) to isophorone diisocyanat (IPDI). Isophorone is mainly used as special solvent, for example in coatings, to increase gloss. IPD is a high-performance crosslinker for epoxy resin based coatings. Epoxy coatings based on IPD increase the service life of heavy-duty surfaces, which cuts maintenance costs and often makes refurbishment unnecessary. Examples are floor coatings in parking garages, facades that have to withstand tough climate conditions and ships that are constantly exposed to salt water. Isophorone diamine-based epoxy composites are used, for example, to increase the resistance of wind turbines and make automobiles lighter. Isophorone diisocyanate is a high-performance crosslinker used in the production of light-, weather- and temperature-resistant polyurethane coatings and is therefore a key component in many environment-friendly coating technologies.

The Coating Additives Business Line specializes in application-oriented solutions for coatings like lacquers, paints and inks and comprises a wide range of additives, co-binders, specialty and nano-resins for innovative coating formulations. The Coating Additives Business Line has outstanding knowledge of how to influence coating properties like adhesion, pigment dispersion, wetting, rheology or surface properties (gloss). Its extensive competence in paints and global distribution network enable it to offer customised solutions for customers around the world.

Evonik's Coating & Adhesive Resins Business Line produces high-quality binders. These are mainly used in coatings for metal packaging, protective coatings and industrial floors. In addition, this business line supplies the adhesives industry with polymers for melt adhesives, and sealing and insulating compounds, which are marketed, for example, to the automotive and packaging industries. It is systematically expanding future-oriented areas of business around the world, for instance road markings and structural adhesives for the automotive industry.

The High Performance Polymers Business Line is Evonik Group's specialist for customised solutions based on high-performance polymers which are used in various automotive, oil & gas, consumer goods, and industrial applications. Evonik is one of the biggest producers of PA12 (polyamide-12) but its product range also includes materials for high-tech applications such as the high-performance polymer PEEK (polyether etherketone), which is characterised by exceptionally high heat distortion resistance, high mechanical stability and rigidity, making it an attractive alternative option to metal. ROHACELL® - a polyimide foam - is a structural core material for light weight composite sandwich constructions. PEEK and polyimide foams are both used in the construction of planes. Polyimide fibres are used to produce filter bags for hot gas filtration. Membrane modules made from hollow polyimide fibers allow cost- and energy-efficient purification of crude biogas to produce methane or to separate technical gases like Nitrogen or Helium.

Performance Materials

The heart of the Performance Materials segment is the production of polymer materials and intermediates, mainly for the rubber and plastics industries.

Progressive globalization offers market opportunities for this segment, driven by the mobility and urbanization megatrends, which are raising global demand for efficient transportation systems and sustainable construction methods. This is reinforced by the rise of an affluent middle class, especially in the emerging markets in Asia.

Performance Materials processes are more raw material and energy-intensive. To strengthen this segment Evonik Group wants to increase its efficiency and effectiveness still further. The Performance Materials segment focuses on integrated technology platforms for C4 and methacrylate chemistry. Investments will concentrate on securing and extending Evonik Group's good market positions.

The Performance Intermediates Business Line has a strong market and technology position in C4 products, oxo-alcohols and high molecular weight plasticizers in Europe. C4 crack is a by-product of crude oil refining. It is produced when naphtha is split into ethylene and propylene in a steam cracker. The C4 hydrocarbons contained in this mixture are isolated, processed and marketed by this business line, for example, as butadiene for the tire industry, and butene-1 for the plastics industry, where they are used, for instance, to produce packaging films with high tear resistance. Diisononylphthalate (DINP), which is used as a high molecular weight plasticizer, and the precursor isononanol (INA) open up a wide range of high-quality applications for standard PVC in the automotive, home and leisure sectors. This business line also markets methyl tertiary butylether (MTBE) to the fuel industry as an antiknock agent. The Performance Intermediates Business Line's integrated C4 technology platform is characterised by optimal product yields. All unsaturated hydrocarbons contained in C4 crack are utilised, thereby making efficient use of resources and maximising cost-effectiveness. This business line recently extended its product portfolio by adding a MTBE biovariant and phthalate-free plasticizers.

The polymer additives and European cyanuric chloride business activities grouped in the Agrochemicals & Polymer Additives Business Line are positioned in growth niches. These include light stabilizers, which prevent the decomposition of plastics when they are exposed to bright light, oxygen and heat. In addition, the business line's technological and chemical expertise opens up new production options for its customers, especially in the agrochemicals industry. For example, it optimizes new active ingredients to improve seed and soil treatment.

Alcoholates are essential aids for chemical synthesis and initiate and speed up many reactions. The Functional Solutions Business Line has expertise in the production of catalysts, which are used to produce biodiesel from rapeseed oil. The production facilities are located in Germany, the United States and, since fall 2013, in Argentina. South America is an attractive growth market for biodiesel.

The methacrylate chemistry complex comprises of the Methacrylates Business Line and the Acrylic Products Business Line and covers the production of Methylmethacrylate monomer (MMA) and its derivatives, mainly polymethylmethacrylate (PMMA). MMA monomer is a starting material for processing within Evonik Group and for sale on the open market. MMA has a broad spectrum of applications: It is used in the production of acrylic glass (polymethylmethacrylate, PMMA), specialty adhesives and colorants. It gives paints gloss and makes them scratch- and weather-resistant. Soft contact lenses are produced from hydroxy methacrylates. The methacrylate chemistry association (*Verbund*) operates a world-scale production facility in Shanghai (China) to serve the Asian market.

The two Business Lines consider themselves to be a leading producer of PMMA specialties. Its high-quality products are marketed as ACRYLITE® in North and South America and as PLEXIGLAS® elsewhere in the world. The most important markets are automotive and aviation engineering, architecture, lighting, design, electronics and communications technology. In the automotive industry PLEXIGLAS® has been used for many years in rear lights and is currently being used in new applications as a lightweight construction material, for example, for automotive glazing and bodywork. As a replacement for traditional materials, PLEXIGLAS® helps reduce the weight of vehicles, leading to lower fuel consumption and CO2 emissions. Thanks to its unique optical characteristics, it has also become established in modern LED technology, thereby gaining access to a new market.

The CyPlus Technologies Business Line is a leading supplier of products, technologies and services for chemical and pharmaceutical intermediates, the extraction of precious metals, and surface treatment of metals. Its main focus is the production and sustainable marketing of sodium cyanide for the gold extraction industry.

Services

The Services segment provides site management, utilities, and waste management, technical, process technology, engineering, and logistics services for the chemicals segments and external customers at Evonik Group's sites. It also provides standardised Group-wide administrative services to support the chemicals businesses and the management holding company.

Research and Development

Evonik Group attaches particular significance to research and development, as Evonik believes that these form the basis for profitable future growth. Evonik Group's research and development activities are characterised by its close relationships with customers and its modern innovation structures and processes, which are designed to monetise ideas by turning them into marketable products quickly. Evonik Group is continuously working to develop new and improved products and applications, cooperating with its international sales organisation to bring them to market. Evonik Group's research and development activities are divided into market-oriented activities and strategic research geared towards developing new high-tech activities outside Evonik Group's established business portfolio. Market-oriented development activities are undertaken at the operational segment level and focus both on enhancing and finding new applications for existing products, and on developing new products that are related to existing ones. Evonik Group-wide strategic research is bundled in the Creavis innovation unit. Evonik Group has spent more than € 400 million on research and development in each of the past few years, spread over hundreds of individual projects.

Evonik Group's innovation is focused on six growth fields with above-average growth rates. The aim is to generate more than €1 billion in additional sales in these areas by 2025. The six growth fields focus on highly attractive markets which Evonik can optimally serve with new products and solutions based on its core competencies. The six growth fields are:

- Sustainable Nutrition: Establishing additional products and services for sustainable nutrition of livestock and people.
- Healthcare Solutions: Developing new materials for implants, as components of cell culture media, and for custom-tailored, innovative drug formulations.
- Advanced Food Ingredients: Creating a portfolio of health-enhancing substances and nutritional supplements as a contribution to healthy nutrition.
- Membranes: Extending SEPURAN® technology for efficient gas separation to further applications.
- Cosmetic Solutions: Developing further products based on natural sources for cosmetics and sensorially optimized formulations for skin care products.
- Smart Materials: Developing products and technologies for additive manufacturing, electronic applications, and thermal insulation systems.

In addition to its expenditures for the development of new innovative products, Evonik Group has set aside up to € 100 million for global investment in promising start-ups and specialist venture capital funds investments. Through these corporate venturing activities, Evonik Group aims to supplement its existing innovation processes and structures by creating opportunities for accelerating the development of new businesses, opening up future growth fields and the potential for disruptive innovation.

Investments

Growth Strategy, M&A and Capital Expenditures

Sustained value creation is the overriding goal and the basis for Evonik's strategic alignment. Evonik targets excellence in three strategic focus areas:

- A more balanced & more specialty portfolio;
- Customer-focused innovation; and
- Open & performance-oriented culture.

This will form the basis for profitable growth of the company.

Evonik Group has, in particular, identified four growth engines in its portfolio that will be strengthened via innovations, investments and acquisitions going forward:

- Health and Care solutions for the pharma and cosmetics industry;
- Specialty Additives for increased product performance and efficiency;
- Smart Materials as tailored functionalities for sustainable solutions in high demanding applications; and
- Animal Nutrition for a more sustainable food chain.

Evonik is constantly reviewing investment and acquisition opportunities that especially support its specialty chemicals business within the growth segments Nutrition & Care and Resource Efficiency. It is considering bolt-on acquisitions as well as technology add-ons, although transformational acquisitions are not ruled out. In particular, Evonik is currently in very early discussions with the potential sellers and has made a non-binding offer regarding the acquisition in full or in part of the portfolio of a company headquartered in the U.S.. Depending on the financial transaction structure the purchase price of the contemplated acquisition would likely be in an amount of approximately US\$1 billion.

The financing of internal and external growth is expected to come from, inter alia, future cash flow, current liquidity, issuance of notes, existing or future lines of credit or comparable types of financing.

Evonik is expanding in business areas and markets where it already has or intends to build a strong competitive position. Investment projects, i.e. capital expenditure and acquisitions, are aimed at utilizing potential for sustained profitable growth and value creation. Evonik takes a flexible and disciplined approach to identify the investment opportunities most suitable to fulfil its strategic goals. Every project undergoes detailed strategic and economic analyses. In addition, there is a minimum return requirement for every project based on Evonik's cost of capital. All projects are also regularly reviewed for changes in the market situation.

Capital expenditures increased by 9 per cent. to €960 million in 2016. In principle, there is a slight timing difference in outflows for property, plant and equipment due to payment terms. In 2016, cash outflows for property, plant and equipment totalled €948 million (2015: €916 million). The highest proportion of capital expenditures in 2016 went to the Nutrition & Care and Resource Efficiency segments (33 per cent. and 28 per cent. respectively). A further 18 per cent. was allocated to the Specialty Materials segment, and 20 per cent. was invested in the Services segment- in 2016. The regional focus of capital expenditures was Germany, which in 2016 accounted for 50 per cent. in total, followed by North America (25 per cent.), the Asia-Pacific region (15 per cent.) and other European countries (8 per cent.).

The financial investments 2016 totalling €191 million (2015: €90 million) mainly comprised the acquisition of the Norwegian company MedPalett AS, the business of the Canadian company Transferra Nanosciences Inc. and the Spanish company NOREL S.A..

Acquisition of Specialty & Coating Additives business of Air Products and Huber's global silica business

On May 6, 2016 Evonik signed an agreement to purchase the specialty additives business of Air Products for US\$ 3.8 billion (approximately €3.5 billion). The acquisition was closed on January 3, 2017 following the approval of the relevant antitrust authorities. Evonik and the Air Products specialty additives business target the same customers in their core markets, but with different and complementary products. While the Air Products business is concentrated on North America and Asia, Evonik is mainly active in Europe. The acquisition strengthens the innovative capability, especially in specialty additives. Like Evonik, its business model is characterized by close collaboration with customers on research and development. The new business will be integrated into Evonik's Nutrition & Care and Resource Efficiency growth segments. To finance this acquisition, Evonik successfully placed bonds with a nominal value of €1.9 billion and an average coupon of 0.35 per cent. p.a. on the debt market in September 2016.

On December 9, 2016 Evonik signed an agreement to acquire Huber's global silica business for US\$ 630 million. Through the acquisition, Evonik aims to strengthen its position in this profitable, low-cyclical business, especially in North America and Asia. The two companies' product ranges are complementary. So far, Evonik has mainly focused on industrial applications such as the tire and coating industries. Huber has a stronger focus on the consumer goods sector, especially the dental market. With its main activities in the US, Chinese and Indian markets, the business is also a good fit with Evonik geographically. Evonik intends to integrate the business into its Resource Efficiency growth segment. The intended acquisition was approved by the competent antitrust authorities with divestiture obligations from the EU Commission which are not significant for the whole transaction. The transaction is expected to be concluded in the second half of 2017.

It is anticipated that the acquisition will be financed with Evonik's own funds and additional debt.

Material Agreements

Evonik did not enter into any contracts outside the ordinary course of business that are material to its ability to meet its obligations to the Holders in respect of the Notes.

Major Shareholders

Shares in Evonik Industries AG are admitted to trading on the regulated market of the stock exchanges in Frankfurt am Main since 24 April 2013. Trading started on the following day.

Evonik's current direct major shareholder is RAG-Stiftung, Essen, Germany (approximately 68 per cent.).

RAG-Stiftung has stated that it will maintain, over the long term, a stake of at least 25.1 per cent. in Evonik, guaranteeing its influence in structural decisions. According to its statutes, RAG-Stiftung is required to pursue certain objectives related to the public interest, in particular the funding of the long-term liabilities arising from the winding-down of coal-mining activities (*Ewigkeitslasten*) in Germany.

Governmental, legal and arbitration Proceedings

From time to time, Evonik or companies of Evonik Group are party to, or may be threatened with, litigation, claims or assessments arising in the ordinary course of its or their business. Evonik Group regularly analyses current information, including defences and insurance coverage, and recognises provisions for probable liabilities in connection with the eventual resolution of these matters as it deems necessary. The outcome of litigation and other legal disputes is difficult to accurately predict, and outcomes that are not consistent with Evonik Group's assessment of the merits can occur. Often, these proceedings are subject to foreign law and brought before foreign courts. Evonik believes that it has valid defences with respect to the legal matters pending against it and/or companies of Evonik Group, as applicable. They are defending their positions in these matters as appropriate. Nevertheless, it is possible that the outcome of one or more of the legal matters currently pending or threatened could have

a material adverse effect on Evonik's and/or Evonik Group's business, net assets, financial condition and results of operations.

The matters summarised below represent the legal and regulatory proceedings and claims that Evonik currently believes could have a material adverse effect on Evonik's and/or Evonik Group's business, net assets, financial condition, and results of operations. Further governmental, legal or arbitration proceedings, except from the following matters, have not or have not had significant effects on Evonik Group's financial position.

Valuation Proceedings

Evonik Group is subject to the following material valuation proceedings (*Spruchverfahren*):

In 2006, former shareholders of Degussa AG (now Evonik Degussa GmbH) instituted a valuation proceeding pursuant to the German Valuation Proceedings Act (*Spruchverfahrensgesetz*) against RAG Projektgesellschaft GmbH (now Evonik Industries AG) before the Regional Court of Düsseldorf (*Landgericht Düsseldorf*). The proceeding relates to the decision taken at Degussa AG's 2006 general shareholders' meeting to squeeze out Degussa AG's minority shareholders, holding approximately 5.1 million shares in Degussa AG at that time, and to make a cash payment of € 42.66 per share, which was subsequently increased to € 45.11 per share, to those minority shareholders in exchange for their shares being transferred to RAG Projektgesellschaft GmbH following the squeeze-out resolution. In their complaint, Degussa AG's former minority shareholders claim that the cash payment did not represent the actual value of shares of Degussa AG at the relevant valuation date, which was the date of Degussa AG's 2006 general shareholders' meeting. According to the appraisal of an expert commissioned by the court, the appropriate value per share at the relevant valuation date was between € 52.75 per share and € 54.91 per share. If the court considers this valuation appropriate, both the minority shareholders holding approximately 5.1 million shares at that time, and the shareholders of approximately 4.5 million shares that previously accepted Evonik's public offers, will benefit from such a ruling. In total, this appraisal would result in additional payments including interest in a low triple-digit million Euro amount. In addition, Evonik will bear court, experts' and attorney's fees in this proceeding.

In 1999, Rütgers AG's (now Rütger GmbH, "**Rütgers**") general shareholders' meeting consented to the conclusion of a domination and profit-and-loss transfer agreement (*Beherrschungs- und Gewinnabführungsvertrag*) between Rütgers and RB Verwaltungsgesellschaft für die Beteiligung an der Rütgerswerke mbH (now RBV Verwaltungs GmbH, "**RBV**"). In exchange for the increased influence of the majority shareholder, RBV offered to purchase the minority shareholders' shares for DM 550.00 (€ 281.21) per share or to make a compensatory payment of DM 26.46 (€ 13.53) per share. Some minority shareholders instituted a valuation proceeding before the Regional Court of Dortmund (*Landgericht Dortmund*), claiming that the payments offered were not appropriate ("**RBV valuation proceeding I**"). In 2007, the expert commissioned by the court delivered an expert opinion, according to which the value of one Rütgers share on the relevant valuation date amounted to € 461.99 and the adequate compensatory payment amounted to € 22.12 per share. Another expert commissioned by RBV concluded that the appropriate value amounted only to € 198.65 per Rütgers share and the adequate compensatory payment amounted only to € 11.32 per share. In 2009, the court suggested a settlement at € 296.42 per share, which would have made the share purchase, including interest, more costly for RBV by about € 8 million. As a consequence of the dissenting opinions and the fact that the settlement as proposed by the court was not accepted by all parties, a third expert was appointed by the court. This third expert furnished his opinion on the valuation of Rütgers in 2014. In February 2016 the court adopted the appraisal of the third expert and fixed in a value of DM 646.66 (€ 330.63) and a compensatory payment of DM 31.46 (€ 16.09) per share. RBV has appealed against the court decision. Consequently the higher regional court of Düsseldorf ("**OLG**") has to review the appraisal. In case that the OLG confirms this appraisal, it would result in additional payments including interest in a double-digit million Euro amount. In addition RBV will bear court, experts' and attorneys' fees. Rütgers and RBV continue to believe that the original offers were appropriate and fair.

In 2003 Rütgers' general shareholders' meeting consented to the squeeze-out of the minority shareholders by way of transfer of the shares to RBV and a compensation of € 310.00 per share. At that time minority shareholders held approximately 73,000 shares overall. After effectiveness of the squeeze-out some minority shareholders instituted a valuation proceeding before the Regional Court of Dortmund (*Landgericht Dortmund*), claiming that the compensation was not appropriate ("**RBV valuation proceeding II**"). The expert commissioned by the court has not yet finished his opinion. Rütgers and RBV are of the opinion that the compensation of € 310.00 per share was appropriate and fair. If the OLG confirms the court decision in the RBV valuation proceeding I or fixes a compensation of more than € 310.00 per share than the minority shareholders who transferred their shares by way of squeeze out to RBV are entitled to demand an additional payment. In total this would result in additional payments including interest in a minor single-digit million Euro amount in case that the OLG confirms the court decision. Apart from that RBV would have to pay additional compensation if the review of the business evaluation of Rütgers in the RBV valuation proceeding II results in a value of more than € 310.00 per share.

Trend Information / Significant Changes

There has been no material adverse change in the prospects of Evonik Group since 31 December 2016. There have been no significant changes in the financial or trading position of Evonik Group since 31 March 2017.

TAXATION

The following is a general discussion of certain income tax consequences of the acquisition and ownership of the Notes in Germany, Austria, Luxembourg and The Netherlands. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany, Austria, Luxembourg and The Netherlands currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive effect.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws in Germany Austria, Luxembourg and The Netherlands or in any other country of which they are residents.

1. Federal Republic of Germany

Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

Taxation if the Notes are held as private assets (*Privatvermögen*)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

Income

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 18 January 2016 (as last amended on 3 May 2017), a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. Furthermore, capital losses might not be recognised by the German tax authorities if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price or no (or only de minimis) payments are made to the individual investors on the maturity or redemption date of the Notes. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Similarly, a bad debt loss (*Forderungsausfall*),

i.e. should the Issuer become insolvent, and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall according to the view of German tax authorities not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. With respect to a bad debt loss a German lower fiscal court has recently confirmed the view of the German tax authorities in a non-final decision. With respect to a (voluntary) waiver of receivable a German lower fiscal court has recently confirmed the view of the German tax authorities in a final decision.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

German withholding tax (*Kapitalertragsteuer*)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law (e.g. if the Notes are transferred from a non-EU custodial account), withholding tax is applied to 30 percent of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375 percent (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is €801 (€1,602 in the case of jointly assessed investors). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

Tax assessment

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no or not sufficient withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office

(*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375 per cent. - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed investors the application can only be filed for savings income of both investors.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of €801 (€1,602 in the case of jointly assessed investors) will be deducted. The deduction of the actual income related expenses, if any, is excluded.

Taxation if the Notes are held as business assets (*Betriebsvermögen*)

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 percent or income tax at a rate of up to 45 percent, as the case may be, (in each case plus 5.5 percent solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Non-residents

Persons who are not tax resident in Germany should not be subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax should be applied like in the case of a German tax resident person.

Taxation if the Notes qualify as equity or equity-like

If the Notes qualify as equity or equity-like from a German tax perspective, the tax treatment for German resident investors holding the Notes as private assets should generally be the same as described above. For German resident investors holding the Notes as business assets, capital gains and interest income might be partly tax-exempt according to section 8b German Corporate Income Tax Act (*Körperschaftsteuergesetz*) and section 3 no 40 ITA, respectively; capital losses might be non-deductible.

Non-German resident investors might become subject to tax with regard to interest income from the Notes and German withholding tax might be levied irrespective of whether or not the interest is paid out by a German Disbursing Agent.

Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, *inter alia*, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax. However, it is unclear if and in what form such tax will be actually introduced.

2. Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

The Issuer assumes no responsibility with respect to taxes withheld at source.

General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Notes

Austrian statutory law does not contain any provisions on the qualification of subordinated resettable notes such as the Notes at hand. The only relevant provision in this respect is sec. 8(3)(1) item 2 of the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz), pursuant to which *jouissance* rights (Genussrechte) granting a right to participate in both the profits and the liquidation profits of the issuer are to be qualified as equity instruments, while *jouissance* rights granting a right to participate only in the profits or only in the liquidation profits of the issuer or in neither of the two categories are to be qualified as debt instruments. As the Notes neither grant a right to participate in the profits nor to participate in the liquidation profits of the Issuer, they should fulfil the requirements for treatment as a debt instrument in line with the reasoning behind sec. 8(3)(1) item 2 of the Austrian Corporate Income Tax Act. For purposes of the following, the Issuer assumes that the Notes qualify as debt for tax purposes. In case of a qualification of the Notes as equity, the tax consequences would substantially differ from those described below.

Pursuant to sec. 27(1) of the Austrian Income Tax Act (Einkommensteuergesetz), the term investment income (Einkünfte aus Kapitalvermögen) comprises:

income from the letting of capital (Einkünfte aus der Überlassung von Kapital) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);

income from realised increases in value (Einkünfte aus realisierten Wertsteigerungen) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital (including zero coupon bonds); the tax basis amounts to the sales proceeds or the Redemption Amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act); and

income from derivatives (Einkünfte aus Derivaten) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the Redemption Amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act).

Also the withdrawal of the Notes from a securities account (Depotentnahme) and circumstances leading to a restriction of Austria's taxation right regarding the Notes vis-à-vis other countries, e.g. a relocation from Austria (Wegzug), are in general deemed to constitute a sale (cf. sec. 27(6) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus (inländische Einkünfte aus Kapitalvermögen), basically meaning income paid by an Austrian paying agent (auszahlende Stelle) or an Austrian custodian agent (depotführende Stelle), the income is subject to withholding tax (Kapitalertragsteuer) at a flat rate of 27.5%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income from the Notes without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary

acquisition costs (Anschaffungsnebenkosten; sec. 27a(4)(2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims vis-à-vis credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit einer Privatstiftung vergleichbar sind); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5%). In case of investment income from the Notes without an Austrian nexus, the income must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The special tax rate does not apply to income from realised increases in value and income from derivatives if this type of income stems from the respective investor's principal business activity (sec. 27a(6) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (Wirtschaftsgüter desselben Betriebes); only 55% of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act, corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes at a rate of 25%. In the case of income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Notes can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (Privatstiftungen) pursuant to the Austrian Private Foundations Act (Privatstiftungsgesetz) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Notes as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (inter alia, if the latter are

in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax does generally not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income from the Notes with an Austrian nexus, the income is in general subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Notes if they have a permanent establishment (Betriebsstätte) in Austria and the Notes are attributable to such permanent establishment (cf. sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax Act and accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the Notes if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to individuals being resident in a state with which automatic exchange of information exists. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). The Issuer understands that no taxation applies in the case at hand.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with higher rates applying in special cases.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6) of the Austrian Income Tax Act (see above).

3. Luxembourg

In this section, "interest" and "paying agent" have the meaning given thereto in the amended Luxembourg law of 23 December 2005. "Interest" includes accrued or capitalised interest at the sale, repayment or redemption of the Notes. "Paying agent" is defined broadly for this purpose and in the context of the Notes means any economic operator established in Luxembourg who pays interest on the Notes to, or ascribes the payment of such interest to, or for the immediate benefit of the beneficial owner, whether the operator is, or acts on behalf of, the Issuer or is instructed by the beneficial owner to collect such payment of interest.

This taxation overview solely addresses withholding tax consequences of the acquisition, ownership and disposal of Notes issued by Evonik on or after the date of this Prospectus under Luxembourg Tax Law. It does not describe any other Luxembourg tax consequences. It does therefore not consider every aspect of taxation that may be relevant to a particular holder of Notes.

Prospective holders of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes on the basis of this Prospectus, including the effect of any state or local taxes, under the tax laws of Luxembourg and each country of which they are residents.

Withholding tax

All payments of interest and principal by the Issuer under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which provides for a 20 percent withholding tax on savings income. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the law of 23 December 2005, as amended, Luxembourg resident individuals can opt to self-declare and pay a 20 percent levy on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg or in a Member State of the European Economic Area (other than a Member State of the European Union). Responsibility for the declaration and the payment of this 20 percent levy is assumed by the individual resident beneficial owner of the interest or similar income.

The 20 percent withholding tax as described above or the 20 percent levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Should the Notes qualify as equity or equity-like for Luxembourg tax purposes, the tax treatment for Luxembourg resident investors holding the Notes will deviate from the tax treatment described above and may be different for Luxembourg resident corporate or individual investors.

4. The Netherlands

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. This summary is intended as general information only and each prospective investor should consult a professional tax

adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Netherlands tax resident entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and
- (vi) individuals to whom Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands

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

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (ondernemer) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (medegerechtigde), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (resultaat uit overige werkzaamheden), which includes activities with respect to the Notes that exceed regular, active portfolio management (normaal, actief vermogensbeheer).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on savings and investments (sparen en beleggen), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (rendementsgrondslag) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (heffingvrij vermogen). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30%.

Netherlands Gift and Inheritance Tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Netherlands Taxes and Duties

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

OFFER, SALE AND SUBSCRIPTION OF THE NOTES

Offer of the Notes

The offer will be coordinated and the Notes will be offered to investors by Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank, London Branch and Merrill Lynch International (the "**Joint Bookrunners**") during an offer period which will commence on the date of the publication of the approved Prospectus (30 June 2017) and which, in each case, will end with the expiry of 7 July 2017 (being the date of issuance of the Notes) (the "**Offer Period**"), subject to a shortening or extension of the Offer Period.

Should the Issuer and the Joint Bookrunners determine any shortening or extension of the Offer Period (e.g., due to changing market conditions), a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Prospectus Law.

The Notes will be offered to institutional and retail investors in compliance with public offer restrictions. The Notes may be offered to the public in Luxembourg, Austria, Germany and The Netherlands during the Offer Period. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased.

Subscription by the Joint Bookrunners

The Joint Bookrunners will enter into a subscription agreement on or about 4 July 2017 (the "**Subscription Agreement**") in which they agree to subscribe for the Notes on a firm commitment basis. The Joint Bookrunners will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree in the Subscription Agreement to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

The fees payable to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes will be up to 0.45 per cent. of the aggregate principal amount of the Notes.

The Joint Bookrunners or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners or their affiliates have received or will receive customary fees and commissions.

Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of notes offered hereby. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Offers to purchase Notes by the investors

During the Offer Period, the Joint Bookrunners will offer the Notes upon request through banking institutions in Germany, Austria, The Netherlands and Luxembourg. These institutions will supply

investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

The results of the offer will be available on the website of the Issuer (www.evonik.com) within two Business Days after the end of the Offer Period.

Confirmation of offers placed by, and allotments to, investors

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Joint Bookrunners will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Joint Bookrunners that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order.

Delivery of the Notes to investors

Delivery and payment of the Notes will be made on the Interest Commencement Date (7 July 2017). The Notes so purchased will be delivered via book-entry through the Clearing System and its depository banks against payment of the Issue Price therefor.

Costs and expenses relating to the offer

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Selling Restrictions

General

Each Joint Bookrunner has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Member State**"), each Joint Bookrunner has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Member State other than the offers contemplated in this Prospectus in Luxembourg from the time this Prospectus has been approved by the competent authority in Luxembourg and published and, in Austria, Germany and The Netherlands from the day following the day on which this Prospectus has been notified to the relevant competent authorities in Austria, Germany and The Netherlands in accordance with the Prospectus Directive as implemented in Luxembourg, Austria, Germany and The Netherlands until the expiry of the Interest Commencement Date, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall require the Issuer or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State.

United States of America and its Territories

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

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Authorisations: The creation and issue of the Notes has been authorised by a resolution of the Executive Board (*Vorstand*) of the Issuer on 8 December 2016 and of the Supervisory Board (*Aufsichtsrat*) of the Issuer on 9 December 2016.

Expenses of the Issue: The expenses of the issue of the Notes are expected to amount to approximately EUR 200,000 plus the commission of up to 0.45 per cent. of the aggregate principal amount of the Notes payable to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes.

Clearing System: Payments and transfers of the Notes will be settled through Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn.

The Notes have the following securities codes:

ISIN: DE000A2GSFF1

Common Code: 164260704

German Securities Code (*WKN*): A2GSFF

Listing and Admission to Trading: Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Interest of Natural and Legal Persons involved in the Issue/Offer: There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

Notices to Noteholders: For so long as the Notes are listed on the Luxembourg Stock Exchange, all notices to the Noteholders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Furthermore, all notices to the Noteholders regarding the Notes will be published in the Federal Gazette (*Bundesanzeiger*). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the stock exchange on which the Notes are listed so permit.

Documents on Display: For so long as any Note is outstanding, copies of the following documents may be inspected in physical form during normal business hours at the registered office of the Issuer:

- (a) the Articles of Incorporation (*Satzung*) of the Issuer;
- (b) this Prospectus and any supplement to this Prospectus (if any); and
- (c) the documents specified in the section "Documents incorporated by reference" below.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Yield to Maturity: For the subscribers, the yield of the Notes until the First Call Date is 2.250 per cent. per annum, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on notes by taking into account accrued interest on a daily basis. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.

Consent to the use of the Prospectus: The Issuer consents to the use of this Prospectus during the offer period which will commence on 30 June 2017 and will be open until 7 July 2017 by the Joint Bookrunners and by all financial intermediaries (general consent) for the offers in compliance with the Selling Restrictions (see "**Selling Restrictions**") and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by the Joint Bookrunners and/or by any financial intermediary which was given consent to use the Prospectus.

The Joint Bookrunners and/or the financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Austria, Germany and The Netherlands.

The subsequent resale or final placement of Notes by the Joint Bookrunners and/or the financial intermediaries can be made during the Offer Period.

In the event of an offer being made by a Joint Bookrunner and/or a financial intermediary, this Joint Bookrunner and/or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

The Joint Bookrunners and/or any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.

DOCUMENTS INCORPORATED BY REFERENCE

Documents Incorporated by Reference

The following documents which have been published or which are published simultaneously with this Prospectus and filed with the CSSF shall be incorporated in, and form part of, this Prospectus:

- a) the audited consolidated financial statements of Evonik (English language version) dated 31 December 2016;
- b) the audited consolidated financial statements of Evonik (English language version) dated 31 December 2015, and
- c) the unaudited interim financial statements of Evonik (English language version) as of 31 March 2017.

in each case including the auditor's report thereon.

Cross-reference list of Documents incorporated by Reference

Page	Section of Prospectus	Document incorporated by reference	Pages
100	Evonik Group, Financial Information	Financial Report 2016 of Evonik	
		Income Statement	118
		Statement of Comprehensive Income	119
		Balance Sheet	120 – 121
		Statement of Changes in Equity	122
		Cash Flow Statement	123
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		Auditors' Report	192 – 196
		Financial Report 2015 of Evonik	
		Income Statement	138
		Statement of Comprehensive Income	139
		Balance Sheet	140 – 141
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		Cash Flow Statement	143
		Notes	144 – 210
		Auditors' Report	212 – 213
		Quarterly Financial Report (1st Quarter) 2017	
		Income Statement	12
		Statement of Comprehensive Income	13
		Balance Sheet	14 – 15
		Statement of Changes in Equity	16
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		Notes	18 – 28
		Review Report	29

For the avoidance of doubt, such parts of the documents relating to the Issuers for the years 2015 and 2016, respectively, which are not explicitly listed in the above cross-reference list, are not incorporated by reference into this Prospectus. Information contained in such parts is either of no relevance for an investor or covered in other parts of this Prospectus.

Availability of incorporated Documents

Any document incorporated herein by reference can be obtained without charge at the office of Evonik as set out at the end of this Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. (the “**Luxembourg Listing Agent**”) for Notes listed on the official list of and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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Luxembourg Listing Agent

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Principal Paying Agent and Calculation Agent

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Joint Bookrunners

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United Kingdom

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