

Produktüberwachung nach MiFID II / Zielmarkt geeignete Gegenparteien, professionelle Kunden und Kleinanleger

Ausschließlich für die Zwecke des Produktgenehmigungsverfahrens jedes Konzepteurs hat die Zielmarktbeurteilung in Bezug auf die Schuldverschreibungen zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen geeignete Gegenparteien, professionelle Kunden und Kleinanleger, wie jeweils in der Richtlinie 2014/65/EU (in der jeweils geltenden Fassung, "**MiFID II**") definiert, sind, die jeweils (1) über Basiskenntnisse und/oder -erfahrungen mit Finanzprodukten verfügen, (2) einen langfristigen Anlagehorizont besitzen, (3) allgemeine Vermögensbildung / Vermögensoptimierung als Anlageziel verfolgen, (4) keine oder lediglich eine geringe Verlusttragfähigkeit sowie (5) eine niedrige Risikotoleranz aufweisen, und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen geeignet sind. Jede Person, die die Schuldverschreibungen später anbietet, verkauft oder empfiehlt, (ein "**Vertreiber**") sollte die Zielmarktbeurteilung der Konzepture berücksichtigen, wobei ein der MiFID II unterliegender Vertreiber jedoch dafür verantwortlich ist, eine eigene Zielmarktbeurteilung in Bezug auf die Schuldverschreibungen vorzunehmen (entweder durch Übernahme oder Ausarbeitung der Zielmarktbeurteilung der Konzepture) und geeignete Vertriebskanäle festzulegen.

Für die Zwecke dieser Bestimmung gelten als "**Konzepture**" die Manager (wie in TEIL B dieser Endgültigen Bedingungen bestimmt).

MiFID II Product Governance / Eligible Counterparties, Professional Clients and Retail Clients Target Market

*Solely for the purposes of each Manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"), each having (1) basic knowledge and/or experience with financial products, (2) a long term investment horizon, (3) general capital formation/asset optimization as investment objective, (4) no or only minor loss bearing capacity, and (5) a low risk tolerance, and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturers' target market assessment) and determining appropriate distribution channels.*

*For the purposes of this provision, the expression "**Manufacturers**" means the Managers (as set out in PART B of these Final Terms).*

6. August 2019
August 6, 2019

Endgültige Bedingungen
Final Terms

EUR 500.000.000 1,125 % Schuldverschreibungen fällig am 8. August 2034 (die "Schuldverschreibungen")
EUR 500,000,000 1.125 per cent. Notes due August 8, 2034 (the "Notes")

begeben von
issued by

Daimler AG

Rechtsträgerkennung:
Legal Entity Identifier:

529900R27DL06UVNT076

aufgrund des
pursuant to the

EUR 70,000,000,000
Euro Medium Term Note Programme

von
of

Daimler AG
Mercedes-Benz Australia/Pacific Pty Ltd (ABN 23 004 411 410)
Daimler International Finance B.V.
Daimler Canada Finance Inc.
Daimler Finance North America LLC
Mercedes-Benz Finance Co., Ltd.

vom 15. Mai 2019
dated May 15, 2019

Ausgabepreis: 99,986 %
Issue Price: 99.986 per cent.

Tag der Begebung: 8. August 2019
Issue Date: August 8, 2019

Serien-Nr.: 86
Series No.: 86

Tranchen-Nr.: 1
Tranche No.: 1

WICHTIGER HINWEIS
IMPORTANT NOTICE

Diese Endgültigen Bedingungen wurden für die Zwecke des Artikels 5 (4) der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003, in ihrer geänderten Fassung, abgefasst und enthalten Angaben zur Emission von Schuldverschreibungen unter dem EUR 70,000,000,000 Euro Medium Term Note Programme der Daimler AG, Mercedes-Benz Australia/Pacific Pty Ltd, Daimler International Finance B.V., Daimler Canada Finance Inc., Daimler Finance North America LLC und Mercedes-Benz Finance Co., Ltd. (das "**Programm**") und sind in Verbindung mit dem Prospekt vom 15. Mai 2019 (in der Fassung des Nachtrags Nr. 1 vom 31. Juli 2019, der "**Prospekt**") über das Programm zu lesen. Vollständige Informationen über die Emittentin und über das hinsichtlich der Schuldverschreibungen gemachte Angebot sind nur in der Zusammenschau dieser Endgültigen Bedingungen und des Prospekts erhältlich. Kopien des Prospekts und etwaiger Nachträge zum Prospekt sowie dieser Endgültigen Bedingungen sind kostenlos während der üblichen Geschäftszeiten bei der Emissionsstelle (Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, Vereinigtes Königreich), der Zahlstelle in Deutschland (Citibank Europe plc, Germany Branch, Reuterweg 16, 60323 Frankfurt am Main, Deutschland), der Zahlstelle in Luxemburg (BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-2085 Luxembourg), Daimler AG (Mercedesstraße 120, 70327 Stuttgart, Deutschland) und außerdem auf der Internetseite der Daimler AG (www.daimler.com/investors/refinancing/bonds) und der Internetseite der Börse Luxemburg (www.bourse.lu) erhältlich. Eine englischsprachige Zusammenfassung der Konditionen der Schuldverschreibungen ist diesen Endgültigen Bedingungen beigelegt.

*These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003, as amended, and give details of an issue of Notes under the EUR 70,000,000,000 Euro Medium Term Note Programme of Daimler AG, Mercedes-Benz Australia/Pacific Pty Ltd, Daimler International Finance B.V., Daimler Canada Finance Inc., Daimler Finance North America LLC and Mercedes-Benz Finance Co., Ltd. (the "**Programme**") and are to be read in conjunction with the prospectus dated May 15, 2019 (as supplemented by Supplement No. 1 dated July 31, 2019, the "**Prospectus**") and pertaining to the Programme. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. Copies of the Prospectus as well as any supplements to the Prospectus and these Final Terms are obtainable free of charge during normal business hours from the Issuing Agent (Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom), the Paying Agent in Germany (Citibank Europe plc, Germany Branch, Reuterweg 16, 60323 Frankfurt am Main, Germany), the Paying Agent in Luxembourg (BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-2085 Luxembourg), Daimler AG (Mercedesstraße 120, 70327 Stuttgart, Germany) and also from the website of Daimler AG (www.daimler.com/investors/refinancing/bonds) and the website of the Luxembourg Stock Exchange (www.bourse.lu). An English language summary of the terms of the Notes is annexed to these Final Terms.*

TEIL A: EMISSIONSBEDINGUNGEN
PART A: TERMS AND CONDITIONS

Die für die Schuldverschreibungen geltenden Bedingungen sowie die unverbindliche englischsprachige Übersetzung sind wie nachfolgend aufgeführt.

The Conditions applicable to the Notes and the non-binding English language translation thereof are as set out below.

**BINDING GERMAN
LANGUAGE VERSION**

**(BINDENDE DEUTSCHSPRACHIGE
FASSUNG)**

**§ 1
EMITTENTIN, WÄHRUNG,
STÜCKELUNG, FORM, GLOBAL-
URKUNDEN UND CLEARINGSYSTEM**

(1) *Emittentin, Währung, Stückelung.* Diese Schuldverschreibungen (die "**Schuldverschreibungen**") werden von Daimler AG (die "**Emittentin**") in Euro ("**EUR**" oder die "**festgelegte Währung**") im Gesamtnennbetrag von EUR 500.000.000 (in Worten: EUR fünfhundert Millionen) in der Stückelung von EUR 1.000 (die "**festgelegte Stückelung**") begeben.

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

(3) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde kann gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" und, zusammen mit der vorläufigen Globalurkunde, die "**Globalurkunden**") ohne Zinsscheine verbrieft sind, ausgetauscht werden. Der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen wird durch die maßgebliche Globalurkunde mitverbrieft. Die vorläufige Globalurkunde und die Dauerglobalurkunde werden jeweils von oder im Namen der Emittentin unterschrieben (wobei diese Unterschriften gemäß § 793 Absatz 2 des Bürgerlichen Gesetzbuchs ("**BGB**") Faksimileunterschriften sein dürfen) und jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegt. Der Austauschtag darf nicht weniger als 40 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegen. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden,

**NON-BINDING ENGLISH
LANGUAGE VERSION**

**§ 1
ISSUER, CURRENCY,
DENOMINATION, FORM, GLOBAL
NOTES AND CLEARING SYSTEM**

(1) *Issuer, Currency, Denomination.* These Notes (the "**Notes**") are being issued by Daimler AG (the "**Issuer**") in Euro ("**EUR**" or the "**Specified Currency**") in the aggregate principal amount of EUR 500,000,000 (in words: EUR five hundred million) in the denomination of EUR 1,000 (the "**Specified Denomination**").

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

(3) *Temporary Global Note – Exchange for Permanent Global Note.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without coupons. Any claim for interest payments under the Notes shall be represented by the relevant Global Note. The Temporary Global Note and the Permanent Global Note shall each be signed by or on behalf of the Issuer (whose signatures may be facsimile signatures pursuant to § 793 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*; the "**BGB**") and shall each be authenticated by or on behalf of the Issuing Agent. Definitive Notes and coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note in the form and subject to the conditions provided in subparagraph (a) above on a date (the "**Exchange Date**") not later than 180 days after the issue date of the Temporary Global Note. The Exchange Date shall not be earlier than 40 days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by

denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.

(4) *Clearingsystem.* Die Globalurkunde wird von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearingsystem**" bezeichnet Clearstream Banking AG (Mergenthalerallee 61, 65760 Eschborn, Deutschland) ("**CBF**") und jeden Funktionsnachfolger.

(5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bezeichnet jeden Inhaber von Miteigentumsanteilen oder anderen Rechten an der Globalurkunde, die in Übereinstimmung mit den Bestimmungen des Clearingsystems auf einen neuen Gläubiger übertragen werden können.

(6) *Bezugnahmen.* Bezugnahmen in diesen Emissionsbedingungen auf die "Schuldverschreibungen" schließen Bezugnahmen auf jede die Schuldverschreibungen verbrieft Globalurkunde ein. Bezugnahmen in diesen Emissionsbedingungen auf die "Emissionsbedingungen" oder die "Bedingungen" verstehen sich als Bezugnahmen auf diese Emissionsbedingungen.

(7) *Geschäftstag.* In diesen Emissionsbedingungen bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in London Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind und das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") geöffnet ist.

§ 2

STATUS UND NEGATIVVERPFLICHTUNG

(1) *Status.* Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin und sind untereinander gleichrangig mit den nicht besicherten und nicht nachrangigen Forderungen aller ihrer anderen Gläubiger mit Ausnahme derjenigen Forderungen, die

the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payments of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means Clearstream Banking AG (Mergenthalerallee 61, 65760 Eschborn, Germany) ("**CBF**") and any successor in such capacity.

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

(6) *References.* References herein to the "Notes" include (unless the context otherwise requires) references to any Global Note representing the Notes. References herein to "Terms and Conditions" or "Conditions" shall be references to these Terms and Conditions of the Notes.

(7) *Business Day.* In these Terms and Conditions, "**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") is open.

§ 2

STATUS AND NEGATIVE PLEDGE

(1) *Status.* The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* (without any preference among themselves) with the claims of all other unsecured and unsubordinated creditors of it other than those claims which are expressly preferred under the laws of its

gemäß dem Recht des Landes, in dem die Emittentin gegründet wurde, ausdrücklich einen Vorrang haben.

(2) *Negativverpflichtung.* Solange Schuldverschreibungen ausstehen, verpflichtet sich die Emittentin, für andere Schuldverschreibungen, einschließlich dafür übernommener Garantien und Schadloshaltungen, keine Sicherheiten an ihrem Vermögen zu bestellen, ohne die Gläubiger der Schuldverschreibungen gleichzeitig und im gleichen Rang an solchen Sicherheiten teilnehmen zu lassen, vorausgesetzt, dass derartige Besicherungen weder gesetzlich vorgeschrieben sind noch im Zusammenhang mit staatlichen Genehmigungen verlangt werden.

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden auf der Grundlage ihres ausstehenden Gesamtnennbetrags verzinst, und zwar vom 8. August 2019 (der "**Verzinsungsbeginn**") (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit 1,125 % *per annum* (der "**Zinssatz**"). Die Zinsen sind jährlich im Nachhinein am 8. August eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 8. August 2020 und die letzte Zinszahlung erfolgt am 8. August 2034. An jedem Zinszahlungstag werden Zinsen in Höhe von EUR 11,25 je Schuldverschreibung in der festgelegten Stückelung gezahlt. Zinszahlungstage unterliegen einer Anpassung in Übereinstimmung mit den in § 4 (5) enthaltenen Bestimmungen.

(2) *Verzugszinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Gesamtnennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen¹ verzinst.

(3) *Berechnung des Zinsbetrags.* Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen bestimmten Zeitraum zu berechnen ist (mit Ausnahme des Zinsbetrags, der in Absatz (1) dieses § 3 aufgeführt ist), erfolgt die Berechnung des Zinsbetrags, indem der Zinssatz auf die festgelegte Stückelung angewendet wird, dieser Betrag mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und das hieraus resultierende Ergebnis auf die nächste Untereinheit der festgelegten Währung gerundet wird, wobei eine halbe Untereinheit aufgerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt.

¹ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

jurisdiction of incorporation.

(2) *Negative Pledge.* So long as any of the Notes remain outstanding, the Issuer undertakes not to provide for other notes or bonds, including any guarantee or indemnity assumed therefor, any security upon its assets without at the same time having the Holders of the Notes share equally and rateably in such security, provided that such security upon its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for obtaining any governmental approvals.

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their outstanding aggregate principal amount at the rate of 1.125 per cent. *per annum* (the "**Rate of Interest**") from, and including, August 8, 2019 (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 5 (1)). Interest shall be payable annually in arrear on August 8 in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on August 8, 2020 and the last payment of interest shall be made on August 8, 2034. On each Interest Payment Date interest in the amount of EUR 11.25 will be paid per Note in the Specified Denomination. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (5).

(2) *Default Interest.* If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of interest established by law¹.

(3) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for any period of time (other than in respect of the amount of interest set out in paragraph (1) of this § 3), such amount of interest shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resulting figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

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

(4) *Zinstagequotient*. "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**")

1. falls der Zinsberechnungszeitraum kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraums fällt, oder falls der Zinsberechnungszeitraum der Feststellungsperiode entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; oder

2. falls der Zinsberechnungszeitraum länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraums fällt, die Summe aus

(1) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; und

(2) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr.

"**Feststellungsperiode**" ist der Zeitraum von einem Feststellungstermin (einschließlich) bis zum nächsten Feststellungstermin (ausschließlich); dies schließt dann, wenn der Verzinsungsbeginn kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin vor dem Verzinsungsbeginn anfängt, und dann, wenn der letzte Zinszahlungstag kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin nach dem letzten Zinszahlungstag endet.

Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein "**Feststellungstermin**") beträgt eins (jeder 8. August).

§ 4 ZAHLUNGEN

(1)(a) *Zahlung von Kapital*. Die Zahlung von Kapital in Bezug auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(4) *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 (the "**Calculation Period**")

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified below) that would occur in one calendar year; or

2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of

(1) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

The number of determination dates per calendar year (each a "**Determination Date**") is one (each August 8).

§ 4 PAYMENTS

(1)(a) *Payment of Principal*. Payment of principal on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Issuing Agent outside the United States.

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen in Bezug auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen in Bezug auf die Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).

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

(3) *Vereinigte Staaten.* Für die Zwecke dieser Emissionsbedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia), deren Territorien (einschließlich Puerto Rico, US Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) sowie die sonstigen Gebiete, die deren Rechtsordnung unterliegen.

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

(5) *Zahltag.* Sofern der Fälligkeitstag für eine Zahlung in Bezug auf die Schuldverschreibungen ansonsten auf einen Tag fiel, der kein Zahltag (wie nachstehend definiert) ist, so wird der Fälligkeitstag für diese Zahlung auf den nächstfolgenden Tag verschoben, bei dem es sich um einen Zahltag handelt (Following Business Day Convention).

"**Zahltag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem geöffnet ist und (ii) der ein Geschäftstag (wie in § 1 (7) definiert) ist.

Falls der Fälligkeitstag einer Zahlung von Zinsen (wie oben beschrieben) sich nach hinten verschiebt, wird der Zinsbetrag nicht entsprechend angepasst.

Falls der Fälligkeitstag der Rückzahlung des Nennbetrags der Schuldverschreibungen angepasst wird, ist der Gläubiger nicht berechtigt, Zahlungen aufgrund dieser Anpassung zu verlangen.

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 5 (1) angegeben); den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen (wie nachstehend angegeben); sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die

(b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

Payment of interest on the Notes represented by a Temporary Global Note shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System, upon due certification as provided for in § 1 (3) (b).

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

(3) *United States.* For purposes of these Terms and Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia), its possessions (including Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and other areas subject to its jurisdiction.

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

(5) *Payment Business Day.* If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Payment Business Day (as defined below) the due date for such payment shall be postponed to the next day which is a Payment Business Day (Following Business Day Convention).

"**Payment Business Day**" means a day (other than a Saturday or a Sunday) (i) on which the Clearing System is open, and (ii) which is a Business Day (as defined in § 1 (7)).

If the due date for a payment of interest is postponed (as described above), the amount of interest shall not be adjusted accordingly.

If the due date for the redemption of the principal amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

(6) *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 Final Redemption Amount of the Notes (as specified in § 5 (1)); the Early Redemption Amount of the Notes (as specified below); and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. References in these

Schuldverschreibungen zahlbaren Beträge (außer Zinsen). Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge (wie in § 7 definiert) ein.

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

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen (vorbehaltlich einer Anpassung in Übereinstimmung mit den in § 4 (5) enthaltenen Bestimmungen) zu ihrem Rückzahlungsbetrag am 8. August 2034 (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibung.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt und nicht teilweise nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 Tagen und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern gekündigt (wobei diese Kündigung unwiderruflich ist) und jederzeit zurückgezahlt werden, falls die Emittentin bei der nächsten fälligen Zahlung auf die Schuldverschreibungen verpflichtet ist oder sein wird, zusätzliche Beträge gemäß § 7 zu zahlen, und zwar als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften des Landes, in dem die Emittentin ihren Hauptsitz (oder Steuersitz) hat, oder dessen 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 an oder nach dem Tag, an dem die erste Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam), wobei eine solche Kündigung nicht früher als 90 Tage vor dem frühestmöglichen Termin erfolgen darf, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge in Bezug auf die Schuldverschreibungen zu zahlen, falls zu diesem Zeitpunkt eine Zahlung fällig wäre.

Die gemäß diesem § 5 (2) zurückzuzahlenden Schuldverschreibungen werden zu ihrem vorzeitigen Rückzahlungsbetrag zuzüglich etwaiger bis zu dem Rückzahlungstag (ausschließlich) aufgelaufener Zinsen

Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7) which may be payable under § 7.

(7) *Deposit of Principal and Interest.* The Issuer may deposit with the Local Court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the relevant due date, even though such Holders 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 Holders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (5), the Notes shall be redeemed at their Final Redemption Amount on August 8, 2034 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 days' nor more than 60 days' prior notice of redemption to the Issuing Agent and, in accordance with § 12, to the Holders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7 as a result of any change in, or amendment to, the laws or regulations of the country in which the Issuer is domiciled (or resident for tax purposes) or of any political subdivision or taxing authority thereof or therein, or as a result of 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 first tranche of this series of Notes is issued, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

Notes to be redeemed pursuant to this § 5 (2) will be redeemed at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption.

zurückgezahlt.

(3) *Vorzeitige Rückzahlung aufgrund von FATCA.* Die Schuldverschreibungen können insgesamt und nicht teilweise nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 Tagen und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern gekündigt (wobei diese Kündigung unwiderruflich ist) und jederzeit zurückgezahlt werden, wenn die Emittentin in ihrem billigen Ermessen feststellt oder es für hinreichend wahrscheinlich hält, dass (x) sie einem Einbehalt von einer an sie geleisteten Zahlung (a) gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code von 1986 und damit zusammenhängenden Verordnungen oder sonstigen amtlichen Richtlinien (die "**U.S. Bestimmungen**"); (b) gemäß einem Abkommen, einem Gesetz, einer Verordnung oder sonstigen amtlichen Richtlinien, das bzw. die in einem anderen Staat besteht bzw. bestehen und der Umsetzung der U.S. Bestimmungen dient bzw. dienen (die "**ausländischen Bestimmungen**"); (c) gemäß einem zwischenstaatlichen Vertrag zwischen den Vereinigten Staaten und einem anderen Staat, der der Umsetzung der U.S. Bestimmungen dient (der "**zwischenstaatliche Vertrag**"); oder (d) gemäß einer Vereinbarung, die die Emittentin, eine Zahlstelle oder ein Intermediär zwecks Umsetzung der U.S. Bestimmungen, der ausländischen Bestimmungen oder eines zwischenstaatlichen Vertrags mit dem U.S. Internal Revenue Service, der Regierung der Vereinigten Staaten oder etwaigen staatlichen Behörden oder Steuerbehörden in einem anderen Staat geschlossen hat (zusammen mit den U.S. Bestimmungen, den ausländischen Bestimmungen und dem zwischenstaatlichen Vertrag, "**FATCA**"), unterliegt oder unterliegen wird, und die Emittentin in ihrem billigen Ermessen weiterhin feststellt, dass die Rückzahlung der Schuldverschreibungen einen solchen Einbehalt verhindern würde, oder (y) sie gemäß FATCA dazu verpflichtet ist oder sein wird, bestimmten Gläubigern zu kündigen.

Die gemäß diesem § 5 (3) zurückzuzahlenden Schuldverschreibungen werden zu ihrem vorzeitigen Rückzahlungsbetrag zuzüglich etwaiger bis zu dem Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückgezahlt.

(4) *Vorzeitiger Rückzahlungsbetrag.* Für die Zwecke von Absatz (2) und Absatz (3) dieses § 5 und § 9 entspricht der "**vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung dem Rückzahlungsbetrag.

§ 6 DIE EMISSIONSSTELLE UND DIE ZAHLSTELLEN

(1) *Bestellung; bezeichnete Geschäftsstellen.* Die anfänglich bestellte Emissionsstelle, die anfänglich bestellte Hauptzahlstelle und die anfänglich bestellten Zahlstellen und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

(3) *Early Redemption for Reasons of FATCA.* The Issuer may, at its option, redeem the Notes in whole, but not in part, at any time on giving not less than 30 days' nor more than 60 days' prior notice of redemption to the Issuing Agent and, in accordance with § 12, to the Holders (which notice shall be irrevocable) in the event that the Issuer reasonably determines that it has, or there is a substantial likelihood that (x) it will become subject to withholding imposed on a payment made to it pursuant to (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 and any associated regulations or other official guidance (the "**U.S. Provisions**"); (b) any treaty, law, regulation or other official guidance enacted in any other country which facilitates the implementation of the U.S. Provisions (the "**Foreign Provisions**"); (c) any intergovernmental agreement between the United States and any other country, which facilitates the implementation of the U.S. Provisions (the "**Intergovernmental Agreement**"); or (d) any agreement regarding the implementation of the U.S. Provisions, the Foreign Provisions and any Intergovernmental Agreement entered into by the Issuer, a paying agent or an intermediary with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other country (together with the U.S. Provisions, the Foreign Provisions and the Intergovernmental Agreement, "**FATCA**") and the Issuer further reasonably determines that the redemption of the Notes would avoid such withholding, or (y) it will become obligated pursuant to FATCA to redeem certain Holders.

Notes to be redeemed pursuant to this § 5 (3) will be redeemed at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption.

(4) *Early Redemption Amount.* For purposes of paragraph (2) and paragraph (3) of this § 5 and § 9, the "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

§ 6 ISSUING AGENT AND PAYING AGENTS

(1) *Appointment; Specified Offices.* The initial Issuing Agent, the initial Principal Paying Agent and the initial Paying Agents and their respective initial specified offices are:

Emissionsstelle:

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
Vereinigtes Königreich

Issuing Agent:

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Hauptzahlstelle:

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
Vereinigtes Königreich

Principal Paying Agent:

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Zahlstellen:

Citibank Europe plc, Germany Branch

Reuterweg 16
60323 Frankfurt am Main
Bundesrepublik Deutschland

und

**BNP Paribas Securities Services,
Luxembourg Branch**

60, avenue J.F. Kennedy
L-2085 Luxembourg
Großherzogtum Luxemburg

Paying Agents:

Citibank Europe plc, Germany Branch

Reuterweg 16
60323 Frankfurt am Main
Federal Republic of Germany

and

**BNP Paribas Securities Services,
Luxembourg Branch**

60, avenue J.F. Kennedy
L-2085 Luxembourg
Grand Duchy of Luxembourg

Soweit in diesen Emissionsbedingungen die "Zahlstellen" erwähnt sind, so schließt diese Definition die Hauptzahlstelle mit ein.

Die Emissionsstelle und die Zahlstellen behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle unterhalten und (ii), solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, eine Zahlstelle (bei der es sich um die Hauptzahlstelle handeln kann) mit bezeichneter Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, wie es die in diesem Fall anwendbaren Regeln verlangen. Die Gläubiger werden gemäß § 12 von jeder Änderung, Abberufung, Bestellung oder jedem sonstigen Wechsel sobald wie möglich nach Eintritt der Wirksamkeit einer solchen Veränderung informiert.

Where these Terms and Conditions refer to the "**Paying Agents**" such definition shall include the Principal Paying Agent.

The Issuing Agent and the Paying Agents reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing Agent or any Paying Agent and to appoint another issuing agent or additional or other paying agents. The Issuer shall at all times maintain (i) an issuing agent, and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange, a paying agent (which may be the Principal Paying Agent) with a specified office in Luxembourg and/or in such other places as may be required by any applicable rules. The Holders will be given notice in accordance with § 12 of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle und die Zahlstellen handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Emissionsstelle für die Zwecke dieser Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle nicht gegenüber der Emittentin oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

§ 7 STEUERN

(1) *Generelle Besteuerung.* Alle Zahlungen von Kapital und Zinsen, die von der Emittentin auf die Schuldverschreibungen vorgenommen werden, werden ohne Abzug oder Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art erfolgen, die von oder in dem Land, in dem die Emittentin ihren Hauptsitz (oder Steuersitz) hat, oder für dessen Rechnung oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen "**Quellensteuern**" genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Emittentin die zusätzlichen Beträge (die "**zusätzlichen Beträge**") an Kapital und Zinsen zahlen, die erforderlich sind, damit die den Gläubigern nach diesem Abzug oder Einbehalt zufließenden Nettobeträge jeweils den Beträgen an Kapital und Zinsen entsprechen, die ihnen zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

(i) auf andere Weise als durch Abzug von oder Einbehalt aus Zahlungen von Kapital oder Zinsen zu entrichten sind; oder

(ii) aufgrund einer Rechtsänderung (oder infolge einer nicht allgemein bekannten Anwendung oder amtlichen Auslegung von Rechtsvorschriften) zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsmäßiger Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam oder bekannt gemacht wird; oder

(3) *Agents of the Issuer.* The Issuing Agent and the Paying Agents act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust with any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Issuing Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer or the Holders shall attach to the Issuing Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

(1) *General Taxation.* All payments of principal and interest which are made by the Issuer on the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the country in which the Issuer is domiciled (or resident for tax purposes) or by or on behalf of any political subdivision or authority therein or thereof having power to tax (in the following together "**Withholding Taxes**"), unless such deduction or withholding is required by law. In such latter event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") of principal and interest as may be necessary in order that the net amounts received by the Holders after such deduction or withholding each shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. Such Additional Amounts shall, however, not be payable on account of taxes, duties or governmental charges which

(i) are payable otherwise than by deduction or withholding from payments of principal or interest; or

(ii) are payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation not generally known) that becomes effective or is published more than 30 days after the relevant payment of principal or interest becomes due, or, if this occurs later, is duly provided for and notice thereof is given in accordance with § 12; or

(iii) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können; oder

(iv) zahlbar sind, obwohl der Gläubiger in der Lage ist, einen solchen Abzug oder Einbehalt zu vermeiden, indem er eine Erklärung über das Nichtbestehen eines entsprechenden Wohnsitzes oder über das Vorliegen eines anderen Ausnahmetatbestands gegenüber der betreffenden Steuerbehörde abgibt; oder

(v) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) eines zwischenstaatlichen Vertrags oder Übereinkommens über deren Besteuerung, an dem das Land, in dem die Emittentin ihren Hauptsitz (oder Steuersitz) hat, oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder diesen Vertrag oder dieses Übereinkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

(vi) in Bezug auf eine Schuldverschreibung fällig werden, die von oder im Namen des Gläubigers zur Zahlung vorgelegt wird, sofern dieser einen solchen Abzug oder Einbehalt hätte verhindern können, wenn er die betreffende Schuldverschreibung einer anderen Zahlstelle in einem Mitgliedstaat der EU vorgelegt hätte; oder

(vii) zahlbar sind, weil ein Gläubiger (oder wirtschaftlicher Eigentümer) oder eine Stelle, die eine Zahlung einzieht oder diese ausführt, es versäumt, eine Ausnahme von diesem Abzug oder Einbehalt zu erreichen, indem er bzw. sie die Berichtspflichten in Bezug auf sich, seine bzw. ihre Eigentümer oder Inhaber von Rechten nicht erfüllt oder mit der Steuerbehörde keine Vereinbarung zur Bereitstellung dieser Informationen trifft; oder

(viii) im Falle von Zahlungen der Emittentin zahlbar sind, weil der Gläubiger persönliche oder geschäftliche Beziehungen mit dem Land, in dem die Emittentin ihren Hauptsitz (oder Steuersitz) hat, pflegt oder pflegte und nicht bloß aufgrund der Tatsache, dass Zahlungen hinsichtlich der Schuldverschreibungen aus dem Land, in dem die Emittentin ihren Hauptsitz (oder Steuersitz) hat, stammen oder dort besichert sind oder steuerlich so behandelt werden.

(2) *FATCA*. Die Emittentin ist berechtigt, von den nach Maßgabe der Schuldverschreibungen an einen Gläubiger oder einen wirtschaftlich Berechtigten der Schuldverschreibungen zu zahlenden Beträgen diejenigen Mittel in ausreichender Höhe für die Zahlung von Beträgen einzubehalten oder abzuziehen, zu deren Einbehalt oder Abzug sie gemäß *FATCA* verpflichtet ist. Die Emittentin ist nicht zur Zahlung von zusätzlichen Beträgen aufgrund von durch die Emittentin oder einen Intermediär gemäß *FATCA* einbehaltenen oder abgezogenen Beträgen verpflichtet.

(iii) are deducted or withheld by a paying agent from a payment if the payment could have been made by another paying agent without such deduction or withholding; or

(iv) are payable even though the Holder is able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(v) are deducted or withheld pursuant to (x) any European Union Directive or Regulation concerning the taxation of interest income, or (y) any intergovernmental treaty or understanding relating to such taxation and to which the country of domicile (or residence for tax purposes) of the Issuer or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(vi) are payable in respect of any Note presented for payment by or on behalf of a Holder who would have been able to avoid such deduction or withholding by presenting the Note to another paying agent in a Member State of the EU; or

(vii) are payable because of a Holder's (or beneficial owner's) failure, or the failure of any agent collecting or executing a payment, to establish an exemption from such deduction or withholding by complying with any requirements to report on it, its owners or holders of interests, or to enter into an agreement with a taxing authority to provide such information; or

(viii) in case of payments by the Issuer are payable by reason of the Holder having, or having had, some personal or business connection with the country in which the Issuer is domiciled (or resident for tax purposes) 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 country in which the Issuer is domiciled (or resident for tax purposes).

(2) *FATCA*. The Issuer is authorized to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any amount that it is required to withhold or deduct pursuant to *FATCA*. The Issuer will not be required to make any payment of Additional Amounts for or on account of any amount withheld or deducted by the Issuer or an intermediary in compliance with *FATCA*.

§ 8
VORLEGUNGSFRIST

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

§ 9
KÜNDIGUNG

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum vorzeitigen Rückzahlungsbetrag (wie in § 5 (4) (*Vorzeitiger Rückzahlungsbetrag*)) angegeben) zuzüglich etwaiger aufgelaufener Zinsen zu verlangen, falls

(i) ein im Zusammenhang mit diesen Schuldverschreibungen geschuldeter Betrag nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag gezahlt worden ist; oder

(ii) die Emittentin der ordnungsmäßigen Erfüllung irgendeiner sonstigen Verpflichtung aus den Schuldverschreibungen nicht nachkommt und die Unterlassung länger als 45 Tage fort dauert, nachdem die Emissionsstelle hierüber eine Mitteilung von einem Gläubiger erhalten hat; oder

(iii) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt; oder

(iv) ein Gericht ein Insolvenz- oder sonstiges Konkursverfahren gegen die Emittentin eröffnet, ein solches Verfahren eingeleitet und nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist oder die Emittentin die Eröffnung eines solchen Verfahrens beantragt oder einleitet; oder

(v) die Emittentin in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Fusion oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, und die andere oder neue Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit der Begebung dieser Schuldverschreibungen eingegangen ist.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Mitteilung.* Eine Mitteilung, einschließlich einer Kündigungserklärung dieser Schuldverschreibungen in Übereinstimmung mit diesem § 9 erfolgt nach Maßgabe des § 12 (3) (*Form der von Gläubigern zu machenden Mitteilungen*).

In dem vorstehend in Unterabsatz (1) (ii) genannten Fall wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in den Unterabsätzen (1) (i) und (iii) bis (v) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emittentin oder der Emissionsstelle Kündigungserklärungen von Gläubigern dieser Schuldverschreibungen von wenigstens einem

§ 8
PRESENTATION PERIOD

The presentation period provided in § 801 (1) sentence 1 BGB is reduced to ten years for the Notes.

§ 9
ACCELERATION

(1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as specified in § 5 (4) (*Early Redemption Amount*)), together with accrued interest, if any, in the event that

(i) any amount due under these Notes has not been paid within 30 days from the relevant due date; or

(ii) the Issuer fails to duly perform any other obligation arising from the Notes and such failure continues for more than 45 days after the Issuing Agent has received notice thereof from a Holder; or

(iii) the Issuer announces its inability to meet its financial obligations; or

(iv) a court opens insolvency or other bankruptcy proceedings against the Issuer, or such proceedings are instituted and have not been discharged or stayed within 60 days, or the Issuer applies for or institutes such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a reconstruction and such other or new company assumes all obligations contracted by the Issuer in connection with the issue of the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Notice.* Any notice, including any notice declaring Notes due in accordance with this § 9, shall be made in accordance with § 12 (3) (*Form of Notice to Be Given by any Holder*).

In the case of subparagraph (1) (ii) above, any notice declaring Notes due shall, unless at the time such notice is received, any of the events specified in subparagraphs (1) (i) and (iii) through (v) above entitling Holders to declare their Notes due has occurred, become effective only when the Issuer or the Issuing Agent has received such notices from Holders of at least one tenth of the

Zehntel des Gesamtnennbetrags der Schuldverschreibungen dieser Serie oder, falls das weniger ist, einem Zehntel des Gesamtnennbetrags der dann ausstehenden Schuldverschreibungen dieser Serie eingegangen sind.

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger eine andere Gesellschaft, deren stimmberechtigte Anteile direkt oder indirekt zu mehr als 90 % von der Emittentin gehalten werden, als Hauptschuldnerin (die "**Nachfolgeemittentin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern (i) die Nachfolgeemittentin sämtliche sich aus und im Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit einer Einbehaltung von irgendwelchen Steuern oder Abgaben an der Quelle erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle transferieren kann und (ii) die Emittentin gegenüber jedem Gläubiger die ordnungsgemäße und pünktliche Zahlung von Kapital, Zinsen und zusätzlichen Beträgen garantiert.

(2) *Bekanntmachung der Ersetzung.* Eine solche Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Falle einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeemittentin 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 Nachfolgeemittentin ihren Sitz oder Steuersitz hat.

Des Weiteren gilt im Falle einer Ersetzung Folgendes:

(a) in § 5 (2), § 5 (3) und § 7 gilt eine Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeemittentin ihren Sitz oder Steuersitz hat); und

(b) in § 5 (2), § 5 (3), § 7 und § 9 (1) (ii) bis (v) gilt eine Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf die Nachfolgeemittentin).

§ 11 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher

aggregate principal amount of the Notes of this Series or, if this is less, one tenth of the aggregate principal amount of all Notes of this Series then outstanding.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall, without the consent of the Holders, be entitled at any time to substitute, for the Issuer any other company, more than 90 per cent. of the shares or other equity interest carrying the right to vote of which are directly or indirectly owned by the Issuer, as principal debtor (the "**Substitute Issuer**") in respect of all obligations arising from or in connection with the Notes, provided that (i) the Substitute Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefor to the Issuing Agent without any restrictions, and (ii) the Issuer unconditionally and irrevocably guarantees to each Holder the due and punctual payment of principal, interest and any Additional Amounts.

(2) *Notification of Substitution.* Any such substitution shall be notified in accordance with § 12.

(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 Issuer 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 Issuer.

Furthermore, in the event of any such substitution the following shall apply:

(a) in § 5 (2), § 5 (3) and § 7 a 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 Issuer; and

(b) in § 5 (2), § 5 (3), § 7 and § 9 (1) (ii) to (v) a reference to the Issuer in its capacity as Guarantor shall be deemed to have been included in addition to the reference according to the preceding sentence to the Substitute Issuer.

§ 11 FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further notes having the same terms as these Notes in all

Ausstattung (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns, des ersten Zinszahlungstags und des Ausgabepreises) in der Weise zu geben, dass sie mit diesen Schuldverschreibungen zusammengefasst werden und 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 Emissionsstelle zwecks Entwertung eingereicht werden.

(3) *Entwertung.* Sämtliche vollständig getilgten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12 MITTEILUNGEN

(1) *Veröffentlichung.* Solange dies gesetzlich erforderlich ist, werden alle die Schuldverschreibungen betreffenden Mitteilungen im Bundesanzeiger bzw. einem entsprechenden Nachfolgemedium und, soweit darüber hinaus gesetzlich erforderlich, in weiteren gesetzlich bestimmten Medien veröffentlicht. Solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse zum Handel am geregelten Markt zugelassen sind und die Regeln der Luxemburger Wertpapierbörse dies verlangen, werden alle die Schuldverschreibungen betreffenden Mitteilungen auch auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) veröffentlicht. Jede derartige Mitteilung gilt am dritten Tag nach der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Übermittlung von Mitteilungen an das Clearingsystem.* Solange die Schuldverschreibungen insgesamt von dem Clearingsystem oder im Namen des Clearingsystems gehalten werden, und soweit die Veröffentlichung von Mitteilungen nach Absatz (1) rechtlich nicht mehr erforderlich ist, ist die Emittentin berechtigt, eine Veröffentlichung in den in Absatz (1) genannten Medien durch eine Übermittlung der maßgeblichen Mitteilung an das Clearingsystem zur Weiterleitung durch das Clearingsystem an die Gläubiger zu ersetzen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Übermittlung der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

(3) *Form der von Gläubigern zu machenden Mitteilungen.* Sofern in diesen Emissionsbedingungen nicht anders bestimmt oder gesetzlich anders vorgeschrieben, gelten die Schuldverschreibungen betreffende Mitteilungen der Gläubiger an die Emittentin als wirksam erfolgt, wenn sie der Emittentin oder der Emissionsstelle (zur Weiterleitung an die

respects (except for, as applicable, the issue date, interest commencement date, first interest payment date and issue price) so as to be consolidated and form a single series with these Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Issuing Agent for cancellation.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 NOTICES

(1) *Publication.* So long as this is required by law, all notices concerning the Notes shall be published in the Federal Gazette (*Bundesanzeiger*) or any comparable successor media and, if additionally required by law, in such other media determined by law. So long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, all notices regarding the Notes shall also be published on the 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 (or, if published more than once, on the third day following the date of the first such publication).

(2) *Delivery of Notices to Clearing System.* So long as the Notes are held in their entirety by or on behalf of the Clearing System and, if the publication of notices pursuant to paragraph (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in paragraph (1), deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was delivered to the Clearing System.

(3) *Form of Notice to Be Given by any Holder.* Unless stipulated differently in these Terms and Conditions or required differently by law, notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (*Textform*) or in writing in the German or English language to the Issuer or the Issuing Agent (for onward delivery to the

Emittentin) in Textform oder in schriftlicher Form in der deutschen oder englischen Sprache persönlich übergeben oder per Brief übersandt werden. Der Gläubiger muss einen die Emittentin zufriedenstellenden Nachweis über die von ihm gehaltenen Schuldverschreibungen erbringen. Dieser Nachweis kann (i) in Form einer Bestätigung durch das Clearingsystem oder die Depotbank (wie nachstehend definiert), bei der der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, dass der Gläubiger zum Zeitpunkt der Mitteilung Gläubiger der betreffenden Schuldverschreibungen ist, oder (ii) auf jede andere geeignete Weise erfolgen.

§ 13

ÄNDERUNG DER EMISSIONSBEDINGUNGEN, GEMEINSAMER VERTRETER

(1) *Änderung der Emissionsbedingungen.* Die Gläubiger können gemäß den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (das "**Schuldverschreibungsgesetz**") durch einen Beschluss mit der im nachstehenden Absatz (2) bestimmten Mehrheit über einen im Schuldverschreibungsgesetz zugelassenen Gegenstand eine Änderung dieser Emissionsbedingungen mit der Emittentin vereinbaren. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75 % (Qualifizierte Mehrheit) der an der Abstimmung teilnehmenden Stimmrechte über wesentliche Änderungen der Emissionsbedingungen, insbesondere über die in § 5 Absatz 3 des Schuldverschreibungsgesetzes aufgeführten Maßnahmen. Beschlüsse, durch die der wesentliche Inhalt der Emissionsbedingungen nicht geändert wird, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin finden ausschließlich im Fall des § 18 Absatz 4 Satz 2 Schuldverschreibungsgesetz statt.

(4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten Notar oder, falls der gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.

(5) *Stimmrecht.* Jeder Gläubiger nimmt an Abstimmungen nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil.

Issuer) and by hand or mail. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian (as defined below) with which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner.

§ 13

AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by resolution with the majority specified in paragraph (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of the Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of the Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter (der "**gemeinsame Vertreter**") für alle Gläubiger bestellen.

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

§ 14
ANWENDBARES RECHT,
ERFÜLLUNGORT, GERICHTSSTAND UND
GERICHTLICHE GELTENDMACHUNG

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

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main.

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren (die "**Rechtsstreitigkeiten**") sind die Gerichte in Frankfurt am Main.

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen, der diese über ein Clearingsystem hält, ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in der der Gläubiger 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 bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, die (a) den vollständigen Namen und die vollständige Adresse des Gläubigers 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 Clearingsystem 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 Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass

(6) *Joint Representative.* The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.

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

§ 14
APPLICABLE LAW, PLACE OF
PERFORMANCE, PLACE OF
JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall in all respects be governed by, and shall be construed exclusively in accordance with, German law.

(2) *Place of Performance.* Place of performance shall be Frankfurt am Main.

(3) *Place of Jurisdiction.* The courts in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes.

(4) *Enforcement.* Any Holder of Notes held through a Clearing System may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the 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 Global Note representing the Notes certified as being a true copy by a duly authorized 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 recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing,

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 und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus diesen Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem die Rechtsstreitigkeit geführt wird, prozessual zulässig ist.

**§ 15
SPRACHE**

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

protect and enforce its rights under these Notes also in any other way which is admitted in the country in which the Proceedings are conducted.

**§ 15
LANGUAGE**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be binding and prevailing. The English language translation shall be non-binding.

TEIL B: ZUSÄTZLICHE INFORMATIONEN
PART B: OTHER INFORMATION

WICHTIGE ANGABEN
KEY INFORMATION

Interessen von Seiten natürlicher oder juristischer Personen, die an der Emission bzw. dem Angebot beteiligt sind

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- Mit Ausnahme der wirtschaftlichen Interessen der Manager haben die an der Emission bzw. dem Angebot der Schuldverschreibungen beteiligten Personen – soweit die Emittentin hiervon Kenntnis hat – kein materielles Interesse an der Emission bzw. dem Angebot.

Save for the commercial interests of the Managers, so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.

Gründe für das Angebot und Verwendung der Erträge

Der Nettoerlös aus der Begebung der Schuldverschreibungen wird für die allgemeine Finanzierung der Emittentin verwandt oder direkt oder indirekt für die Weiterleitung an Konzernunternehmen genutzt.

Reasons for the Offer and Use of Proceeds

The net proceeds from the issue of the Notes will be used by the Issuer for the purpose of the general funding of the Issuer or will be utilized, directly or indirectly, by being on-lent to Group companies.

Geschätzter Nettoerlös
Estimated Net Proceeds

EUR 498.430.000
EUR 498,430,000

Geschätzte Gesamtkosten der Emission

EUR 8.100 (geschätzte Gesamtkosten für die Zulassung zum Handel, die von den Managern gezahlt werden)

Estimated Total Expenses of the Issue

EUR 8,100 (estimated total expenses related to the admission to trading, which will be paid by the Managers)

INFORMATIONEN ÜBER DIE ANZUBIETENDEN BZW. ZUM HANDEL ZUZULASSENDEN SCHULDVERSCHREIBUNGEN
INFORMATION CONCERNING THE NOTES TO BE OFFERED OR ADMITTED TO TRADING

Wertpapierkennnummern
Security Codes

- ISIN
ISIN DE000A2YNZY4
DE000A2YNZY4
- Common Code
Common Code 203853530
203853530
- Wertpapierkennnummer (WKN)
German Security Code A2YNZY
A2YNZY
- Sonstige Wertpapierkennnummer
Any Other Security Code

Emissionsrendite bei Endfälligkeit
Issue Yield to Final Maturity

1,126 % per annum
1.126 per cent. per annum

Vertretung der Gläubiger unter Angabe der die Gläubiger vertretenden Organisation und der für diese Vertretung geltenden Bestimmungen. Angabe des Ortes, an dem die Öffentlichkeit die Verträge, die diese Repräsentationsformen regeln, einsehen kann

Gemäß § 13 Absatz (6) der Emissionsbedingungen können die Gläubiger zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestimmen.

Representation of the Holders including an identification of the organisation representing the Holders and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation

Pursuant to § 13 (6) of the Terms and Conditions, the Holders may appoint a joint representative to exercise the Holders' rights on behalf of each Holder.

Beschlüsse, Ermächtigungen und Billigungen, welche die Grundlage für die Schaffung/Emission der Schuldverschreibungen bilden

Die Ermächtigung zur Emission der Schuldverschreibungen erfolgte in Übereinstimmung mit den vom Vorstand der Emittentin für die Begebung von Schuldverschreibungen aufgestellten Verfahrensregeln und den darin enthaltenen Vollmachten.

Resolutions, authorizations and approvals by virtue of which the Notes will be created and/or issued

The issue of the Notes was authorized in accordance with the rules of procedure for the issue of notes established by the Board of Management of the Issuer and the powers contained therein.

BEDINGUNGEN UND KUNDITIONEN DES ANGEBOTS
TERMS AND CONDITIONS OF THE OFFER

Nicht anwendbar
Not applicable

PLATZIERUNG UND EMISSION
PLACING AND UNDERWRITING

Vertriebsmethode
Method of Distribution

- Nicht syndiziert
Non-syndicated
- Syndiziert
Syndicated

Übernahmevertrag
Subscription Agreement

Datum des Übernahmevertrags
Date of the Subscription Agreement

6. August 2019
August 6, 2019

Hauptmerkmale des Übernahmevertrags (einschließlich der Quoten)

Unter dem Übernahmevertrag verpflichtet sich die Emittentin zur Begebung der Schuldverschreibungen und die Manager verpflichten sich gesamtschuldnerisch zum Erwerb der Schuldverschreibungen.

Material features of the Subscription Agreement (including the quotas)

Pursuant to the Subscription Agreement, the Issuer agrees to issue the Notes and the Managers jointly and severally agree to subscribe for the Notes.

**Einzelheiten bezüglich der Manager einschließlich der Art der
Übernahmeverpflichtung**

Details with Regard to the Managers Including the Type of Commitment

Manager
Managers

Banco Bilbao Vizcaya Argentaria,
S.A.
Ciudad BBV
C/ Saucedo, 28
Edificio Asia - 2nd Floor
28050, Madrid
Spain

Deutsche Bank Aktiengesellschaft
Mainzer Landstraße 11-17
60329 Frankfurt am Main
Germany

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

MUFG Securities (Europe) N.V.
World Trade Center
Tower H, 11th Floor
Zuidplein 98
1077 XV Amsterdam
The Netherlands

Société Générale
Tours Société Générale
17 Cours Valmy
92987 Paris La Défense Cedex
France

- Feste Übernahmeverpflichtung
Firm Commitment
- Ohne feste Übernahmeverpflichtung
Without Firm Commitment

Kursstabilisierender Manager
Stabilizing Manager

Keiner
None

Provisionen
Commissions and Concessions

- Management- und Übernahme provision
Management and Underwriting Commission
- Verkaufsprovision
Selling Concession
- Andere
Other

0,30 % des Gesamtnennbetrags
*0.30 per cent. of the Aggregate
Principal Amount*

Gesamtprovision
Total Commission and Concession 0,30 % des Gesamtnennbetrags
0.30 per cent. of the Aggregate Principal Amount

ZULASSUNG ZUM HANDEL UND HANDELSMODALITÄTEN
ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Zulassung zum Handel Ja
Admission to Trading Yes

- Regulierter Markt der Frankfurter Wertpapierbörse
Regulated Market of the Frankfurt Stock Exchange
- Geregelter Markt "Bourse de Luxembourg"
Regulated Market "Bourse de Luxembourg"
- Sonstige Börse
Other Stock Exchange

Erwarteter Termin der Zulassung 8. August 2019
Expected Date of Admission August 8, 2019

Angabe sämtlicher geregelter oder gleichwertiger Märkte, an denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind Nicht anwendbar
All regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class as the Notes to be offered or admitted to trading are already admitted to trading Not applicable

Namen und Anschriften der Institute, die aufgrund einer Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen schaffen, und Beschreibung der Hauptbedingungen ihrer Zusage Nicht anwendbar
Names and addresses of the entities which have committed themselves to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment Not applicable

ZUSÄTZLICHE INFORMATIONEN
ADDITIONAL INFORMATION

Ratings
Ratings

Die Schuldverschreibungen haben die folgenden Ratings:
The Notes have been rated as follows:

Fitch¹: A-

For the purposes of Fitch ratings, an A rating denotes expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to "AAA" ratings, or to corporate finance obligation ratings in the categories below "CCC".

¹ "Fitch" bedeutet Fitch Ratings España S.A.U. Fitch hat ihren Sitz in der Europäischen Union und wurde (gemäß der aktuellen Liste der registrierten und zertifizierten Kreditratingagenturen vom 5. Juli 2019, veröffentlicht auf der Internetseite der European Securities and Markets Authority (www.esma.europa.eu)) gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 (in ihrer geänderten Fassung) registriert.

"Fitch" means Fitch Ratings España S.A.U. Fitch has been established in the European Union and has been registered (pursuant to the current list of registered and certified credit rating agencies dated July 5, 2019, published on the website of the European Securities and Markets Authority (www.esma.europa.eu)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

Moody's¹: A2

For the purposes of Moody's ratings, an A rating means that an obligation is judged to be upper-medium grade and is subject to low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 2 indicates a mid-range ranking.

Standard & Poor's²: A

For the purposes of Standard & Poor's ratings, an A rating means that an obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Verkaufsbeschränkungen

Selling Restrictions

TEFRA

TEFRA

- TEFRA C
TEFRA C
- TEFRA D
TEFRA D
- Weder TEFRA C noch TEFRA D
Neither TEFRA C nor TEFRA D

Verbot des Verkaufs an Kleinanleger im Europäischen Wirtschaftsraum (im Sinne der Verordnung (EU) Nr. 1286/2014) Nicht anwendbar

Prohibition of Sales to Retail Investors in the European Economic Area (within the meaning of Regulation (EU) 1286/2014) *Not applicable*

Nicht befreites Angebot Nein
Non-exempt offer *No*

Zustimmung zur Verwendung des Prospekts

Consent to the Use of the Prospectus

- Keine Zustimmung
No Consent
- Individuelle Zustimmung
Individual Consent
- Generelle Zustimmung
General Consent

¹ "Moody's" bedeutet Moody's Deutschland GmbH. Moody's hat ihren Sitz in der Europäischen Union und wurde (gemäß der aktuellen Liste der registrierten und zertifizierten Kreditratingagenturen vom 5. Juli 2019, veröffentlicht auf der Internetseite der European Securities and Markets Authority (www.esma.europa.eu)) gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 (in ihrer geänderten Fassung) registriert.

"Moody's" means Moody's Deutschland GmbH. Moody's has been established in the European Union and has been registered (pursuant to the current list of registered and certified credit rating agencies dated July 5, 2019, published on the website of the European Securities and Markets Authority (www.esma.europa.eu)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

² "Standard & Poor's" bedeutet S&P Global Ratings Europe Limited. Standard & Poor's hat ihren Sitz in der Europäischen Union und wurde (gemäß der aktuellen Liste der registrierten und zertifizierten Kreditratingagenturen vom 5. Juli 2019, veröffentlicht auf der Internetseite der European Securities and Markets Authority (www.esma.europa.eu)) gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 (in ihrer geänderten Fassung) registriert.

"Standard & Poor's" means S&P Global Ratings Europe Limited. Standard & Poor's has been established in the European Union and has been registered (pursuant to the current list of registered and certified credit rating agencies dated July 5, 2019, published on the website of the European Securities and Markets Authority (www.esma.europa.eu)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

Informationen von Seiten Dritter

Third Party Information

Die oben aufgeführten Ratings wurden in der von der jeweils maßgeblichen Ratingagentur erhaltenen Form wiedergegeben, und die oben aufgeführten englischsprachigen Ratingdefinitionen wurden aus den Internetseiten von Fitch, Moody's und Standard & Poor's extrahiert. Die Emittentin bestätigt, dass diese Angaben korrekt wiedergegeben wurden und nach Wissen der Emittentin und – soweit für sie aus den von Fitch, Moody's und Standard & Poor's veröffentlichten Angaben ersichtlich – keine Auslassungen beinhalten, die die wiedergegebenen Angaben inkorrekt oder irreführend gestalten würden.

The ratings set out above have been sourced from each relevant rating agency and the English language rating definitions set out above have been extracted from the websites of Fitch, Moody's and Standard & Poor's, respectively. The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by Fitch, Moody's and Standard & Poor's, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Im Namen der Emittentin unterzeichnet
Signed on behalf of the Issuer

Daimler AG

SUMMARY

This summary (the "**Summary**") is 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 notes 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 this Summary because of the type of notes 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 this Summary together with the statement "*Not applicable*".

| Section A – Introduction and Warnings | | | | | | | | | |
|--|---|--|--|---|--|---|--|--|--|
| A.1 | <p style="text-align: center;">Warnings that:</p> <ul style="list-style-type: none"> • this Summary should be read as introduction to the Prospectus; • any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor; • where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons that have tabled this Summary including any translation hereof, but only if this 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 the Notes. | | | | | | | | |
| A.2 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Consent to the use of the Prospectus.</td> <td>Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.</td> </tr> <tr> <td>Offer period for which consent to use the Prospectus is given.</td> <td>Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.</td> </tr> <tr> <td>Any other clear and objective conditions attached to the consent which are relevant.</td> <td>Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.</td> </tr> <tr> <td>Notice informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer</td> <td>Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary.</td> </tr> </table> | Consent to the use of the Prospectus. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | Offer period for which consent to use the Prospectus is given. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | Any other clear and objective conditions attached to the consent which are relevant. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | Notice informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. |
| Consent to the use of the Prospectus. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | | | | | | | | |
| Offer period for which consent to use the Prospectus is given. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | | | | | | | | |
| Any other clear and objective conditions attached to the consent which are relevant. | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | | | | | | | | |
| Notice informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer | Not applicable. The Issuer does not give consent to the use of the Prospectus and the Final Terms for the subsequent resale or final placement of the Notes to any dealer or financial intermediary. | | | | | | | | |

| | | |
|---------------------------------------|---|--|
| | by the financial intermediary. | |
| Section B – Issuer: Daimler AG | | |
| B.1 | Legal and commercial name. | Daimler AG ("DAG") |
| B.2 | Domicile and legal form, the legislation under which the Issuer operates and its country of incorporation. | DAG is a stock corporation organized under the laws of the Federal Republic of Germany with its executive offices in Stuttgart, Federal Republic of Germany. |
| B.4b | Known trends affecting the Issuer and the industries in which it operates. | Not applicable. There are no known trends affecting the Issuer and the industries in which it operates. |
| B.5 | Description of the group and the Issuer's position within the group. | DAG is the parent company within the Daimler group (" Daimler ", " Daimler Group " or the " Group "). |
| B.9 | Profit forecast or estimate. | Not applicable. DAG has chosen not to include a profit forecast or estimate. |
| B.10 | Nature of any qualifications in the audit report on the historical financial information. | Not applicable. There were no qualifications in the audit reports on historical financial information. |
| B.12 | Selected historical key financial information. | <p>A. Selected historical key financial information relating to the financial years 2017 and 2018</p> <p>The following tables present selected financial information, which has been extracted from the audited consolidated financial statements of DAG as of, and for the financial year 2018 of DAG ended on, December 31, 2018:</p> |

| Consolidated | | |
|---|---|---|
| | January 1, 2018 to December 31, 2018 | January 1, 2017 to December 31, 2017 |
| | | (adjusted)¹ |
| | (in millions of €) | |
| Profit before income taxes | 10,595 | 13,967 |
| Net profit | 7,582 | 10,617 |
| ¹ The 2017 figures have been adjusted due to the effects of first-time adoption of IFRS 15 and IFRS 9. Information related to the adjustments of the 2017 figures is disclosed in Note 1 of the Notes to the Consolidated Financial Statements 2018 of DAG, incorporated by reference into the Prospectus. | | |
| Consolidated | | |
| | As of December 31, 2018 | As of December 31, 2017 |
| | | (adjusted)¹ |
| | (in millions of €) | |
| Equity attributable to shareholders of Daimler AG | 64,667 | 63,869 |
| Non-controlling interests | 1,386 | 1,290 |
| Total non-current liabilities | 117,614 | 102,562 |
| Total current liabilities | 97,952 | 87,624 |
| Total equity and liabilities | 281,619 | 255,345 |
| ¹ The 2017 figures have been adjusted due to the effects of first-time adoption of IFRS 15 and IFRS 9. Information related to the adjustments of the 2017 figures is disclosed in Note 1 of the Notes to the Consolidated Financial Statements 2018 of DAG, incorporated by reference into the Prospectus. | | |

B. Selected historical key financial information relating to the respective first quarter of the financial years 2018 and 2019

The following tables present selected financial information, which has been extracted from the unaudited but reviewed interim consolidated financial statements of DAG as of, and for the first quarter of the financial year 2019 of DAG ended on, March 31, 2019:

| Consolidated | | |
|----------------------------|--|--|
| | January 1, 2019 to March 31, 2019 | January 1, 2018 to March 31, 2018 |
| | (in millions of €) | |
| Profit before income taxes | 2,623 | 3,247 |
| Net profit | 2,149 | 2,354 |

| Consolidated | | |
|---|-------------------------------------|--|
| | As of March 31, 2019 | As of December 31, 2018 |
| | (in millions of €) | |
| Equity attributable to shareholders of Daimler AG | 66,444 | 64,667 |
| Non-controlling interests | 1,422 | 1,386 |
| Total non-current liabilities | 125,451 | 117,614 |
| Total current liabilities | 104,180 | 97,952 |
| Total equity and liabilities | 297,497 | 281,619 |

C. Selected historical key financial information relating to the respective first half year of the financial years 2018 and 2019

The following tables present selected financial information, which has been extracted from the unaudited but reviewed interim consolidated financial statements of DAG as of, and for the first half year of the financial year 2019 of DAG ended on, June 30, 2019:

| | | Consolidated | | |
|-------------|---|---|---------|---|
| | | January 1, 2019 to June 30, 2019 | | January 1, 2018 to June 30, 2018 |
| | | (in millions of €) | | |
| | Profit before income taxes | 951 | 5,777 | |
| | Net Profit | 907 | 4,197 | |
| | | Consolidated | | |
| | | As of June 30, 2019 | | As of December 31, 2018 |
| | | (in millions of €) | | |
| | Equity attributable to shareholders of Daimler AG | 60,484 | 64,667 | |
| | Non-controlling interests | 1,296 | 1,386 | |
| | Total non-current liabilities | 122,831 | 117,614 | |
| | Total current liabilities | 109,571 | 97,952 | |
| | Total equity and liabilities | 294,182 | 281,619 | |
| | No material adverse change. | There has been no material adverse change in the prospects of DAG since the date of DAG's last published audited financial statements as of December 31, 2018. | | |
| | Significant changes in the financial or trading position. | Not applicable. There has been no significant change in DAG's financial or trading position which has occurred since June 30, 2019, the end of the last financial period for which financial information has been published. | | |
| B.13 | Recent events which are to a material extent relevant for the evaluation of the Issuer's solvency. | On June 23 and July 12, 2019, DAG published ad hoc announcements in which it lowered its earnings expectations for the 2019 financial year for the Mercedes-Benz Vans and Mercedes-Benz Cars divisions and for the Group. The main reasons for the lowered earnings expectations are an increase in the expenses anticipated for various ongoing governmental and court proceedings and for measures taken with regard to Mercedes-Benz diesel vehicles, an updated risk assessment relating to provisions for an extended recall of Takata airbags in Europe and other parts of the world, and a decision to review and prioritize the | | |

| | | |
|-------------|--|--|
| | | product portfolio of the Mercedes-Benz Vans division. In addition, the earnings outlook has been lowered due to slower production ramp-ups in 2019 and lower-than-expected growth in automotive markets. |
| B.14 | Dependency upon other Group entities. | See B.5 above. Not applicable. DAG is the parent company within the Group and not dependent on other Group companies. |
| B.15 | Principal activities. | <p>The Group which includes DAG and its consolidated subsidiaries is a vehicle manufacturer with a wide product range of automobiles, trucks, vans and buses. The product portfolio is completed by automotive and financial services.</p> <p>The Group's individual divisions are Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services.</p> <p>The products supplied by the Mercedes-Benz Cars comprise a broad spectrum of premium vehicles of the Mercedes-Benz brand and its Mercedes-AMG and Mercedes-Maybach sub-brands.</p> <p>Daimler Trucks develops and produces vehicles in a global network under the brands Mercedes-Benz, Freightliner, Western Star, Fuso and BharatBenz. Daimler Trucks' product range includes light, medium and heavy trucks for local and long-distance deliveries and construction sites, as well as special vehicles for municipal applications.</p> <p>The portfolio of the Mercedes-Benz Vans division in the segment of medium and large vans comprises the Sprinter, V-Class, Vito and Citan series.</p> <p>The Daimler Buses division with its brands Mercedes-Benz and Setra is a manufacturer in the segment of buses above 8 tons. The product range supplied by Daimler Buses comprises city and intercity buses, coaches and bus chassis.</p> <p>The Daimler Financial Services division supports the sales of the Group's automotive brands in 40 countries. Its product portfolio primarily comprises tailored financing and leasing packages for customers and dealers, but it also provides services such as insurance brokerage, fleet management services, investment products, credit cards as well as various mobility services.</p> |
| B.16 | Major shareholders. | <p>DAG is a stock corporation and as such owned by its shareholders.</p> <p>The following shareholders have notified DAG in accordance with the German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>, "WpHG") that at least 3% of the voting rights in DAG are held directly by them:</p> |

| Shareholder | Total share | Reference date of latest voting rights announcement |
|--|--|---|
| Tenaciou3 Prospect Investment Limited, Hong Kong | 9.69% | May 8, 2018 |
| Kuwait Investment Authority as Agent for the Government of the State Kuwait, Kuwait City, Kuwait | 6.84% as a long term position as of December 31, 2018 according to the knowledge of DAG | |
| Investment Global Co., Ltd. on behalf of BAIC Group | 5.33% 5.00% ¹ | April 22, 2010 July 18, 2019 |
| Renault S.A./Nissan Motor Co. Ltd. | 3.07% ² as of December 31, 2018 according to the knowledge of DAG 3.10% ³ | April 28, 2010 |
| <p>¹ Of which 2.52% are based on a total return swap.</p> <p>² Due to an increase in the total number of outstanding shares of DAG following the exercise of stock options, each shareholding in DAG of Renault S.A. and Nissan Motor Co. Ltd. amounted to 1.54% as of December 31, 2018.</p> <p>³ According to the notification of voting rights, Renault S.A. and Nissan Motor Co. Ltd. hold voting rights in the amount of 3.10%; each of them holds directly 1.55% and a further 1.55% is attributed to each of Renault S.A. and Nissan Motor Co. Ltd. via the other party.</p> | | |
| <p>The following legal entities have notified DAG in accordance with the WpHG that at least 3% of the voting rights in DAG are attributed to them:</p> | | |
| Attribution of voting rights to the following legal entities | Share of voting rights | Reference date of latest voting rights announcement |
| BlackRock, Inc., Wilmington, USA | 5.06% | July 18, 2019 |
| Bank of America Corp., Wilmington, USA | 5.13% | June 27, 2019 |
| Harris Associates L.P., Wilmington, USA | 4.93% | October 16, 2018 |

| | | |
|--------------------------|---|--|
| | | DAG is to its knowledge neither directly nor indirectly owned in a manner that would allow an owner to exercise a controlling influence over DAG. |
| B.17 | Credit ratings assigned to the Issuer or its debt securities. | <p>DAG has received the following short-term and long-term ratings:</p> <p>Short-term ratings:</p> <p>DBRS: R-1 (low)</p> <p>Fitch: F-1</p> <p>Moody's: P-1</p> <p>Scope: S-1</p> <p>Standard & Poor's: A-1</p> <p>Long-term ratings:</p> <p>DBRS: A; outlook stable</p> <p>Fitch: A-; outlook stable</p> <p>Moody's: A2; outlook negative</p> <p>Scope: A; outlook stable</p> <p>Standard & Poor's: A; outlook negative</p> <p>The Notes have been rated A- by Fitch, A2 by Moody's and A by Standard & Poor's.</p> |
| Section C – Notes | | |
| C.1 | Type and class of the Notes, including any security identification number. | <p>Type and Class</p> <p>The Notes are interest-bearing debt instruments in the form of fixed rate notes.</p> <p>Security Identification Numbers</p> <p>ISIN: DE000A2YNZY4</p> <p>Common Code: 203853530</p> <p>WKN: A2YNZY</p> |
| C.2 | Currency. | The Notes are issued in Euro ("EUR"). |
| C.5 | Restrictions on the free transferability. | Not applicable. The Notes are freely transferable. |

| | | |
|-------------------|---|---|
| <p>C.8</p> | <p>Rights attached to the Notes (including ranking and limitations to those rights).</p> | <p>Redemption</p> <p>Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the Terms and Conditions, the Notes shall be redeemed at their Final Redemption Amount on the Maturity Date.</p> <p>The "Final Redemption Amount" in respect of each Note shall be its principal amount.</p> <p>Early Redemption in Case of an Acceleration of the Notes by the Holder</p> <p>In case of an event of default as specified in the Terms and Conditions, each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount together with accrued interest, if any.</p> <p>The "Early Redemption Amount" of a Note shall be its Final Redemption Amount.</p> <p>Amendment of the Terms and Conditions, Joint Representative</p> <p>The Holders may agree with the Issuer on amendments of the Terms and Conditions with regard to matters permitted by the German Act on Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen</i>) by resolution with the majority specified in the Final Terms. The Holders may by majority resolution appoint a joint representative to exercise the Holders' rights on behalf of each Holder.</p> <p>Negative Pledge</p> <p>The Terms and Conditions contain a negative pledge provision.</p> <p>Status</p> <p>The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> (without any preference among themselves) with the claims of all other unsecured and unsubordinated creditors of it other than those claims which are expressly preferred under the laws of its jurisdiction of incorporation.</p> <p>Early Redemption for Reasons of Taxation</p> <p>The Notes will be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 days' nor more than 60 days' prior notice of redemption to the Issuing Agent and the Holders at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption, if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the country in which the Issuer is domiciled (or resident for tax purposes) or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or</p> |
|-------------------|---|---|

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| | | <p>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 first tranche of this series of Notes is issued.</p> <p>Early Redemption for Reasons of FATCA</p> <p>The Issuer may, at its option, redeem the Notes in whole, but not in part, at any time on giving not less than 30 days' nor more than 60 days' prior notice of redemption to the Issuing Agent and to the Holders at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption, in the event that the Issuer reasonably determines that it has, or there is a substantial likelihood that (x) it will become subject to withholding imposed on a payment made to it pursuant to (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 and any associated regulations or other official guidance (the "U.S. Provisions"); (b) any treaty, law, regulation or other official guidance enacted in any other country which facilitates the implementation of the U.S. Provisions (the "Foreign Provisions"); (c) any intergovernmental agreement between the United States and any other country, which facilitates the implementation of the U.S. Provisions (the "Intergovernmental Agreement"); or (d) any agreement regarding the implementation of the U.S. Provisions, the Foreign Provisions and any Intergovernmental Agreement entered into by the Issuer, a paying agent or an intermediary with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other country (together with the U.S. Provisions, Foreign Provisions and Intergovernmental Agreement, "FATCA") and the Issuer further reasonably determines that the redemption of the Notes would avoid such withholding, or (y) it will become obligated pursuant to FATCA to redeem certain Holders.</p> <p>Governing Law</p> <p>The Notes will be governed by German law.</p> <p>Place of Jurisdiction</p> <p>The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.</p> |
| C.9 | <p>Nominal interest rate.</p> <p>Date from which interest becomes payable and the due dates for interest.</p> <p>Where the rate is not fixed, description of the underlying on which it</p> | <p>See C.8 above.</p> <p>1.125 per cent. <i>per annum</i>.</p> <p>Interest Commencement Date: August 8, 2019.</p> <p>Interest Payment Dates: August 8 in each year, from, and including, August 8, 2020 to, and including, August 8, 2034, subject to adjustment for payments only in accordance with the Following Business Day Convention.</p> <p>Not applicable. The interest rate is not based on an underlying.</p> |

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| | is based. | |
| | Maturity date including the repayment procedures. | Maturity Date: August 8, 2034, subject to adjustment for payments only in accordance with the Following Business Day Convention. Payments on the Notes shall be made to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System. |
| | Indication of yield. | 1.126 per cent. <i>per annum</i> . |
| | Name of representative of the holders of the Notes. | Not applicable. No joint representative has been appointed in the Terms and Conditions. |
| C.10 | Explanation how the value of investment is affected in case the interest payments have a derivative component. | See C.9 above. Not applicable. Interest payments in relation to the Notes do not have a derivative component. |
| C.11 | Admission to trading on a regulated market or equivalent market. | Application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange. |

Section D – Risks

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| D.2 | Key risks that are specific to the Issuer. | <p>DAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks which could affect DAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. DAG's overall risk situation is the sum of the individual risks of all risk categories for the divisions, the corporate functions and legal entities. In general, the reporting of risks takes place in relation to the individual segments. If no segment is explicitly mentioned, the risks described relate to all divisions.</p> <p>In addition, risks that are not yet known or assessed as not material can influence profitability, cash flows and financial position.</p> <p>Industry and Business Risks</p> <p><i>Economic risks</i></p> <ul style="list-style-type: none"> • The escalation of the trade conflict between the United States and China continues to be one of the main risks. But the threat of US tariffs on vehicles and parts imported from other markets, including the European Union, could also affect existing global value chains and have a negative impact on sales opportunities and economic developments. Furthermore, there is a danger that countries will implement increasingly protectionist measures such as specific market-access barriers or industrial policy instruments. |
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| | | <p>Should these trade tensions spread and massively affect global trade, there could be significant impacts on inflation, business climate, consumer confidence and ultimately also on global economic growth.</p> <ul style="list-style-type: none"> • In the United States, economic and fiscal policy could turn out to be more expansive than previously assumed. As the Daimler Group generates a substantial proportion of its revenue in the United States, especially in the Mercedes-Benz Cars, Daimler Trucks and Daimler Financial Services divisions, these developments would have considerable consequences for the Group's success. Furthermore, stronger growth in the United States could also have spillover effects on the rest of the world. The disadvantages of such an expansionary fiscal policy are the further worsening of the debt situation in the United States and the risk that inflation will rise more significantly than currently expected, due not least to rising wages and a labor market close to full employment. This could force the U.S. Federal Reserve to raise federal funds rates more sharply than expected by the market, which would directly weaken domestic demand. As a further consequence, increasing volatility in the financial markets could adversely affect investor confidence, leading to widespread sales of equities and thus triggering a chain reaction on stock markets, with major market adjustments and phases of exceptional volatility in global financial markets. • In Europe, the further development of relations between the European Union and the United Kingdom represents a significant risk. If the negotiated exit agreement is not approved by the British parliament and as a result, there are neither further negotiations nor a complete cancellation of Brexit, a disorderly withdrawal is at least possible. This would have a massive impact on the UK economy and on the remaining EU member states, and would make trading conditions more difficult. Furthermore, if financial market participants are not sufficiently prepared, noticeable market distortions cannot be ruled out, which would have significant negative effects on the real economy. Besides that, increased political uncertainty in the euro zone, for example as a result of developments in Italy, could adversely affect consumption and investment decisions by households and companies. The European market continues to be very important for Daimler across all divisions. • Due to China's enormous importance as a growth driver for the world economy in recent years, a downturn in the Chinese economy would represent a considerable risk to the global economy. The enormous rise in debt that has been observed since the global financial crisis, especially in the corporate sector, represents a significant risk. If the government's efforts to restrict credit growth in combination with the negative impact of US tariffs on imports from China lead to a more significant growth slowdown than currently expected, this would result in a perceptible cooling-off for the world economy. • Within China, a slowdown could result in a major increase in non- |
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| | | <p>performing loans, which could then lead to turbulences in the banking sector and financial markets. The aforementioned risks could result in significant negative effects on units sales, particularly for the Mercedes-Benz Cars division, for which China is now the biggest individual sales market by a large margin.</p> <ul style="list-style-type: none"> • Pressure on the emerging markets could increase if more countries were affected by massive capital outflows and exchange-rate losses, or if the currency crises in Argentina and Turkey turn into significant banking crises. In such cases, global investors could withdraw capital from emerging markets on a large scale, which would probably force those countries with large foreign-trade imbalances to make painful adjustments. Renewed financial-market turbulences and currency crises are possible consequences and could have a massive impact on the economies of affected countries. Lower growth in world trade and lower raw-material prices (e.g. a drop in the oil price) than currently forecasted would also have a negative impact on growth for exporters of raw materials. As Daimler is already very active in those countries, or their markets play a strategic role, this would have negative effects on the Group's prospective unit sales. An excessive and sudden rise in oil prices, for example as a result of geopolitical tension, would increase inflationary pressure and cause central banks to raise interest rates more rapidly, with negative effects on sentiment indicators and consumer behavior. • Further risks are related to geopolitical tensions, terrorist attacks or assassinations in Europe or other major economies, which could adversely affect global trade and international capital markets for a prolonged period. <p><i>Location and country-specific risks</i></p> <ul style="list-style-type: none"> • In conducting business around the world, Daimler is subject to risks that are inherent in operating in other countries and is therefore exposed to material location and country-specific risks. • In general, business operations in emerging markets involve a greater risk resulting from economic and political systems that typically are less developed, and likely to be less stable, than those of more advanced countries. Daimler is therefore exposed to a number of factors, over which the Group has little to no control and which may adversely affect the Group's business activities. These factors include, but are not limited to, the following: political, social, economic, financial or market-related instability or volatility; foreign currency control regulations and other regulations or the negative impacts related to foreign exchange rate volatility; restrictions on capital transfers; absence of independent and experienced judiciary and inability to enforce contracts; reimbursement rates and services covered by government reimbursement programs; trade restrictions and restrictions on repatriation of earnings. |
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| | | <p><i>General market risks</i></p> <ul style="list-style-type: none"> • The risks for the economic development of automotive markets are strongly affected by the cyclical situation of the global economy. • Discussions about the future of diesel technology and the related uncertainties may result in a change in customer demand which could negatively affect sales of diesel vehicles and can lead possibly to a drop in earnings. • Due to the partly difficult financial situation of some dealerships and vehicle importers, support actions might become necessary to ensure the performance of the business partners. • Supporting actions can adversely affect the profitability, cash flows and financial position of the automotive divisions. • Possibly rising competitive and price pressure above all affect the segments Mercedes-Benz Cars and Daimler Trucks. Aggressive pricing policies, the introduction of new products by competitors, or pricing pressure in the aftersales business can make it more difficult to achieve expected prices. • Further risks at Mercedes-Benz Cars, Mercedes-Benz Vans and Daimler Financial Services relate to the development of used vehicle markets and thus to the residual values of the vehicles produced. In particular, the uncertainty existing in connection with diesel vehicles can have a negative impact on residual values. • In addition, a residual-value risk from non-Daimler vehicles exists for the Daimler Financial Services companies that operate commercial fleet management and leasing management, because most of those vehicles are not covered by manufacturers' residual-value guarantees. <p><i>Risks relating to the leasing and sales-financing business</i></p> <ul style="list-style-type: none"> • In connection with the sale of vehicles, Daimler offers its customers a wide range of financing possibilities – primarily of leasing and financing the Group's products. The resulting risks for the Daimler Financial Services segment are mainly due to borrowers' worsening creditworthiness, so receivables might not be recoverable in whole or in part because of customers' insolvency (default risk or credit risk). • An adjustment of credit conditions for customers in the leasing and sales-financing business caused by higher refinancing costs could reduce the new business and contract volume of Daimler Financial Services, also reducing the unit sales of the automotive divisions. <p><i>Procurement market risks</i></p> <ul style="list-style-type: none"> • Procurement market risks arise for the automotive divisions in particular from fluctuations in prices of raw materials and energy. There are also risks of financial bottlenecks of suppliers and of |
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| | | <p>capacity bottlenecks caused by supplier delivery failures or by insufficient utilization of production capacities at suppliers.</p> <ul style="list-style-type: none"> • Raw-material markets can be impacted by political crises and uncertainties – combined with possible supply bottlenecks – as well as by volatile demand for specific raw materials. Generally, the ability to pass on the higher costs of commodities and other materials in the form of higher prices for manufactured vehicles is limited because of strong competitive pressure in the international automotive markets. • Due to the planned electrification of new model series and a shift in customer demand from diesel to gasoline engines, the Mercedes-Benz Cars segment in particular is faced with the risk that Daimler will require changed volumes of components from suppliers. This could result in over- or underutilization of production capacities for certain suppliers. If suppliers cannot cover their fixed costs, there is the risk that suppliers could demand compensation payments. Necessary capacity expansion at suppliers' plants could also require cost-effective participation. <p><i>Risks relating to the legal and political framework</i></p> <ul style="list-style-type: none"> • The automotive industry is subject to extensive governmental regulation worldwide. Legal and political framework have a considerable impact on Daimler's future business success. Regulations concerning vehicles' emissions, fuel consumption and certification as well as tariff aspects play a particularly important role. Complying with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry. In the future, Daimler expects to spend an even larger proportion of its research and development budget to ensure compliance with these regulations. This is mainly attributable to more difficult certification processes and delays in certification, as well as the threat of increased tariffs. • Many countries and regions have already implemented stricter regulations to reduce vehicles' emissions and fuel consumption or are currently preparing such laws. They relate for example to the environmental impact of vehicles, including emission levels, fuel economy and noise, as well as pollutants from the emissions caused by the production facilities. Non-compliance with regulations applicable in the various regions might result in significant penalties and reputational risks and might even mean that vehicles could not be or could no longer be registered in the relevant markets. The cost of compliance with these regulations is significant, especially for conventional engines, and Daimler expects a further increase in costs in this context. • The Mercedes-Benz Cars segment faces risks with respect to regulations concerning the average fleet fuel consumption and CO₂ emissions of new vehicles, especially in the markets of China, Europe and the United States. The ambitious statutory requirements will be difficult to fulfill in some countries. |
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| | | <ul style="list-style-type: none"> • As the negative headlines on diesel engines and the implementation of driving bans on diesel vehicles unsettle customers, this can result in lasting shifts in the drive-system portfolio (fewer diesel and more gasoline engines). This would require additional development and production measures in order to meet the CO₂ fleet limits applicable as of 2020. • Strict regulations for the reduction of vehicles' emissions and fuel consumption create potential risks also for the Daimler Trucks and Daimler Buses divisions, because it will be difficult to fulfill the statutory requirements in some countries. This applies above all to the markets of Japan, the United States, China and Europe. • Very demanding regulations for CO₂ emissions are also planned or have been approved for light commercial vehicles, which will present a challenge for Mercedes-Benz Vans, especially in the long term. This applies in particular to the markets of the United States and Europe. • The position of the Daimler Group in key foreign markets could also be affected by an increase in or changes to free-trade agreements. If free-trade agreements are concluded without the involvement of countries where Daimler produces or if free-trade agreements are amended to make them substantially stricter, the position of the Daimler Group could be significantly impacted. • In addition to the described emission and fuel-consumption regulations, traffic-policy restrictions for the reduction of traffic jams, noise and emissions are becoming increasingly important in cities and urban areas worldwide. • Cities are becoming connected and are increasingly seeking partnerships with industry in order to cooperate on new mobility solutions. This can create a demand for vehicles with alternative drive systems, as well as for new mobility services including car-sharing services. The great challenge of the coming years will be to offer an appropriate range of drive systems and the right product portfolio in each market. <p>Company-specific Risks</p> <p><i>Production and technology risks</i></p> <ul style="list-style-type: none"> • Due to increasing technical complexity, the continually rising extent of requirements in terms of emissions, fuel consumption and safety, as well as meeting and steadily raising the Daimler Group's quality standards, product launches and manufacturing in the automotive divisions are also subject to production and technology risks. • Stipulations, plant reconstruction or delays in the ramp-up phase of an innovation or during a product's lifecycle can lead to inefficiencies in the production process and as a consequence to a short-term reduction in production volumes. Those automotive segments are affected which are currently launching a new product |
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| | | <p>or have planned a related production ramp-up.</p> <ul style="list-style-type: none"> • In principle, there is a danger that infrastructure problems, reduced plant availability or the failure of production equipment or production plants may cause internal bottlenecks that would consequently generate costs. • Insufficient availability of vehicle components at the right time, capacity restrictions in the production of batteries, interruptions in the supply chain and possible interruptions in supply by energy providers can lead to bottlenecks. • Warranty and goodwill cases could arise in the Daimler Group if the quality of the products does not meet the requirements, regulations are not fully complied with, or support cannot be provided in the required form in connection with product problems and product care. Quality problems with components in vehicles from external suppliers can require technical adjustments that can lead to considerable expenses. <p><i>Information technology risks</i></p> <ul style="list-style-type: none"> • The digitization strategy of Daimler includes risks from the increasing IT dependency of products and business and production processes. • Disturbances in information processing and therefore negative impacts on the business processes and on IT-based services cannot be ruled out. <p><i>Personnel risks</i></p> <ul style="list-style-type: none"> • The success of the Daimler Group is highly dependent on its employees and their expertise. • Competition for highly qualified staff and management is still very intense in the industry and the regions in which Daimler operates. Future success also depends on the extent to which the Daimler Group succeeds over the long term in recruiting, integrating and retaining specialist employees. • Due to demographic developments, the Group has to cope with changes relating to an aging workforce and has to secure a sufficient number of qualified young persons with the potential to become the next generation of highly skilled specialists and executives. <p><i>Risks related to associated companies, joint ventures and joint operations</i></p> <ul style="list-style-type: none"> • The Daimler Group generally bears the risks of associated companies, joint ventures and joint operations in line with its ownership interest. • The remeasurement of an associated company, joint venture or |
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joint operation in relation to its carrying value can lead to risks for the segment to which it is allocated. Furthermore, the business activities of an associated company, joint venture or joint operation, or the disposal or acquisition of an interest in such an entity, can result in financial obligations or an additional financing requirement.

Financial Risks

- Daimler is generally exposed to risks from changes in market prices such as currency exchange rates, interest rates, commodity prices and share prices. Market price changes can have a negative influence on the Group's profitability, cash flows and financial position.
- The Group is exposed to credit and country-related risks, risks of restricted access to capital markets and risks of early credit repayment requirements.

Exchange rate risks

- The Daimler Group's global orientation means that its business operations and financial transactions are connected with risks related to fluctuations in currency exchange rates. This applies in particular to the Mercedes-Benz Cars division, as a major portion of its revenue is generated in foreign currencies while most of its production costs are denominated in euros. The Daimler Trucks division is also exposed to such transaction risks.

Interest rate risks

- Changes in interest rates can create risks for business operations as well as for financial transactions.

Equity price risks

- The Group is subject to equity price risks in connection with its listed associated companies and joint ventures.

Commodity price risks

- The Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.

Liquidity risks

- A negative development of the capital markets could increase the Group's financing costs. More expensive refinancing would also have a negative effect on the competitiveness and profitability of Daimler's financial services business if Daimler was unable to pass on the higher refinancing costs to its customers; a limitation of the financial services business would have a negative impact on the automotive business.

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| | | <p><i>Credit risks</i></p> <ul style="list-style-type: none"> • The Group is exposed to credit risks which result primarily from its financial services activities and from the operations of its vehicle business. <p><i>Country risks</i></p> <ul style="list-style-type: none"> • Daimler is exposed to country risks that primarily result from cross-border financing or collateralization for Group companies or customers, from investments in subsidiaries, joint ventures, and from cross-border trade receivables. <p><i>Risks of restricted access to capital markets</i></p> <ul style="list-style-type: none"> • Access to capital markets in individual countries may be limited by government regulations or by a temporary lack of absorption capacity. The planned increase of Daimler's refinancing volume has also increased the possible impact of the risk of limited access to the capital markets. <p><i>Risks of early credit repayment obligations</i></p> <ul style="list-style-type: none"> • Daimler may be required to make premature repayment of special-purpose loans in the case of adverse results of ongoing legal proceedings. It is to be expected that the resulting refinancing requirement will have to be concluded at a higher cost. <p><i>Risks related to pension plans</i></p> <ul style="list-style-type: none"> • Daimler has pension benefit obligations and to a lesser degree obligations relating to healthcare benefits, which are largely covered by plan assets. The fair value of plan assets is determined to a large degree by developments in the capital markets. Unfavorable developments, especially relating to equity prices and fixed-interest securities, reduce the carrying value of plan assets. <p><i>Risks from changes in credit ratings</i></p> <ul style="list-style-type: none"> • Daimler's creditworthiness is assessed by the rating agencies DBRS Limited, Fitch Ratings España S.A.U., Moody's Deutschland GmbH, Scope Ratings AG and S&P Global Ratings Europe Limited. Risks exist in connection with potential downgrades to credit ratings by these rating agencies, and thus to Daimler's creditworthiness. Downgrades could have a negative impact on the Group's financing if such a downgrade leads to an increase in the costs for external financing or restricts the Group's ability to obtain financing. <p>Legal and Tax Risks</p> <p><i>Legal risks</i></p> <p><i>Regulatory risks</i></p> |
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| | | <ul style="list-style-type: none"> • The automotive industry is subject to extensive governmental regulations worldwide. The cost of compliance with these regulations is significant, and in this context, Daimler expects a significant increase in such costs. <p><i>Risks from legal proceedings in general</i></p> <ul style="list-style-type: none"> • DAG and its subsidiaries are confronted with various legal proceedings, claims as well as government investigations and orders (legal proceedings) on a large number of topics. If the outcome of such legal proceedings is detrimental to Daimler, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Some of these proceedings may have an impact on the Group's reputation. <p><i>Risks from legal proceedings in connection with diesel exhaust gas emissions – Governmental proceedings</i></p> <ul style="list-style-type: none"> • Currently, Daimler is subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, securities, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions. • Several federal and state authorities and other institutions worldwide have inquired about and/or are conducting investigations and/or proceedings, and/or have issued administrative orders. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, securities, criminal and antitrust laws. These authorities include, amongst others, the U.S. Department of Justice ("DOJ"), which has requested that Daimler conduct an internal investigation, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the U.S. Securities and Exchange Commission (SEC), the European Commission, the German Federal Cartel Office (<i>Bundeskartellamt</i>) as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Financial Supervisory Authority (BaFin), the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority ("KBA"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission in April 2019, has sent a statement of objections to Daimler and other automobile manufacturers. In this context, some time ago, DAG filed an application for immunity from fines (leniency application) with the European Commission. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart |
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| | | <p>district attorney's office also initiated a formal investigation proceeding against DAG with respect to an administrative offence in this regard. Further, Daimler comprehensively responded to the diesel emissions committee of inquiry of the German Parliament in the previous legislative period. Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued, such as subpoenas, i.e. legal instructions issued under penalty of law in the process of taking evidence, or other requests for documentation, testimony or other information, further search warrants, a notice of violation or an increased formalization of the governmental investigations, coordination or proceedings, including the resolution of proceedings by way of a settlement. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.</p> <ul style="list-style-type: none"> • In the second and third quarter of 2018 as well as in June 2019, KBA issued administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including stops of the first registration and mandatory recalls. Daimler filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary by a court of law. In the course of its regular market supervision, KBA routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about technical elements of the vehicles. It cannot be ruled out that in the course of the ongoing and/or further investigations, KBA will issue additional administrative orders making similar findings. Daimler has implemented a temporary delivery and registration stop with respect to certain models and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. • The new calibrations requested by KBA are being processed, and for a certain proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure under the relevant circumstances. Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions. • In January 2019, another vehicle manufacturer reached civil settlements with US and state authorities, as well as with vehicle customers. Although the manufacturer did not admit liability, the authorities maintain the position that the manufacturer included undisclosed Auxiliary Emission Control Devices ("AECDS") in its diesel vehicles, apparently including functionalities that are common in diesel vehicles, and that certain of these AECDS are to be perceived as illegal defeat devices. As part of these settlements, the manufacturer will, among other things, pay civil penalties, |
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| | | <p>undertake a recall of affected vehicles, provide extended warranties, undertake a nationwide mitigation project and make other payments. The manufacturer will furthermore provide payments to current and former diesel vehicle owners as part of a class action settlement.</p> <ul style="list-style-type: none"> • In light of these matters and in light of the ongoing governmental information requests, inquiries, investigations, administrative orders and proceedings, as well as Daimler's own internal investigations and the technical Compliance Management System (tCMS), which is and continues to be implemented to address the specific risks associated with the product development process in the automotive divisions and is designed particularly to also provide guidance – taking into account technical and legal aspects – with regard to the complex interpretation of regulations, it cannot be ruled out that authorities will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the group have impermissible functionalities and/or calibrations and/or that certain functionalities and/or calibrations were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running-change, field-fix and defect reporting as well as other compliance issues. The inquiries, investigations, legal actions and proceedings as well as the replies to the governmental information requests, the objection proceedings against KBA's administrative orders and Daimler's internal investigations are still ongoing and open; hence, Daimler cannot predict the outcome at this time. If these or other information requests, inquiries, investigations, administrative orders and proceedings result in unfavorable findings, an unfavorable outcome or otherwise develop unfavorably, Daimler could be subject to significant monetary penalties, fines, disgorgement of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions, including further investigations and/or administrative orders by these or other authorities and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. • Further, due to negative determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such determinations or findings, even if such determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative determination or finding in one proceeding carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits. • In addition, Daimler's ability to defend itself in proceedings could be impaired by unfavorable findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed |
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| | | <p>above.</p> <p><i>Risks from legal proceedings in connection with diesel exhaust gas emissions – Court proceedings</i></p> <ul style="list-style-type: none"> • A consumer class-action lawsuit is pending in the United States in which it is alleged that DAG and MBUSA conspired with Robert Bosch LLC and Robert Bosch GmbH to deceive US regulators and consumers. A separate lawsuit was filed in January 2019 by the State of Arizona alleging that DAG and MBUSA deliberately deceived consumers in connection with the advertising of Mercedes-Benz diesel vehicles. • Consumer class-action lawsuits containing similar allegations were filed against DAG and other companies of the Group in Canada in April 2016, and against DAG in Israel in February 2019. A similar class action was filed in the United States in July 2017, but in December 2017, the parties stipulated to dismiss that lawsuit without prejudice. It may be filed again under specific conditions. Furthermore, class actions have been filed in the United States and Canada alleging anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology. In June 2019, the consolidated US class actions making these allegations were dismissed by the court with leave to amend. A securities class action lawsuit is pending in the United States on behalf of investors in DAG American Depositary Receipts which alleges that the defendants made materially false and misleading statements about diesel emissions in Mercedes-Benz vehicles. • In Germany, a multitude of lawsuits by customers alleging violations of warranty and tort laws as well as lawsuits by investors alleging the violation of disclosure requirements are pending. In this context, motions to initiate a model proceeding in accordance with the Act on Model Proceedings in Capital Markets Disputes (<i>KapMuG</i>) have been filed by investors as well as by DAG. The investors alleging the violation of ad hoc disclosure requirements. • If court proceedings have an unfavorable outcome for Daimler, this could result in significant damages and punitive damages payments, remedial works or other cost-intensive measures. Court proceedings can in part also have an adverse effect on the reputation of the Group. • Furthermore, Daimler's ability to defend itself in court proceedings could be impaired by unfavorable findings, results or developments in any of the governmental or other court proceedings discussed above. <p><i>Risks from other legal proceedings</i></p> <ul style="list-style-type: none"> • Following the settlement decision by the European Commission adopted on July 19, 2016 concluding the trucks antitrust proceedings, DAG faces customers' claims for damages to a |
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| | | <p>considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected.</p> <ul style="list-style-type: none"> • It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above individually or in the aggregate may materially adversely impact Daimler's profitability and financial position. <p><i>Tax risks</i></p> <ul style="list-style-type: none"> • Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities – especially in the field of cross-border transactions – may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows. <p>Non-financial Risks</p> <ul style="list-style-type: none"> • As a company with worldwide activities, DAG is at the focus of public interest. In this context, the relevant stakeholders' perception is of crucial importance and can affect the reputation of the entire Daimler Group. • Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized Light Vehicles Test Procedure), the fleet CO₂ average has worsened. In light of today's knowledge, this would make it more difficult to achieve the CO₂ targets as of 2020. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation. <p>Other Risks</p> <ul style="list-style-type: none"> • As well as the risk categories described above, unpredictable events such as natural disasters, political instability or terrorist attacks can disturb production and business processes. • In addition to the described risks, other risks can occur that adversely affect the public perception and therefore the reputation of the Daimler Group. Public interest is focused on Daimler's position with regard to individual issues in the fields of sustainability, integrity and social responsibility. Furthermore, customers, business partners and capital markets are interested in how the Group reacts to the technological challenges of the future, how it succeeds in offering up-to-date and technologically leading products in the markets, and how business operations are conducted under the given conditions. • New competitors in the IT sector for example and the Group's |
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| | | <p>current strategy, among other things in connection with electric mobility, pose further challenges for the Daimler Group and are connected with risks.</p> <ul style="list-style-type: none"> • Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies. In addition, there will be costs for Project Future for the implementation of the new Group structure. |
| <p>D.3</p> | <p>Key risks that are specific to the Notes.</p> | <p><i>The Notes may not be a Suitable Investment</i></p> <p>Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances.</p> <p><i>Liquidity Risk</i></p> <p>There can 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 might 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.</p> <p><i>Market Price Risk</i></p> <p>The Holder of Notes is exposed to the risk of an unfavorable development of market prices of its Notes which materializes if the Holder sells the Notes prior to the final maturity of such Notes.</p> <p><i>Risk of Early Redemption</i></p> <p>If the Notes are redeemed early, a Holder is exposed to the risk that due to early redemption his investment will have a lower than expected yield.</p> <p><i>Currency Risk</i></p> <p>The Notes are denominated in Euro. The Holder is exposed to the risk of changes in currency exchange rates which may affect the yield of its Notes.</p> <p><i>Fixed Rate Notes</i></p> <p>The Holder is exposed to the risk that the price of the Notes falls as a result of changes in the current interest rate on the capital markets for comparable debt securities of the same maturity.</p> <p><i>Taxation</i></p> <p>Potential purchasers of Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities may change from time to time.</p> |

Resolutions of Holders

The Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the Conditions may be amended or reduced or even cancelled.

Joint Representative

It is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Conditions against the Issuer, such right passing to the Joint Representative who is then exclusively responsible to claim and enforce the rights of all Holders.

Ratings

The ratings assigned to the Notes may not reflect the potential impact of all risks relating to the structure, market and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the relevant rating agency at any time.

Interests of Natural and Legal Persons Involved in the Issue or the Offering

The Managers and/or their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business and may make or hold a broad array of investments and actively trade debt and equity securities for their own account and for the accounts of their customers. The Managers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments, including potentially the Notes, and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Managers and/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 Managers and/or 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 securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes.

Risks Resulting from FATCA

FATCA withholding may affect payments on the Notes. The Issuer may also redeem the Notes early if certain payments made to the Issuer become subject to withholding tax under FATCA or if the Issuer is required under FATCA to redeem such Notes.

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| | | <p><i>Financial Transactions Tax</i></p> <p>On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax in Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "Participating Member States") and Estonia. However, Estonia has since stated that it will not participate with regard to the common financial transactions tax proposal.</p> <p>The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.</p> <p>However, the financial transactions tax proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.</p> |
| <p>Section E – Offer</p> | | |
| E.2b | <p>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.</p> | <p>The net proceeds from the issue of the Notes will be used by the Issuer for the purpose of the general funding of the Issuer or will be utilized, directly or indirectly, by being on-lent to Group companies.</p> |
| E.3 | <p>Terms and conditions of the offer.</p> | <p>Aggregate principal amount EUR 500,000,000</p> <p>Issue price 99.986 per cent.</p> <p>Conditions, to which the offer is subject Not applicable</p> <p>Description of the application process Not applicable</p> <p>Details of the minimum and/or maximum amount of application Not applicable</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants Not applicable</p> |

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| | | <p>Details of the method and time limits for paying up and delivering the Notes</p> <p>Not applicable</p> <p>Manner and date in which results of the offer are to be made public</p> <p>Not applicable</p> <p>The Notes have been jointly and severally underwritten by the following Managers:</p> <p>Banco Bilbao Vizcaya Argentaria, S.A.</p> <p>Deutsche Bank Aktiengesellschaft</p> <p>HSBC Bank plc</p> <p>ING Bank N.V.</p> <p>MUFG Bank (Europe) N.V.</p> <p>Société Générale</p> |
| E.4 | Interest that is material to the issue/offer including conflicting interests. | <p>The Managers and/or their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business and may make or hold a broad array of investments and actively trade debt and equity securities for their own account and for the accounts of their customers. The Managers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments, including potentially the Notes, and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Managers and/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 Managers and/or 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 securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes.</p> |
| E.7 | Estimated expenses charged to the investor by the Issuer or the offeror. | <p>Not applicable. No expenses will be charged to the investor by the Issuer or offeror.</p> |