

This document constitutes a base prospectus for the purposes of Art. 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**") relating to issues of non-equity securities ("**Non-Equity Securities**") within the meaning of Art. 2(c) of the Prospectus Regulation under the Programme (as defined below) by Schaeffler AG.

SCHAEFFLER

SCHAEFFLER AG

(incorporated in the Federal Republic of Germany as a stock corporation (Aktiengesellschaft))

EUR 5,000,000,000 Debt Issuance Programme

Under this base prospectus (together with any documents incorporated by reference therein, the "**Base Prospectus**"), Schaeffler AG (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue unsubordinated bearer notes in a minimum denomination of EUR 1,000 per Note (together the "**Notes**"). The aggregate principal amount of Notes issued under the Debt Issuance Programme described in this Base Prospectus (the "**Programme**") outstanding will not at any time exceed EUR 5,000,000,000 (or the equivalent in other currencies).

The principal amount of the Notes, the issue currency, the interest payable in respect of the Notes, the issue prices and maturities of the Notes and all other terms and conditions which are applicable to a particular Series and, if applicable, Tranche of Notes (each term as defined below, see "*General description of the Programme*") will be set out in the document containing the final terms (each "**Final Terms**") within the meaning of Art. 8(4) of the Prospectus Regulation.

This Base Prospectus has been approved by the *Luxembourg Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**") and The Netherlands with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area (the "**EEA**") and the United Kingdom (the "**UK**") with such notification.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg". The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**"). However, Notes may be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms.

This Base Prospectus and any supplement to this Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Base Prospectus is valid for a period of twelve months after its approval. The validity ends upon expiration of October 1, 2021.

The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

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

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 8 of this Base Prospectus.

Arranger

Commerzbank

Dealers

BayernLB

BNP PARIBAS

BofA Securities

Citigroup

Commerzbank

Deutsche Bank

Helaba

HSBC

ING

J.P. Morgan

Mizuho Securities

MUFG

Santander Corporate & Investment
Banking

UniCredit Bank

RESPONSIBILITY STATEMENT

Schaeffler, AG ("**Schaeffler AG**", or the "**Issuer**", together with its consolidated subsidiaries, "**Schaeffler Group**" or the "**Group**") with its registered office in Herzogenaurach, Germany accepts responsibility for the information contained in and incorporated by reference into this Base Prospectus and for the information which will be contained in the Final Terms.

The Issuer hereby declares that to the best of its knowledge the information contained in this Base Prospectus for which it is responsible is in accordance with the facts and that this Base Prospectus makes no omission likely to affect its import.

The Issuer also accepts responsibility for the content of this Base Prospectus with respect to the subsequent resale or final placement of Notes by any financial intermediary which was given consent to use this Base Prospectus as further specified in the section "*General Information – Consent to the use of the Prospectus*" and the relevant Final Terms.

NOTICE

This Base Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference (see "*Documents Incorporated by Reference*" below). Full information on the Issuer and any Tranche of Notes is only available on the basis of the combination of the Base Prospectus and the relevant Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger or any Dealer (as defined in "*General Description of the Programme*").

Neither the Arranger nor any Dealer nor any other person mentioned in this Base Prospectus, excluding the Issuer, is responsible for the information contained in this Base Prospectus or any supplement thereof, or any Final Terms or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Arranger and the Dealer to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes will be issued in bearer form and are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person. The term "U.S. person" has the meaning ascribed to it in Regulation S under the Securities Act ("**Regulation S**") and the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and regulations thereunder. The Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S and may not be legally or beneficially owned at any time by any U.S. person. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale - Selling Restrictions*".

Neither this Base Prospectus nor any supplement(s) thereto nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Neither this Base Prospectus nor any supplement(s) thereto nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or any Dealer that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The language of the Base Prospectus except for the form of terms and conditions of the Notes is English. The binding language of the terms and conditions of each Series of Notes will be specified in the respective Final Terms.

The information on any website referred to in this Base Prospectus do not form part of the Base Prospectus and has not been scrutinized or approved by the CSSF unless that information is incorporated by reference into the Base Prospectus.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPS REGULATION / EEA AND UK RETAIL INVESTORS

If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to EEA and UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE "SFA")

Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

BENCHMARK REGULATION / STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION

Interest amounts payable under floating rate notes issued under this Programme are calculated by reference to EURIBOR (Euro Interbank Offered Rate) which is provided by the European Money Markets Institute (EMMI). As at the date of this Base Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, as amended (the "**Benchmark Regulation**").

STABILISATION

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as stabilising manager(s) in the applicable Final Terms (or persons acting on behalf of a stabilising manager) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules (including rules and other regulatory requirements of any stock exchange where such Notes are listed).

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Base Prospectus containing information on future earning capacity, plans and expectations regarding the Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Base Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Base Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Base Prospectus: "*Risk Factors*" and "*Description of the Issuer and the Schaeffler Group*". These sections include more detailed descriptions of factors that might have an impact on the Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Base Prospectus may not occur. In addition, neither the Issuer nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

PERFORMANCE INDICATORS

Certain information in this Base Prospectus and financial measures presented in the documents incorporated by reference are not recognised financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") (the "**Performance Indicators**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Performance Indicators are intended to supplement investors' understanding of Schaeffler Group financial information by providing measures which investors, financial analysts and management use to help evaluate the Schaeffler Group operating performance. Definitions of these Performance Indicators may not be comparable to similar definitions used by other companies and are not a substitute for similar measures according to IFRS.

The Performance Indicators must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS and, where applicable, German commercial law and German Accounting Standards (GAS) included elsewhere in the Base Prospectus.

Please refer to "*Description of the Issuer and Schaeffler Group - Performance Indicators*" for additional information.

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GENERAL DESCRIPTION OF THE PROGRAMME

General

Under the Programme, Schaeffler AG, subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") to one or more of the following Dealers: Banco Santander, S.A., Bayerische Landesbank, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Deutsche Bank Aktiengesellschaft, HSBC France, ING Bank N.V., J.P. Morgan Securities plc, Landesbank Hessen-Thüringen Girozentrale, Mizuho International plc, Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V., UniCredit Bank AG and any additional Dealer appointed under the Programme from time to time by the Issuer which appointment may be for a specific issue or on an ongoing basis (together, the "**Dealers**").

Commerzbank Aktiengesellschaft acts as arranger in respect of the Programme (the "**Arranger**").

Commerzbank Aktiengesellschaft will act as fiscal agent (the "**Fiscal Agent**") and paying agent (the "**Paying Agent**").

The aggregate principal amount of the Notes outstanding at any one time under the Programme will not exceed EUR 5,000,000,000 (or its equivalent in any other currency) (the "**Programme Amount**"). The Issuer may increase the Programme Amount in accordance with the terms of the Dealer Agreement (as defined herein) from time to time.

Prospectus

Notes issued under the Programme may be issued either: (1) pursuant to this Base Prospectus and associated Final Terms; or (2) pursuant to a Specific Prospectus (as defined below); or (3) in relation to Notes not publicly offered in, and not admitted to trading on a regulated market of, any member state of the EEA and the UK, in such form as agreed between the Issuer, the relevant Dealer(s) and, if relevant for the Fiscal Agent (as defined below), the Fiscal Agent.

"**Specific Prospectus**" means any prospectus prepared by the Issuer in relation to Notes issued under the Programme and having terms not contemplated by the Base Prospectus as Option I or Option II, which may incorporate by reference certain parts of the Base Prospectus and which constitutes a prospectus for the purposes of Article 6 para. 3 of the Prospectus Regulation, including any documents which are from time to time incorporated by reference in the Specific Prospectus, as such Specific Prospectus is amended, supplemented or replaced from time to time.

Issues of Notes

Notes may be issued on a continuing basis to one or more of the Dealers.

The Notes issued under this Base Prospectus will be issued as fixed rate (the "**Fixed Rate Notes**") or floating rate notes (the "**Floating Rate Notes**").

Notes will be issued in tranches ("**Tranches**"), each Tranche in itself consisting of Notes, which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series.

Notes of any Tranche may be issued at a price (the "**Issue Price**") equal to their principal amount or at a discount or premium to their principal amount. The Issue Price for the Notes of any Tranche issued on a syndicated basis will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Dealers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine the Issue Price.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in euro, EUR 1,000, and, if in any currency other than euro, an amount in such other currency at least equivalent to EUR 1,000 at the time of the issue of Notes. Subject to any applicable legal or regulatory restrictions, and requirements of relevant central banks, Notes may be issued in euro or any other currency.

Notes will be issued with such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by any laws, regulations and directives applicable to the Issuer or the relevant currency.

The principal amount of the Notes, the currency, the interest payable in respect of the Notes, if any, the Issue Price and maturities of the Notes which are applicable to a particular Series and, if applicable, Tranche will be set out in the relevant Final Terms.

The yield for Notes with fixed interest rates will be calculated by the use of the International Capital Market Association ("ICMA") method, which determines the effective interest rate of notes taking into account accrued interest on a daily basis.

Each Tranche of Notes will be represented on issue by a temporary global note (each a "**Temporary Global Note**"). Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interest in a permanent global note (each a "**Permanent Global Note**") on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership.

The Notes will be freely transferable in accordance with the rules and regulations of the relevant Clearing System.

Distribution of Notes

Notes may be distributed by way of public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms. The Notes may be offered to qualified and non-qualified investors.

The Notes may be offered to the public in Luxembourg, Germany and The Netherlands. For this purpose, the Issuer has requested the CSSF to provide the competent authorities in Germany and The Netherlands with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the CSSF to provide competent authorities in additional host member states within the EEA and the UK with such notification.

The offer and distribution of any Notes of any Tranche will be subject to selling restrictions, including those for the United States, the EEA and the UK. See "*Subscription and Sale*" below.

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

Listing of Notes and admission to trading

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg", appearing on the list of regulated markets issued by the European Commission and may be made on any other regulated market in a Member State (a "**Regulated Market**") of the EEA or the UK. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II. However, Notes may be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms.

RISK FACTORS

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

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

The following risk factors are organized in categories depending on their respective nature. In each category the most material risk factors, based on the probability of their occurrence and the expected magnitude of their negative impact, are mentioned first.

RISK FACTORS RELATING TO THE ISSUER AND SCHAEFFLER GROUP

Risks related to Schaeffler Group's Industries

As a global supplier to the automotive and industrial sector, Schaeffler Group depends on the performance of the global economy in general and developments in its markets in Europe, the United States of America and China in particular. The global economy is affected by a number of adverse developments, in particular the outbreak of the COVID-19 pandemic which has significantly increased the risk of a severe recession.

Schaeffler Group is a global supplier to the automotive and industrial sectors operating in 50 countries, with revenue of EUR 5.6 billion in the six-month-period ended June 30, 2020. Demand for its products is directly linked to the performance of the global economy. Therefore, its revenue and profits have directly been influenced, and will continue to be influenced by the general state of the global economy. In recent years, several adverse developments affecting the global economy have led to higher market volatility and growing fears of a coming recession. Most recently, the global outbreak of COVID-19, a novel strain of the coronavirus, has had an unprecedented effect on all of the Group's key markets and the long-term effects of this pandemic are currently impossible to predict.

In response to the outbreak of COVID-19, governments, states and cities, including those in major economies such as the European Union, the United States of America (the "United States") and the People's Republic of China ("China"), have taken various preventative measures, such as imposing quarantine, restrictions on travel and business operations and may continue to do so going forward. As a result of these measures and fear of contagion, business activity has seen a significant slowdown and even ground to a halt in certain areas and unemployment rates have risen sharply. In response, many governments, including Germany and the United States, have launched large-scale public investment programs that are debt-financed and have further driven up public indebtedness. While these countries may impose tax increases to repay their national debt and seek to curb their deficits going forward, such tax increases would likely weaken consumer spending and consequently adversely affect demand for Schaeffler Group's products.

Despite these efforts to boost national economies, the ongoing COVID-19 pandemic will likely adversely affect consumer confidence and result in a general market downturn. For example, gross domestic product in the Eurozone is expected to fall by 7.9% in the fiscal year ending December 31, 2020 (source: Oxford Economics, as of September 2020). As a result, the Schaeffler Group has already experienced a significant decline in demand for its products, which typically strongly correlates to overall economic performance, with its revenue declining by 22.9% in the six-month-period ended June 30, 2020 compared to the same period during the previous year. In response to the adverse impact of COVID-19 and the measures to contain its spread, the Group's customers may choose to delay or abandon orders of its products and services for the foreseeable future. The COVID-19 pandemic, together with other adverse developments affecting its markets, may lead to a deep and lasting global recession, which would likely have a material adverse effect on demand for the Group's entire product offering.

Weak economic growth and low inflation rates had long been fuelling fears of a recession in Europe, where Schaeffler Group generated 43.5% of its revenue in the six-month-period ended June 30, 2020. Fiscal policy measures to combat these fears, in particular the asset purchase program of the European Central Bank, did not result in a significant uptake of economic activity. At the same time, these measures further increased indebtedness across the European Union, which was already at high levels prior to the continued monetary stimulus. As a result, there are continued concerns that several European countries, including major economies such as Italy, may not be able to repay their national debt. In such case, speculation may resume that highly indebted countries will be forced to exit the Eurozone, which will significantly adversely affect the Group's most important markets in Europe. Changes in economic regulations related to monetary and budgetary policy like subsidies might adversely affect Schaeffler Group's revenue and profitability.

In addition to economic issues, there were also a number of unresolved political conflicts, in particular regarding the ongoing influx of refugees and a continued rise of populist movements throughout Europe. These conflicts are magnified by the reality of institutional uncertainty. The institutions of the European Union continue to struggle to coordinate political efforts among member states, which makes it difficult to address crucial challenges with a coordinated macroeconomic policy. Furthermore, while the exit of the UK from the European Union (the so-called Brexit) has now become effective, the agreements governing future trade relations and other key aspects of this relationship following the end of the Brexit transition period on December 31, 2020 are still unclear. If the European Union and the UK fail to come to an agreement regarding their future relationships, this could disrupt trade and the shipment of goods between the countries involved. The continued political instability has weakened trust in the European economy, leaving it even more vulnerable to adverse external developments.

Outside Europe, the United States and China, two other markets that are key to the Group's success, have also been affected by a number of adverse developments. In the United States, political tensions have resulted in ongoing disputes over various domestic issues, creating a highly partisan political environment which makes it unlikely that these disputes or any major political initiatives will be resolved before the upcoming presidential election or even in the near future. In addition, demonstrations against racism and police violence have led to unrest and interrupted public life. In its relations with other countries, the United States has experienced growing friction. In addition to disputes over trade tariffs, international tensions have also risen due to threats that the United States will exit from international agreements and organizations, which it has actually done in several cases. Even where the United States has renegotiated agreements, this has typically resulted in greater restrictions on trade between the countries involved. For example, in March 2020, the Agreement between the United States, the United Mexican States, and Canada came into force, which replaced the North American Free Trade Agreement. The new agreement covers a wide range of products and, in particular, provides rules of origins for vehicles, which ensure that a certain proportion of the value of a given vehicle originates in the United States. As a result, suppliers are more and more restricted in setting up their manufacturing facilities and supply chains are becoming more complex.

In addition, the imposition or threatened imposition of various trade tariffs by the United States, including tariffs on aircrafts and certain foodstuffs aimed at the European Union, has led to international frictions between a number of countries. Such frictions have been particularly pronounced between the United States and China. Following the imposition of tariffs on a multitude of goods by the United States in 2018, China responded by imposing its own tariffs on certain American goods. It is currently unclear whether both sides will resolve their disputes and ultimately abolish these measures. Furthermore, the U.S. government has repeatedly threatened to impose tariffs on a number of other goods, including vehicles produced by European automotive manufacturers. To this end, it even investigated whether vehicle imports pose a threat to the national security of the United States in February 2019. If the ongoing trade conflict between the United States and a number of its key trade partners, in particular the European Union and China, is not resolved, this could significantly interrupt trade between major world economies and have a material adverse effect on the markets in which Schaeffler Group operates and the global economy as a whole.

China itself has experienced a slowdown of its economic development, which had been particularly favourable in previous years. In particular, the Chinese real estate market has seen a slowdown, and it is unclear how sustainable prices in this market are. In addition, new laws curbing the autonomous rights of Hong Kong and related public protests have led to growing tensions between China and Western democracies. Furthermore, ongoing political tensions, in particular in the Middle East, on the Korean peninsula and between Russia and the Ukraine, may continue to impede international relations and global trade.

As a result of its dependency on the state of the global economy, Schaeffler Group's business may be materially adversely affected if the ongoing COVID-19 pandemic and/or other negative developments affecting its markets have a negative impact on the global economy or even result in a severe recession. Any of the factors described above could therefore adversely affect Schaeffler Group's revenue and profitability.

The industries in which Schaeffler Group operates are constantly changing and the Group may not be able to successfully adapt to such changes in a timely manner.

The automotive and industrial sectors are characterized by changing technologies, evolving technical standards, changes in customer preferences and the frequent introduction of new products. As a result, the Group may not be able to maintain its competitive position if it fails to adapt its business to these ongoing changes. In particular, there is growing demand for more efficient, environmentally friendly, sustainable and cheaper solutions which at the same time offer high performance. New technologies and products meeting these requirements will often make existing product offerings obsolete or unmarketable. For example, automotive manufacturers are continuing to advance the development of electric cars, which may reduce demand for the Group's drive train and other products for vehicles using a combustion engine. Electric cars may utilize new drive trains that do not require the Group's products or make use of such products to a lesser extent than conventional drive trains. The continued increase in the market share of electric vehicles as well as initiatives aimed at reducing the market share of combustion-engines, in particular diesel-driven engines, may therefore have an adverse effect on demand for its products. In recent years, the development of autonomous driving solutions has been a key focus of automotive manufacturers. Such solutions require increasingly complex steering systems and other advanced components, and there is no guarantee that the Group will be able to adopt the product offering to provide suitable components and services for autonomous driving solutions.

Schaeffler Group's product offering comprises components which are subsequently integrated into the finished products marketed by its customers or – in particular in the case of original equipment manufacturers ("OEM") – components provided to third parties by the Group's customers. As a result, demand for the Group's products depends on their inclusion as components in the product offerings of third parties, which in turn are constantly subject to updates and changes resulting from new innovations (e.g. autonomous driving and connectivity) and regulations. In particular, Schaeffler Group's customers increasingly require systemic solutions instead of individual components and seek to offer their own customers similar solutions. Such systemic solutions may require fewer components or a smaller proportion of the value of such solutions may be based on products manufactured in-house as the Group increasingly sources components from third parties to combine them into systemic solutions. As a result, Schaeffler Group may no longer be able to obtain the benefits from running a vertically integrated business and the margins the Group can derive from systemic solutions may be lower as a growing share of the value creation will be attributable to the Group's suppliers. In addition, if the overall budgets for cars or other finished products manufactured by the Group's own customers does not increase, the introduction of advanced technologies and additional features will reduce the share of the budget the Group's customers are willing to spend on the existing product offering of the Group. Consequently, technological advancements in the Group's industries may result in significant pressure on the margins of the Group and thereby adversely affect the revenue and profitability of the Group.

Innovations are not only affecting demand for the Group's products, but also its own business operations. In particular, the ongoing trend towards digitalization leads to a growing use of automatization, connectivity and real-time monitoring in the Group's manufacturing processes. As a result, these processes become more complex and therefore more costly and susceptible to interruptions and failures. At the same time, adapting the Group's operations requires substantial investments and there is no guarantee that such investments will ultimately pay off. The Schaeffler Group's profitability can also be adversely affected by ramp-up costs (i.e. temporary inefficiencies like high scrap rates, underutilization of recently installed machinery sub-optimal production processes).

If Schaeffler Group fails to successfully adapt its operations and product offering to the evolving demands of its customers, its existing products and technologies may become obsolete or be replaced by products and technologies of competitors that are perceived as better solutions and it may not be able to offer competitive prices. As a result, Schaeffler Group's competitive position may suffer, which could adversely affect its revenue and profitability.

Demand for Schaeffler Group's products is cyclical, and this makes it hard for the Group to correctly forecast such demand.

Demand for Schaeffler Group's products is cyclical in all three of its business divisions, which makes accurate forecasts of such demand difficult. Sales to customers in the Automotive OEM Division, which supplies OEMs in the automotive industry and accounted for 58.6% of the Group's revenue in the six-month-period ended June 30, 2020, are particularly cyclical, given that demand for new vehicles depends on a wide range of general economic conditions as well as consumer spending and preferences. Consequently, the volume of automotive production has historically been, and will continue to be, characterized by a high level of fluctuation, and OEM customers generally do not commit to purchasing minimum quantities, all of which makes it difficult for the Group to accurately predict demand in its Automotive OEM Division.

Schaeffler Group's Automotive Aftermarket Division, which delivers components and complete repair solutions to the automotive spare parts market and accounted for 13.4% of the Group's revenue in the six-month-period ended June 30, 2020, also depends on sales in the cyclical automotive market, although the aftermarket typically develops with a slight timing delay as new vehicles require only a few spare parts. At the same time, the average useful life of parts, particularly in the end products of OEMs, has increased in recent years due to innovations in products and technologies. Longer product lives generally lead

to less-frequent replacement of parts over the lifespan of the equipment, which in turn reduces aftermarket demand and may therefore adversely affect Schaeffler Group's Automotive Aftermarket Division. Stockpiling in the dealer and distribution network may result in lower customer demands and also an increase in the unemployment rate could adversely affect demand for spare parts and therefore adversely affect Schaeffler Group's revenue and profitability.

Sales in Schaeffler Group's Industrial Division, which supplies a broad range of industrial sectors and accounted for 28.0% of the Group's revenue in the six-month-period ended June 30, 2020, depend on the development of the industrial production in these sectors. Industrial production, in turn, is strongly influenced by the overall economic development, which is hard to predict reliably. Given the large number of different products offered by its Industrial Division, anticipating future sales requires Schaeffler Group to forecast the development of a number of varied industries, which is particularly challenging.

Adjusting the Group's production levels to cyclical demand is particularly challenging. These difficulties are exacerbated by the complexity of its global operations, which require Schaeffler Group to allocate resources across multiple countries to achieve a global footprint that reflects the evolving demands of its customers, many of which are also global businesses. Schaeffler Group's business is characterized by high fixed costs, and the Group risks underutilization of its facilities if the markets in which it operates decline. Given the adverse effects of the COVID-19 pandemic on its markets, which may contribute to a severe global recession, such decline in demand seems likely in the foreseeable future. Any underutilization resulting therefrom could lead to idle capacity costs, write-offs of inventories and losses on products due to falling average sale prices, which may adversely affect Schaeffler Group's revenue and profitability. At the same time, demand for its products may grow faster than anticipated. If the Group fails to maintain sufficient production capacities, it may not be able to meet such demand and thus may lose market share. Attempts to react to such inaccurate forecasts by increasing or reducing its capacity at short notice may cause the Group to incur additional costs (e.g., severance payments, overtime surcharges or logistics costs). As a result, any failure to correctly forecast demand for the Group's products may adversely affect its profitability and/or competitive position.

The industries in which Schaeffler Group operates are characterized by intense competition, which could reduce its revenue and put continued pressure on its prices.

The markets in which Schaeffler Group operates are particularly competitive and have been characterized by changes in market shares, increased price competition as well as the development and introduction of new products and technologies by existing and new competitors. The Group competes with other suppliers primarily on the basis of price, quality, timeliness of delivery and design as well as the ability to provide engineering support and services on a global basis. If Schaeffler Group fails to secure the quality of its products and the reliability of its supply and services, its customers may decide to procure products from its competitors.

In general, Schaeffler Group's business is characterized by high capital expenditures, technological change, continuous advancements in process technologies and manufacturing facilities, intense pricing pressure and periods of oversupply. The end customers for its products are increasingly affected by innovation and cost-cutting pressures from competitors and seek price reductions in both the initial bidding process and during the term, or upon expiration, of an existing supply agreement. These developments are likely to become more pronounced if a general recession puts added pressure on all market participants or new competitors decide to enter the Group's markets, in particular competitors whose business is built on innovative technologies. In addition, mergers of the Group's competitors may strengthen their competitive position, which could put the Group at a disadvantage.

In its Automotive OEM Division, vehicle manufacturers expect lower prices from suppliers for the same, and in some cases even enhanced, functionality, as well as a consistently high product quality. If Schaeffler Group is not able to offset price reductions through improved operating efficiencies and the realization of synergies, price reductions could adversely affect its profit margins. In addition, OEMs are increasingly reducing the number of suppliers included in their supplier base in order to simplify their supply chain. These efforts further increase competition, and there is no guarantee that its customers will continue to include the Group in their supplier base (see also "*Schaeffler Group depends on a limited number of major customers for a substantial portion of its revenues and adverse developments with respect to such major customers as well as pricing pressure exerted by them could adversely affect the Group's revenue and profit margins.*").

In the Group's Automotive Aftermarket Division, the market is characterized by an ongoing consolidation process. If Schaeffler Group does not actively participate in this process, it may be faced with larger competitors who benefit from economies of scale and provide a more comprehensive product offering, which could adversely affect its prices and market position.

The Group's Industrial Division, *inter alia*, faces competition from suppliers based in emerging markets, which increases pressure on market prices. In certain industries, customers increasingly prefer standardized products over customer specific solutions, and this trend benefits competitors from emerging markets.

The intense competition in the Group's industries and in particular the factors described above could adversely affect Schaeffler Group's revenue and profitability.

Risks related to Schaeffler Group's Business Activities

Schaeffler Group depends on a limited number of major customers for a substantial portion of its revenues and adverse developments with respect to such major customers as well as pricing pressure exerted by them could adversely affect the Group's revenue and profit margins.

Many of the Group's customers are large OEMs and Tier 1 suppliers (i.e., suppliers that sell their products directly to OEMs). In the fiscal year ended December 31, 2019, the Automotive OEM Division's top ten customers accounted for 63% of the division's revenue, with its biggest customer, Volkswagen, accounting for 16%. In its Automotive Aftermarket and Industrial Divisions, the top ten customers accounted for 32% and 19%, respectively, of revenue during this period. There is an ongoing trend towards consolidation among its customers, in particular in the automotive aftermarket sector. If the Group's major customers were to merge or otherwise combine their businesses, it would be faced with even larger customers who would account for an even higher share of its revenues, thereby further increasing its dependency on these customers. Furthermore, such mergers could interfere with existing supply relationships and joint projects, information sharing and other agreements. These customers would also obtain additional information on contract terms, in particular pricing, which could lead to increased pressure on the Group's margins.

The timing and amount of sales to the Group's major customers ultimately depend on a number of factors, most of which are beyond its control (i.e., sales levels and shipping schedules for the customer's products into which its products are incorporated). Consequently, Schaeffler Group cannot be certain to what extent its customers will continue to manufacture goods that incorporate its products. Schaeffler Group's major customers, in turn, could themselves be adversely affected by a number of developments, including loss of market share, plant shutdowns, strikes or other work stoppages.

Recently, governments, states and cities have taken various preventative measures, such as imposing restrictions on travel and business operations, and may continue to do so going forward in order to combat the further spread of COVID-19. As a result of these measures as well as the general decline in demand, in particular in the automotive sector, several of the Group's major customers have shut down their facilities, which in turn have caused them to suspend orders for components. Due to these developments, Schaeffler Group was also forced to temporarily shut down production of the affected components, resulting in underutilization of its facilities and loss of revenue. Should the effects of the COVID-19 pandemic continue, OEM suppliers may increasingly try to utilize capacity by manufacturing components for the aftermarket, which could lead to pricing pressure, in particular in the automotive aftermarket.

In the automotive industry, a number of multinational automotive manufacturers were accused of programming vehicles with diesel engines to restrict emissions during testing to pass applicable emissions requirements in recent years. These customers have been subject to negative press coverage, criminal investigations or civil actions in multiple jurisdictions, in some cases leading to product recalls and substantial fines. As a result of these developments, demand for diesel vehicles and for the Group's products included in these vehicles has been adversely affected.

Furthermore, Schaeffler Group's major customers have substantial bargaining power with respect to price and other commercial terms (e.g., the setting of prices and payment targets). Most OEM customers, for example, agree on annual price-reduction initiatives and objectives with their suppliers. Such agreements force the Group to constantly improve its production process in order to reduce costs, in particular since the Group may not be able to pass price reductions on to its own suppliers. If Schaeffler Group is not successful in these efforts, this could adversely affect its profit margins. Even if it can maintain a sufficient price level, key customers may require longer payment targets, which could adversely affect its liquidity. As a result, it may be forced to take on additional financing until it can realize trade receivables *vis-à-vis* such customers, which may be hard to obtain and increase its financing costs. In addition, if any of the Group's major customers were to discontinue the business relationship with it or terminate a supply contract prematurely, this could have a material adverse effect on its revenue, and any investments made by it to provide products to this customer could be lost.

Schaeffler Group's efforts to expand its presence in emerging markets are subject to a variety of business, economic, legal and political risks, the materialization of which could adversely affect its expansion efforts.

Schaeffler Group has dedicated significant resources to enhance its local presence in emerging markets and it intends to continue to pursue this growth strategy, particularly in the Greater China and Asia/Pacific regions. There is, however, no guarantee that such emerging markets and the operations of its customers in these emerging markets will develop as anticipated. As a result, the Group's efforts to expand its presence in emerging markets may fail.

Furthermore, operating in emerging markets, such as China, India, Russia and Vietnam, exposes the Group to higher risks compared to operating in developed countries, including risks resulting from:

- an underdeveloped infrastructure;
- a lack of qualified management or adequately trained personnel;
- divergent labour regulations or cultural expectations regarding employment;
- currency exchange controls, exchange rate fluctuations and devaluations;
- governmental restrictions on foreign investments or transfers of funds;
- protectionist trade measures, such as anti-dumping measures, duties, tariffs or embargoes;
- prohibitions or restrictions on acquisitions or joint ventures;
- opaque legal regimes and unpredictable or unlawful government actions;
- the difficulty of enforcing agreements and collecting receivables through foreign legal systems;
- lower protection of intellectual property and other legal rights;
- business environments in which fraud, bribery or corruption are common, condoned or encouraged by private or official actors;
- a nationalization of enterprises or other expropriations;
- international sanctions or boycotts;
- social unrest, civil war or acts of sabotage or terrorism; and
- an inability to contain the ongoing spread of the COVID-19 pandemic.

Any of the risks described above could adversely affect Schaeffler Group's business activities in the relevant markets, which could in turn adversely affect Schaeffler Group's revenue and profitability. In addition, investments made in the relevant markets could not result in the anticipated returns or could be lost entirely.

Schaeffler Group may not be able to successfully integrate or achieve expected benefits from acquisitions, investments or joint ventures.

To expand its market position, Schaeffler Group has acquired complementary businesses such as Elmotec Statomat Holding GmbH and a share in Schaeffler Paravan Technologie GmbH & Co. KG. Going forward, Schaeffler Group expects to continue to invest in such businesses or otherwise capitalize on attractive growth opportunities. Such acquisitions and investments may, however, require substantial funds, cause the Group to incur additional debt or to assume loss-making businesses. In addition, acquisitions involve a number of risks, including:

- significant impairment charges;
- unexpected losses of key employees of the acquired operations;
- extraordinary or unexpected legal, regulatory, contractual or other costs;
- difficulties in integrating the acquired business with its existing operations;
- challenges in managing the increased scope, geographic diversity and complexity of the Group's operations;
- mitigating contingent and/or assumed liabilities;
- the possible loss of customers and/or suppliers; and
- control issues in relation to acquisitions through joint ventures and other arrangements where Schaeffler Group does not exercise sole control.

Any of the risk described above could prevent the Group from realizing the anticipated cost savings, synergies and other benefits from such acquisitions, investments or joint ventures and may adversely affect the Group's profitability.

Schaeffler Group may not be able to derive the envisaged benefits from its efficiency and portfolio optimization programs and additional structural measures.

The Schaeffler Group is implementing a program comprising several strategic initiatives to improve its profitability and competitive position. This program, *inter alia*, envisions a portfolio optimization, a reduction of research and development expenses, a restriction of capital expenditures and a reduction of its workforce for parts of its operations.

In addition, the Issuer has adopted additional structural measures which aim to downsize structural overcapacity and consolidate Schaeffler Group's locations in Europe, to strengthen the Group's competitiveness and to build up local capabilities at selected locations (see "*Description of the Issuer and the Schaeffler Group – Recent Events since June 30, 2020 - COVID-19 and Additional Structural Measures*" for further details).

There is, however, no guarantee that the Group will be able to implement the efficiency and portfolio optimization program and/or the additional structural measures as planned, in particular if it meets resistance from stakeholders affected by the relevant initiatives such as employees and customers. Even if it does complete the envisaged measures, these may prove to be more costly than originally anticipated and the expected benefits may fail to materialize in time, or at all.

Schaeffler Group's customers may fail to meet their payment obligations or even enter bankruptcy.

In the past, some of Schaeffler Group's OEM customers and other customers have suffered from declines in sales and production, tightened liquidity and increased cost of capital, which, together with structural issues specific to these companies (such as significant overcapacity and pension and healthcare costs), have caused them to undergo unprecedented restructurings, including reorganizations under bankruptcy laws. If the creditworthiness of Schaeffler Group's OEM customers or other customers were to decline, the Group would face an increased default risk with respect to its trade receivables. In addition, if such customers fail to make payments for products that the Group has already delivered (e.g., in case of an insolvency), Schaeffler Group may not be able to recover those receivables. Should its customers end up entering bankruptcy, the Group may lose the business with such customers and its revenue and profitability could be adversely affected.

Failure to meet the standards expected by Schaeffler Group's customers and to deliver such products on time could adversely affect demand for its products.

For customers, one of the determining factors in purchasing components and systems is product quality. A decrease in the actual or perceived quality of Schaeffler Group's products (e.g., as a result of product defects or deficient components supplied by third parties) could therefore damage its reputation and result in a loss of sales, customers and market share. The adverse effect on its reputation could be particularly pronounced in case of a public dispute over alleged or actual product defects with a major OEM customer. Furthermore, the Group manufactures many products pursuant to the specific requirements of its OEM customers. If its products do not meet these requirements, production of the relevant products is generally discontinued until the cause of the product defect has been identified and remedied. In such case, longer interruptions to its manufacturing processes and costly investigations may ensue. In addition, many customers increasingly require the Group to ensure a low emissions standard for its own manufacturing processes and those of its suppliers. If Schaeffler Group fails to meet these standards, such customers may no longer source products from it until it has lowered its emissions, which may prove costly and only be possible after substantial changes to its operations, if at all.

Given that the Group's customers incorporate its products as components into their own products and run highly complex manufacturing processes themselves, a timely delivery of its products and in some cases a just-in-time delivery is another key requirement the Group has to meet to satisfy such customers. A failure to deliver products of the agreed quality in time (e.g., due to a lack of raw materials, a breakdown of machinery, goods being held up in transition or its manufacturing facilities being shut down due to measures to combat the spread of the COVID-19 pandemic, fires or other accidents and *force majeure* events), could cause OEM customers to reduce future orders and such customers could bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time. For example, Schaeffler Group operates a manufacturing facility in Fort Mill, United States, where production had to be suspended in February 2020 as a result of a tornado, which also damaged the structure of the Group's facility. Maintaining efficient manufacturing processes may be particularly challenging if its customers fail to inform the Group of changes to their production needs in a timely manner. Such failure may result in underutilization or a lack of capacity and therefore adversely affect its profitability.

For certain products, Schaeffler Group's manufacturing processes are dependent on critical pieces of equipment and machines such as furnaces and transformers, and this equipment may temporarily be out of service as a result of unanticipated failures. As a result, production bottlenecks and breakdowns may occur, particularly where a manufacturing site only operates a single unit of a particular type of equipment. Recently, the outbreak of the COVID-19 pandemic has forced Schaeffler Group to temporarily shut down production of components for the automotive sector in a number of manufacturing facilities across the globe due to production stops by major OEM customers. A continued or renewed spread of COVID-19 could again lead to a suspension of orders. In addition, further safety measures to combat the spread of COVID-19 may require significant investments and increase the Group's production costs, which could adversely affect its profitability.

A failure to meet the standards expected by Schaeffler Group's customers and to deliver such products on time could adversely affect demand for its products and could adversely affect Schaeffler Group's revenue and profitability.

Product piracy may adversely affect Schaeffler Group's reputation and demand for its products.

Schaeffler Group has repeatedly been the target of product piracy in the past for automotive components and bearings in wind turbines and aircrafts. The Group expects that third parties will continue to produce and distribute counterfeit products under its brands in order to benefit from the brands' high recognition. Such counterfeit products are usually sold at significantly reduced prices and/or with lower lead times, which puts pressure on Schaeffler Group to lower prices for its original products and maintain higher stock of such products. The Group may also lose market share to producers of counterfeit products, particularly in emerging markets. Fighting product piracy may be costly and prove unsuccessful. Furthermore, the lower quality standards of counterfeit products illegally sold under the Group's brands may damage Schaeffler Group's reputation if customers unwittingly purchase such products and experience product failures or poor performance.

Potentially negative effects on the Group's reputation and/or reduced demand for its products due to product piracy could adversely affect Schaeffler Group's revenue and profitability.

Schaeffler Group depends on a limited number of key suppliers for certain products and inability to source products from these suppliers could prevent it from meeting its obligations vis-à-vis its customers.

For certain critical components (e.g., sensors and related technology) Schaeffler Group relies on a limited number of key suppliers and the Group may become even more dependent as the Group increases the number of systemic solutions the Group offers. In addition, many of its OEM customers have approval rights with respect to the suppliers used by the Group and such customers increasingly require the Group's suppliers to meet higher standards with respect to low emissions as part of the manufacturing process. Consequently, the Group may not be able to source raw materials or components from other suppliers upon short notice and/or at the required volume of any one of its suppliers fails to meet its delivery obligations (e.g., due to an insolvency, impairment of production facilities, including as a result of the COVID-19 pandemic, strikes or refusal to perform following a change in control). Such failure could result in a shortage of raw materials required to manufacture the Group's products, interruptions in its production processes, underutilization of its production sites, and ultimately cause delays in the delivery of products to its customers.

If the Group's suppliers fail to supply it with the components required for the manufacture of its own products, its competitive position could be adversely affected, and it may be liable *vis-à-vis* its customers.

Fluctuations in prices of raw materials and energy may lead to higher production and manufacturing costs.

Schaeffler Group requires substantial amounts of raw materials for its production. Costs for purchases of production materials, in particular steel, aluminium, copper, plastics and lubricants as well as electric energy, account for a large share of its total production costs. Steel is the principal raw material used in many of its products. Price increases for raw materials (e.g., due to increased restrictions and tariffs on steel imports or a suspension of transnational trade as a result of the COVID-19 pandemic) as well as the energy used in the manufacturing process (e.g., due to the ongoing drive towards green energy and lower emissions) could increase the Group's manufacturing costs. If Schaeffler Group is not able to compensate for cost increases or pass them on to customers, such costs increase could adversely affect its profitability. Conversely, during periods of declining raw material or energy prices, customers may demand price reductions for its products, despite the fact that the Group may be using existing inventories that it purchased at higher prices. As a result, the Group may decide to lower its prices, even if this were to reduce its margins.

Any of the factors described above could adversely affect Schaeffler Group's competitive position and profitability.

Schaeffler Group's investments in research and development activities may not yield the desired returns.

Given the ongoing changes affecting all of Schaeffler Group's markets (see "*The industries in which Schaeffler Group operates are constantly changing and the Group may not be able to successfully adapt to such changes in a timely manner.*"), it depends on the continued development of new and improved products and technologies to maintain its competitive position. To this end, the Group employs approximately 8,000 research and development staff at 20 research and development centres worldwide, in particular in Germany, the United States, China, South Korea, France and Brazil. Such development efforts require substantial investments and its research and development expenses amounted to between 6% and 7% of its revenue during the periods for which financial information is included in this Base Prospectus. Schaeffler Group plans to continue to make significant investments in its research and development efforts and in this context reduce its expenditures for developing components, while assigning additional resources to research and development in the fields of mechatronics as well as systems and services. There is, however, no guarantee that this allocation correctly reflects future market demand and consequently the Group's investments may turn out to be inefficient.

Furthermore, the development process itself is subject to uncertainties and the Group may not be able to successfully develop the new products and technologies currently envisioned. The success of its research and development efforts may take several

years to materialize, in particular for major development projects, and costs of such projects may turn out to be substantially higher than originally anticipated. Even if Schaeffler Group develops an innovative product or technology, there is no guarantee that the market will accept its solution, particularly where several years have passed since the commencement of the development process and market conditions have changed significantly (e.g., due to the introduction of competing products and technologies). If Schaeffler Group starts the development of new products and technologies that ultimately fail to be accepted in the marketplace or fail to become commercially viable, all or part of its investment in the development of these technologies and products may be lost.

If Schaeffler Group fails to attract and retain qualified personnel and to keep such employees satisfied, it may not be able to maintain and expand its operations.

With approximately 84,000 employees, Schaeffler Group employs a large workforce around the world, many of whom have long-standing experience and hold relevant qualifications. Due to intense competition and the technological transformation within the industry, it is essential for the Group to retain qualified employees and remain able to find a sufficient number of appropriate new employees. The loss of qualified employees or the failure in attracting such employees could have a material adverse effect on the Group's competitive position and prospects, in particular considering the technological challenges in the upcoming years. Also, considerable expertise could be lost, or access thereto gained by competitors. At the same time, the constant changes affecting the industries in which Schaeffler Group operates (see "*The industries in which Schaeffler Group operates are constantly changing and the Group may not be able to successfully adapt to such changes in a timely manner.*") requires it to hire additional employees with new qualifications, which are particularly in demand (e.g., programming skills). As a result, the Group may not be able to hire sufficiently qualified employees, which may reduce its ability to react to new developments and trends and thereby adversely affect its competitive position.

Schaeffler Group's employees may temporarily be unable or unwilling to work due to the effects of the COVID-19 pandemic, strikes or labour disputes.

Outbreaks of COVID-19 among its workforce may deprive the Group of key employees as they are required to isolate and may even force it to shut down entire manufacturing facilities once a significant share of the workforce is affected. Isolation may also be required where employees return from business or leisure trips to areas particularly affected by the COVID-19 pandemic. As a result, the Group's operations may be interrupted and it may still be required to pay the affected employees their full salary, while not receiving any labour in return.

Furthermore, if relationships with its employees and employee representatives were to deteriorate, Schaeffler Group could experience strikes, further unionization efforts or other types of conflicts. As a result, its operations could be interrupted, and its reputation could suffer. This risk could be exacerbated by the temporary introduction of short-time work (*Kurzarbeit*) in most of its German locations due to a decline in demand resulting from the COVID-19 pandemic as well as its recent optimization efforts (see "*Schaeffler Group may not be able to derive the envisaged benefits from its efficiency and portfolio optimization programs.*"), which are reflected in the reduction of the number of the Group's employees from 92,478 as of December 31, 2018 to 84,223 as of June 30, 2020. Given that further reductions, in particular in Germany have been announced in light of the potential long-term effects of the COVID-19 pandemic on the Group's markets and the recently adopted additional package of measures that is designed to accelerate the Schaeffler Group's transformation (see "*Description of the Issuer and the Schaeffler Group – Recent Events since June 30, 2020 - COVID-19 and Additional Structural Measures*"), it may become increasingly difficult to agree on such reductions and measures with its employee representatives.

Schaeffler Group's operations rely on complex information technology systems, and interruptions or malfunctions of these systems could adversely affect its business operations.

The Group relies on centralized, standardized information technology systems to support its business, in particular for the Group's manufacturing processes, where a majority of machines require a functioning controlling software or are even fully automated. For certain software, however, there are few trained users among the Group's workforce. As a result, it may fail to properly utilize such software. Any interruptions or malfunctions of the Group's information technology systems (e.g., due to power outages or incorrect use) could lead to interruptions of its manufacturing processes, loss of data, product deficiencies or otherwise adversely affect its operations. For example, in September 2019, the Group experienced a sudden stop of production in its manufacturing site in Bußmatten, Germany as a result of a ransomware attack.

Schaeffler Group's information technology systems are potentially vulnerable to damage or interruption from a variety of sources and to security threats, in particular since it cannot guarantee that these systems will always be updated to reflect the latest level of antivirus protection. As a result, unauthorized persons could circumvent the Group's security systems and access sensitive business data, including information relating to its intellectual property or business strategy, which could adversely affect its competitive position. In addition, power outages in a data centre or telecommunications network (e.g., due to fire,

flooding or attacks by third parties), security breaches or similar events could lead to an extended and unanticipated interruption of the Group's information technology systems and affect its production and other operations.

Furthermore, its agreements with some of its customers require it to maintain certain security standards aimed at preventing theft, loss, unauthorised dissemination, illegal access, and misuses of data, such as the ISO/IEC 27001 standard, which reflects national and sector-specific regulation. If the Group fails to comply with such obligations, the relevant customers may bring claims against Schaeffler Group or discontinue their relationship with it.

Any material interruption, malfunction or security breach of the Group's information technology systems could adversely affect Schaeffler Group's operations, revenue and profitability.

Risks related to Schaeffler Group's Financial Situation

Schaeffler Group's high level of financial debt imposes restrictions on its operations and there is no guarantee that it will be able to obtain sufficient financing to meet its future needs or to repay its existing debt.

As of June 30, 2020, Schaeffler Group's financial debt comprised a revolving facility, an investment facility, notes, promissory notes (*Schuldscheindarlehen*), an asset-backed commercial paper program, a multi-currency commercial paper program as well as various lines of credit with certain banks or other financial institutions and amounted to EUR 3,921 million, while its total shareholders' equity amounted to EUR 1,883 million. In addition, Schaeffler Group has entered into financing agreements allowing it to borrow additional funds, subject to compliance with certain conditions. Schaeffler Group's high level of financial debt limits its operational freedom and may prevent it from achieving future success, including by:

- increasing its vulnerability to adverse economic and industry conditions and developments due to an inability to obtain additional funding at short notice; or
- requiring the Group to dedicate a substantial portion of its cash flows from operations to payments on its indebtedness, thereby reducing the cash flows available to fund its working capital needs, capital expenditures, future acquisitions and other funding requirements; or
- limiting the Group's flexibility in reacting to changes in the industries in which it operates, in particular with respect to the key trends affecting its industries (see "*The industries in which Schaeffler Group operates are constantly changing and the Group may not be able to successfully adapt to such changes in a timely manner.*"); or
- limiting the funds available for the Group's capital expenditures (e.g., to replace outdated or outworn machinery), strategic expansions or its research and development efforts; or
- placing the Group at a competitive disadvantage compared to its competitors with less debt.

Furthermore, the Group's cash from operating activities, current cash resources and sources of external financing may not be sufficient to meet the Group's further capital needs and repayment obligations. In such case, the Group may seek to obtain additional debt and may be forced to attempt a refinancing or restructuring of its existing debt. Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, or a general lack of available liquidity could, however, adversely affect the availability and cost of financing. Its available cash could also be adversely affected if its suppliers were to tighten terms of payment as a result of a decline in Schaeffler Group's financial condition or if its customers were to extend their normal payment terms.

If Schaeffler Group cannot obtain the required financing, it may be forced to delay investments, try to sell assets or even fail to meet its payment obligations when due, which could ultimately lead to insolvency of the Schaeffler Group.

A breach of covenants under Schaeffler Group's financing agreements or notes as well as the occurrence of a change of control could lead to an acceleration of payment obligations and result in insolvency of the Schaeffler Group.

The Issuer's financing agreements require the Group to comply with certain covenants. In particular, the Group is required to maintain a financial ratio regarding its maximum level of total consolidated net debt to consolidated earnings before interest, taxes, depreciation and amortization. There is, however, no guarantee that the Group will be able to maintain its revenues and profitability at the levels required to comply with this covenant. A breach of covenants under its financing could result in a default of the Schaeffler Group or other entities of the Schaeffler Group. In such case, its lenders will not be required to lend any additional amounts and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable. Schaeffler Group may, however, not be able to obtain the funds required to make payments when due, in particular in the event its obligations are accelerated due to a default. In such event, failure to make payments when due could lead to insolvency of the Schaeffler Group.

In addition, indebtedness under other debt instruments that contain cross-default or cross-acceleration provisions also may be accelerated and become due and payable in the event of such default. The relevant lenders could also require the Group to apply all available cash to repay the borrowings or prevent it from making debt service payments on these debt instruments, any of which would lead to a default thereunder.

A deterioration of the Issuer's credit ratings or a general increase of interest rates could increase its financing expenses and limit its ability to obtain future funding on acceptable terms or at all.

The Issuer has obtained credit ratings from internationally recognized rating agencies, which are typically required to obtain funding from the debt capital markets. As of the date of this Base Prospectus, Fitch Ratings (rating of BBB-) has placed the Issuer's credit ratings on a negative outlook, while Moody's and S&P have already downgraded the Issuer's credit rating to non-investment grade (Ba1 and BB+). The development of the Issuer's credit ratings depends on a number of factors, such as its business performance and its overall leverage. Some of these factors considered by some of the rating agencies relate to the creditworthiness of the Issuer's parent group and are therefore outside its control. If its credit ratings were to deteriorate, this could limit its ability to obtain future funding on acceptable terms or at all, may increase funding costs.

In addition, some of the Group's financing agreements bear interest on a floating rate. A general rise in interest rates would therefore increase the Group's current interest expenses and its future refinancing costs. To the extent the Group seeks to hedge this risk through derivative interest rate hedging instruments, there is no guarantee that such instruments will be available in the future or that the Group does not incur any mark-to-market losses from such hedges.

Exchange rate fluctuations could adversely affect Schaeffler Group's profitability and an effective hedging of this risk may not be possible.

As a global supplier, Schaeffler Group does business in a number of currencies, in particular Euros, U.S. Dollars and Chinese Renminbi. Exchange rate fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. Such developments could also increase prices of raw materials, since the Group purchases a considerable part of its raw materials in foreign currencies. In addition, exchange rate fluctuations may adversely affect its revenues and its competitive position if its competitors manufacture their products in countries with a depreciating currency.

With respect to external and internal cash inflows and outflows which are denominated in currencies other than the functional currency of the receiving entity, the Group seeks to reduce the impact of exchange rate fluctuations through derivative hedging instruments. In this context, the Group is particularly exposed to fluctuations of net inflows in U.S. Dollars and Chinese Renminbi. In addition, the Group employs derivative financial instruments to cover exchange rate risks arising from external and internal loan agreements. There is, however, no guarantee that sufficient derivative hedging instruments will be available on acceptable terms going forward or that the scope of the hedging activities will fully meet actual requirements. As a result, its hedging strategy may prove to be ineffective. Furthermore, the value of derivative hedging instruments is subject to market fluctuations, which may result in mark-to-market losses.

In addition, a number of consolidated entities of the Schaeffler Group report their results in currencies other than the Euro, which requires it to convert the relevant items into Euros when preparing its consolidated financial statements. As part of this process, the Group may be forced to record accounting losses.

Schaeffler Group may incur unexpected charges in connection with its pension and benefit obligations.

Schaeffler Group provides defined benefit pension plans in Germany, the United States, the UK and certain other countries, which are funded through externally managed investment funds. As of June 30, 2020, the Group's total pension obligations amounted to EUR 3,763 million and its net pension obligations for defined benefit pension plans (pension obligations less pension plan assets, funded status) amounted to EUR 2,906 million. Unfavourable market developments, in particular a requirement to adjust discount rates, could result in a substantial coverage shortfall for these pension obligations.

For example, due to interest rate developments, the Group was forced to reduce the interest rate used to calculate its pension obligations from 1.3% as of December 31, 2019 to 0.9% as of June 30, 2020. As a result, it incurred actuarial losses of EUR 312 million in the six-month-period ended June 30, 2020, which were recognized in the consolidated statement of comprehensive income. Future changes to parameters, such as longevity of beneficiaries, relevant for the calculation of the Group's pension and benefit obligations may result in further actuarial losses and it may be required to provide additional funds to cover shortfalls in the funding of such obligations. In addition, changes in new laws and regulations could lead to an increase in its pension obligations.

Schaeffler Group may incur significant impairment charges.

As of June 30, 2020, Schaeffler Group recorded intangible assets in an amount of EUR 472 million on its consolidated statement of financial position, including goodwill resulting from the acquisition of subsidiaries and other intangible assets generated through its research and development activities.

Such intangible assets as well as tangible assets are tested for impairment, in particular when there is an indication that these assets may be impaired (so-called triggering event). For example, the coronavirus pandemic and the resulting containment measures and restrictions put in place worldwide were decreasing demand, affecting supply chains, and reducing the volume of global trade, thus significantly impacting especially the automotive sector. Against this background, the Schaeffler Group has tested the goodwill of the Automotive OEM segment for impairment as at March 31, 2020. The impairment test identified that the recoverable amount of the Automotive OEM segment was below the segment's carrying amount. The resulting impairment of goodwill allocated to the Automotive OEM segment of EUR 249 million has been recognized in other expenses during the period.

Future adverse developments (e.g., an increased uncertainty regarding its future course of business) may result in similar impairment charges, including asset impairment charges, which may adversely affect the Group's profitability and financial position.

Legal, Regulatory and Tax Risks

Schaeffler Group's risk management and compliance controls and procedures may fail to prevent or detect corruption, fraud or other unauthorized behaviour.

Given the global scope of the Group's operations and, in particular, the fact that corruption and extortion are widespread in certain of the countries in which it operates, its global risk management and compliance program may prove to be insufficient to prevent or detect unlawful conduct. Despite such program, its employees, consultants, agents or suppliers may still engage in illegal practices or corruption to win business or to conspire in order to circumvent its compliance controls. Similarly, the Group's risk management function may fail to identify, mitigate or manage such behaviour.

For example, in 2015, Schaeffler Group discovered that some of its subsidiaries had made limited sales into Iran and some of its distributors may have supplied its products to Cuba. As a result, it may have failed to fully comply with sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"). Upon discovery of these potential violations, the Group voluntarily reported these incidents to OFAC and took remedial action to help ensure compliance with applicable sanctions laws, including discontinuing all sales into Iran. OFAC closed the matter with no enforcement action by issuing a cautionary letter. If its employees, consultants, agents or suppliers actually or allegedly engage in corruption, fraud or other unauthorized behaviour, the Group could be subject to administrative, civil or criminal fines or other sanctions, such as the loss of business licenses, and its reputation and business relationships may suffer.

In addition, Schaeffler Group's international operations require it to comply with trade and economic sanctions and restrictions, in particular those imposed by the European Union and the United States. If Schaeffler Group fails to comply with such laws, it may be subject to fines and could be forced to modify its compliance management program, which may increase Schaeffler Group's compliance costs. New sanctions, embargoes and other restrictions with respect to additional countries or goods could prevent it from continuing to market its products and operate its business as currently conducted.

Any of the factors described above could adversely affect Schaeffler Group's competitive position, revenue and profitability.

Schaeffler Group's operations are subject to complex laws and regulations, particularly environmental laws, which are constantly evolving. As a result, it may incur additional costs and may be forced to change the way it operates its business.

As a global supplier to the automotive and industrial sectors, Schaeffler Group is subject to complex laws and regulations which vary across the multiple countries in which the Group operates, including increasingly stringent environmental laws and regulations. Such laws and regulations also require permits or authorizations to be obtained and forms to be completed and delivered in connection with the operation of the Group's business. National laws in the Group's various markets across the world cover similar aspects. Any violations of applicable laws and regulations may result in fines and penalties, monetary and reputational damages, third-party liabilities, limitations on its business operations and site closures.

Complying with the complex regulatory framework applicable to the Group's operations imposes a significant day-to-day burden on Schaeffler Group. For example, the Group is subject to Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals, as amended ("**REACH**"), and similar regulations under other applicable law which govern the production and use of chemicals. Several of the chemicals used in the Group's production processes are or may be classified as substances of very high concern and are or could become subject to restrictions regarding their use or even be prohibited. In such case, Schaeffler

Group would be required to replace these substances, which may be costly and therefore adversely affect its operations. If the Group fails to comply with the requirements promulgated by REACH or other laws and regulations applicable to the Group's components, the Group may no longer be able to market these products or be forced to recall products already distributed in the market. In such cases, customers may seek recompense from the Group or discontinue their relationship with the Group, which may adversely affect its revenue and profitability. In addition, the reputation may suffer if the Group's components and services fail to comply with the latest legal requirements, in particular laws and regulations aimed at improving product safety.

While already complex, the laws applicable to its operations are continuously evolving and becoming even more stringent. In the past, the Group has already been required to make significant investments to adjust to new regulations. For example, data protection laws have constantly become more stringent, in particular in the European Union, where Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data became effective in 2018. Under such regulation, businesses are subject to a number of provisions that require them to keep personal data private and limit the extent to which they can utilize such data as part of their operations. As a result, the Group has had to make significant investments to comply with these new provisions and change the way it uses certain data collected from third parties.

Schaeffler Group expects that additional laws and regulations will be passed that affect its operations. It may be difficult and costly for it to comply with such laws and regulations or changes to the existing legal framework, and new legislation may force it to change the way it operates its business or adversely affect demand for its products and services. For example, the introduction of various legislation aimed at reducing fuel and energy consumption of vehicles, in particular the worldwide harmonized light-duty vehicles test procedure or the real driving emissions procedure, has made it harder to certify new vehicles. Consequently, deliveries to customers have been delayed, which has adversely affected customer satisfaction. Furthermore, there are numerous ongoing initiatives to further curb emissions and fuel consumption. Such initiatives exist at the level of supranational organizations and national legislators as for individual major cities such as London. The ongoing push towards laws and regulations providing for a more stringent emission reduction put additional pressure on automotive manufacturers and OEMs in the automotive industry and consequently also adversely affect demand and prices for the Group's products.

Any of the factors described above could adversely affect Schaeffler Group's competitive position, revenue and profitability.

Schaeffler Group is involved in legal, administrative and arbitration proceedings, in particular antitrust investigations as well as product and warranty claims, and may be required to pay substantial damages or incur additional costs.

Entities of Schaeffler Group are involved in a number of legal, administrative and arbitration proceedings and could become involved in additional proceedings. As a manufacturer, the Group may be faced with claims alleging violations of due care, warranty obligations and breaches of contract, recall actions or fines imposed by regulatory authorities. In addition, some contracts with customers require the Group to participate in warranty claims against, or recalls by, such customers, or provide for the payment of liquidated damages (*pauschalisierter Schadensersatz*) in the event of certain violations. As a result, it may be required to make substantial payments to such customers.

For example, in November 2018, Opel Automobile GmbH observed that cars of its Astra K model (model years 2016 through 2018) suffer from a reduction of braking power and alleged that this was due to a deficient component in the braking system. As the supplier of the relevant component, Opel Automobile GmbH may seek recourse from Schaeffler Group for the costs of remedying the defects in its cars. As of the date of this Base Prospectus, tests to determine the cause of the loss in braking power are still ongoing and there is no guarantee that the Group will not incur any liabilities in connection with its dispute with Opel Automobile GmbH. In addition, the Group has recently experienced failures of certain bearings supplied for wind turbines. As a result, the Group is currently in negotiations with several customers regarding potential compensation claims such customers may have in connection with these components.

Furthermore, Schaeffler Group, along with several other manufacturers of bearings, has long been the subject to various antitrust investigations regarding violations of antitrust laws. Below is a description of the current status of the relevant antitrust investigations and proceedings in the respective jurisdictions:

- In 2015 and 2016, certain of subsidiaries of the Group received questionnaires from the Competition Commission of India (the "CCI") regarding the bearings market and it cooperated with these inquiries. An internal investigation has not resulted in findings of violations of Indian antitrust laws related to the questions received from the CCI. The Group believes that the CCI may decide on the outcome of these investigations before the end of 2020. It intends to contest any fines that may be imposed by the CCI. In addition, a second investigation in India alleging that it illegally passed on increases in steel prices to customers was closed without the CCI imposing a fine. Consequently, Schaeffler Group believes that it is unlikely that customers will seek damages in this regard.

- The Brazilian Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica*) has initiated a preliminary investigation of, Schaeffler Brasil Ltda., the Group's Brazilian subsidiary, regarding an alleged exchange of information in violation of Brazilian antitrust laws. Due to the COVID-19 pandemic, it is unclear when the Brazilian Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica*) will issue a report regarding its investigation. The Group intends to defend itself in any proceedings resulting from that preliminary investigation.
- In 2011, the U.S. Department of Justice served a grand jury subpoena on Schaeffler Group USA Inc. In 2012, Schaeffler Group USA Inc. submitted documents and information to the U.S. Department of Justice. As Schaeffler Group USA Inc. has not received a response since, the Group believes that it is unlikely that proceedings will be reactivated against the Group's subsidiary.

In addition, beginning in May 2012, several class action lawsuits were filed by plaintiffs in the United States and Canada against various entities of the Schaeffler Group and certain other defendants in the context of the aforementioned investigation by the U.S. Department of Justice. Schaeffler Group subsequently settled all lawsuits filed in the United States, although individual plaintiffs have opted out of these settlements and some of them have filed claims for damages against the Group or threatened to file such claims. The class action lawsuits filed in Canada are also still pending. Also, some of the Group's subsidiaries in the United States are defendants in suits brought by individuals claiming personal injuries as a result of alleged exposure to clutch-lining material containing asbestos, which was sold until the end of the 1980s.

Legal, administrative and arbitration proceedings could involve substantial claims for damages, fines or other payments, particularly in the United States. The corresponding judgments or settlement agreements may require Schaeffler Group to make substantial payments. The Group's litigation costs and those of third parties could also be significant. Furthermore, prosecutors may initiate criminal proceedings against Schaeffler Group or its key personnel.

Legal, administrative and arbitration proceedings could have a material negative affect on the Group's reputation, financial position and profitability.

Schaeffler Group's know-how and intellectual property as well as those rights licensed from third parties may not be adequately protected, which could adversely affect its competitive position.

Schaeffler Group's products and services depend upon its technological know-how and the Group has obtained and applied for a large number of intellectual property rights, such as patents, that are of considerable importance to its business. The process of seeking protection for intellectual property rights can be lengthy and expensive, there is no guarantee that the Group will be able to obtain such rights and they may ultimately prove insufficient to adequately protect itself. Moreover, a major part of Schaeffler Group's know-how and industrial secrets cannot be protected through intellectual property rights. Consequently, Schaeffler Group may not be able to prevent third parties, in particular competitors, from copying its know-how and intellectual property, which could adversely affect its competitive position.

In addition, the Group has entered into a number of license, cross-license, cooperation and development agreements with its customers, competitors and other third parties, which grant it access to their intellectual property or know-how. These license agreements may be terminated under certain conditions (e.g., in the event of an insolvency of the licensing partner or a change of control in either party), which could end the Group's access to such intellectual property rights. Furthermore, these third-party intellectual property rights may prove to be invalid.

Any of the factors described above could adversely affect Schaeffler Group's competitive position and profitability.

If the Group infringes on intellectual property rights of third parties, it could be forced to change its product offering or incur additional costs.

Schaeffler Group's competitors, suppliers and customers develop a large number of intellectual property rights. These third parties could assert claims for infringement of such intellectual property rights, including baseless claims, against the Group. As a result, the Group could be forced to cease manufacturing, using or marketing the relevant technologies or products in certain countries or to make changes to its manufacturing processes or products. In addition, the Group could be liable to pay compensation for infringements or could be forced to purchase licenses from third parties to make use of their intellectual property rights.

Any of the factors described above could adversely affect Schaeffler Group's competitive position, revenue and profitability.

Schaeffler Group could be held liable for soil, water or groundwater contamination or other forms of pollution.

Many of the sites at which Schaeffler Group operates have been used for industrial purposes for many years and may be contaminated. Furthermore, at some of the sites at which the Group operates or has operated in the past, hazardous materials

(e.g., asbestos) were used in the past. As of June 30, 2020, provisions relating to potential claims and remediation costs in connection with contamination of properties and hazardous materials on such properties amounted to EUR 11.3 million, provided that such costs are particularly difficult to predict.

The competent authorities could order the Group, as the owner or tenant of the affected plots, to examine or remediate such pollution, or to dispose of, or to treat, contaminated or hazardous materials. Schaeffler Group may also be required to indemnify the owners of plots leased by the Group or of adjacent properties. Furthermore, the health and safety of third parties such as former employees may have been affected due to the use of hazardous materials and the Group could therefore be exposed to damage claims from such third parties. If any pollution were to become a subject of public discussion, this could adversely affect the Group's reputation or relations with its customers.

Claims, proceedings and investigations relating to environmental matters could have a material negative affect on the Group's reputation, financial position and profitability.

Future tax audits may lead to an increase of Schaeffler Group's tax burden for past periods.

The Issuer and many German as well as foreign entities of Schaeffler Group are subject to routine tax audits by the competent tax authorities. The last tax audit conducted by the competent tax authorities regarding the Issuer and all material German subsidiaries covered the fiscal years 2008 up to 2011. In addition, the Schaeffler Group has set up tax provisions to address potential future tax liabilities, including interest thereon, which amounted to EUR 116 million as of June 30, 2020. Such provisions may, however, prove to be insufficient. In future tax audits, tax authorities may interpret tax laws or relevant facts in a manner deviating from the Group's view, which could substantially increase its tax burden, including through the imposition of interest or penalty payments. In particular it is still open whether exchange rate losses resulting from intercompany loans have to be qualified as non-deductible tax expense. Furthermore, the tax qualification of several specific expenses as interest expenses is under discussion with the relevant authorities (interest barrier rule).

A substantial increase in the tax burden of Schaeffler Group could have a material negative affect on the Group's financial position and profitability.

Risks in connection with the ownership structure of the Issuer

The interests of the Issuer's shareholders may be inconsistent with the interests of the Noteholders.

As of the date of this Base Prospectus, Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler (together, the "**Family Shareholders**") ultimately own all common voting bearer shares in the Issuer. The interests of the Family Shareholders may conflict with the interests of the Noteholders, particularly if the Issuer and/or its subsidiaries encounter financial difficulties or are unable to pay their debts when due. The Family Shareholders may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment in the Issuer, although such transactions might involve risks to the Noteholders. In addition, the Family Shareholders or their affiliates may, or may in the future, own businesses that directly compete with the Schaeffler Group.

The materialization of any of the risks described above could have a material adverse effect on the value of the Notes.

Membership of the same persons on several boards may result in conflicts of interest between Schaeffler Group, and other affiliated companies of the Family Shareholders.

The Issuer is linked to certain companies affiliated with the Family Shareholders. In particular, there is some overlap in personnel between Schaeffler Group and these companies ("**Dual Mandates**"), which is common practice in comparable corporate structures. For example, Klaus Rosenfeld, the Chief Executive Officer of the Issuer, is also a member of the supervisory board of Continental AG. Furthermore, Georg F. W. Schaeffler, the chairman of the Supervisory Board, and Maria-Elisabeth Schaeffler-Thumann, the deputy chairperson of the Supervisory Board, are also represented on the supervisory board of Continental AG.

It cannot be excluded that in some cases there may be a conflict of interest in engaging in and structuring business relations between Schaeffler Group and companies affiliated with the Family Shareholders, in particular Continental AG.

The German Stock Corporation Act (*Aktiengesetz*) and the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) contain certain provisions aimed at protecting companies from the negative effects of potential conflicts of interest in case of personnel overlap. Members of the board of managing directors of a German stock corporation (*Aktiengesellschaft*) such as the Issuer have a legal duty to act solely in the interests of their respective companies. In the case of Dual Mandates, this duty can mean that board members are not permitted to vote on certain decisions in one or both of the companies. Persons holding Dual Mandates, including persons who are members of the supervisory board of Continental AG, are not allowed to make any decisions that are not in the Issuer's interests. Despite these regulations, the Issuer cannot exclude

the possibility that in some cases conflicts of interest may arise which are resolved to the detriment of Schaeffler Group. In particular, it cannot be excluded that the involvement of the members of the board of managing directors of the Issuer and Supervisory Board and other employees of Schaeffler Group in the strategy of affiliated companies of the Family Shareholders may result in some of these individuals – who hold offices or other functions in such companies – acting in the interests of these companies. The same holds true with regard to the possible individual economic interests of such persons.

Any of the factors described above could adversely affect Schaeffler Group's reputation, competitive position, revenue and profitability.

RISK FACTORS RELATING TO THE NOTES

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

Risks related to the nature of the Notes

Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss (see also "Risk Factors relating to the Issuer and the Schaeffler Group" above). A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialization of said risk. The market value of the Notes may therefore decrease.

The Notes will be effectively subordinated to the Group's debt to the extent such debt is secured by assets that are not also securing the Notes.

Although the Terms and Conditions restrict the Issuer's ability to provide asset security for the benefit of other debt and require the Issuer to secure the Notes equally if they provide security for the benefit of Capital Markets Indebtedness (as defined in the Terms and Conditions), the requirement to provide equal security to the Notes is subject to a number of significant exceptions and carve-outs. To the extent the Issuer provides asset security for the benefit of other debt without also securing the Notes, the Notes will be effectively junior to such debt to the extent of such assets.

As a result of the foregoing, holders of any secured debt of the Group may recover disproportionately more on their claims than the Noteholders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments on the Notes.

The Notes are structurally subordinated to creditors of the Issuer's subsidiaries.

The Notes will not be guaranteed by any of the subsidiaries of the Issuer. Generally, claims of creditors of a subsidiary, including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. In the event of a liquidation, winding-up or dissolution or a bankruptcy, administration, reorganization, insolvency, receivership or similar proceeding of any subsidiary of the Issuer, such subsidiary will pay the holders of its own debt (including holders of third-party debt which such subsidiaries have guaranteed) before they would be able to distribute any of their assets to the Issuer. As a result, the Issuer may not have sufficient assets to make payments on the Notes.

Early redemption in case of certain events of default subject to a 10 per cent. quorum.

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when the Fiscal Agent has received such default notices from Noteholders representing at least 10 per cent. of the aggregate principal amount of the Series of Notes then outstanding. Noteholders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Noteholders with respect to the Series of Notes delivers default notices.

Market price risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels or the lack of or excess demand for the relevant type of Note. The Noteholders are therefore exposed to the risk of an unfavourable development of market prices of their Notes, which materializes if the Noteholders sell the Notes prior to the final maturity of such Notes. If a Noteholder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

In particular, a Noteholder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate levels. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the Noteholder of Fixed Rate Notes holds such Notes until maturity, changes in the market interest rate are without relevance to such Noteholder as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

A Noteholder of Floating Rate Notes is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

Liquidity risk

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Base Prospectus to be admitted to trading on the Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange. However, Series of Notes issued under the Programme can also be listed on other stock exchanges or may not be listed at all, as specified in the relevant Final Terms.

Regardless of whether Series of Notes are listed or not, there is a risk that no liquid secondary market for such Notes will develop or, if it does develop, that it will not continue. The fact that Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely.

The liquidity of a Series of Notes may also be subject to fluctuations during the term of such Notes and may deteriorate, in particular as a result of repurchases and redemptions.

In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices.

Amendments to the Terms and Conditions by resolution of the Noteholders and appointment of a joint representative

Since the Terms and Conditions for a Series of Notes may be amended by the Issuer with consent of the relevant Noteholders by way of a majority resolution in a Noteholders' Meeting or by a vote not requiring a physical meeting (*Abstimmung ohne Versammlung*) as described in Sections 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen, "SchVG"*), the Issuer may subsequently amend the Terms and Conditions with the consent of the majority of Noteholders as described in § 14 of the Terms and Conditions, which amendment will be binding on all Noteholders of the relevant Series of Notes, even on those who voted against the change. As the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Series of Notes outstanding, any such resolution may technically be passed with the consent of less than a majority of the aggregate principal amount of the relevant Series of Notes outstanding.

Therefore, a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. As such majority resolution is binding on all Noteholders of a particular Series of Notes, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or cancelled, even for Noteholders who have declared their claims arising from the Notes due and payable but who have not received payment from the Issuer prior to the amendment taking effect, which may have significant negative effects on the value of the Notes and the return from the Notes.

The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative. If a joint representative is appointed a Noteholder may be deprived of its individual right to pursue and enforce a part or all of its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Risks related to the specific Conditions of the Notes

Risk of early redemption

At the Issuer's option, the Notes may be redeemed prior to the Maturity Date at par plus accrued interest if, as a result of a future change of the laws applicable in Germany, the Issuer will be obliged to pay Additional Amounts (as defined in the Terms and Conditions).

If provided for in any Final Terms for a particular Series of Notes, the Notes may be redeemed prior to the Maturity Date (i) at the option of the Issuer at the Make-Whole Redemption Amount, (ii) at the option of the Issuer on any specified Call Redemption Date or within any specified Call Redemption Period(s), (iii) at the option of the issuer upon giving a Transaction Trigger Notice, or (iv) if at any time the aggregate principal amount of the Notes of the relevant Series outstanding is equal to or less than 15 per cent. of the aggregate principal amount of the Notes of the Series originally issued. If the Notes of any Series are redeemed earlier than expected by a Noteholder, a Noteholder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. The redemption amount may be lower than the then prevailing market price of and the purchase price for the Notes paid by the Noteholder for the Notes so that the Noteholder in such case would not receive the total amount of the capital.

Specific risks regarding Floating Rate Notes linked to EURIBOR

The interest rates of Floating Rate Notes are linked to the Euro Interbank Offered Rate (EURIBOR) which is deemed to be a "benchmark" (EURIBOR and similar reference rates are, the "**Benchmarks**"). Benchmarks have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, including as a result of the Benchmark Regulation, with further changes anticipated.

Following the implementation of such reforms, the manner of administration of Benchmarks may change, with the result that they perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be consequences which cannot be predicted. Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives could have a material adverse effect on the costs of obtaining exposure to a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

Investors should be aware that, if a Benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such Benchmark will be determined for the relevant interest period by the fallback provisions applicable to such Notes.

If a Benchmark used to calculate interest amounts payable under any Notes for any interest period has ceased to be calculated or administered, the Issuer shall endeavour to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets. Such independent adviser will be tasked with determining whether an officially recognised successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Noteholders of such Notes. Any amendments pursuant to these fallback provisions will apply with effect from the effective date specified in the Terms and Conditions.

Such adjustments or spreads are intended to be applied in order to produce an industry-accepted replacement benchmark rate, however, the relevant adjustments or spreads may not be successful in doing so and the relevant Notes may still perform differently than if the original Benchmark had continued to be used.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate prior to the relevant interest determination date, the reference rate applicable to the immediately following interest period shall be the reference rate applicable as at the last preceding interest determination date. Any subsequent interest period may be subject to the subsequent operation of the fallback provisions.

The replacement of a Benchmark could have adverse effects on the economic return of the Noteholders of the relevant Notes compared to the applicable original benchmark rate.

Notes issued with a specific use of proceeds, such as a Green Bond

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically to finance or re-finance, in part or in full, new or existing green projects ("**Eligible Green Projects**"). The Issuer has established a "*Schaeffler Group Green Finance Framework*" which further specifies the eligibility criteria for such Eligible Green Projects. The Schaeffler Group Green Finance Framework is available on the website of the Issuer (www.schaeffler.com) and not incorporated by reference into this Base Prospectus.

Prospective investors should refer to the information set out in the relevant Final Terms and in the Schaeffler Group Green Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

Due to the envisaged use of the proceeds from the issuance of such Series of Notes, the Issuer may refer to such Notes as "green bonds" or "green finance instruments". The definition or nomenclature (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "green" or equivalently labelled project or a loan that may finance such project, has, for several years, been, and continues to be, under constant development. In addition, it is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives.

For example, at the EU level, on December 18, 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the "**Taxonomy Regulation**"). On March 9, 2020, the Technical Expert Group on Sustainable Finance published its final report on the EU taxonomy containing recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019 (the "**EU Green Bond Standard**"). On June 18, 2020 the European Parliament approved the text of the Taxonomy Regulation, which entered into force on July 12, 2020 (Regulation (EU) 2020/852). On June 23, 2020, the European Commission launched a public consultation on the creation of the EU Green Bond Standard.

There can be no assurance by the Issuer or the Dealers that the Schaeffler Group Green Finance Framework and the use of proceeds of relevant Tranches of Notes will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

In the event that any Series of Notes is listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any Series of Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of that Series of Notes.

The Issuer has appointed Sustainalytics to provide a green evaluation (the "**Green Evaluation**") of the Schaeffler Group Green Finance Framework. Such Green Evaluation provides an opinion on certain environmental and related considerations on the potential environmental impact of the issue of the relevant series of Notes. Such Green Evaluation does not form part of this Base Prospectus and is only an opinion and not a statement of fact. Holders of relevant Series of Notes will have no recourse against the provider of any Green Evaluation.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not give the Noteholder the right to early terminate the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Green Projects as aforesaid and/or withdrawal of any Green Evaluation or any such opinion or certification attesting that the Issuer is not complying in whole or

in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

ISSUE PROCEDURES

General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set forth below (the "**Terms and Conditions**") as further specified by the Final Terms (the "**Final Terms**") as described below.

Options for sets of Terms and Conditions

A separate set of Terms and Conditions applies to each type of Notes, as set forth below. The Final Terms provide for the Issuer to choose between the following Options:

- Option I - Terms and Conditions for Fixed Rate Notes; and
- Option II - Terms and Conditions for Floating Rate Notes.

Documentation of the Conditions

The Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

- The Final Terms shall be completed as set out therein. The Final Terms shall determine which of the Option I or Option II, including certain further options contained therein, respectively, shall be applicable to the individual issue of Notes by replicating the relevant provisions and completing the relevant placeholders of the relevant set of Terms and Conditions as set out in the Base Prospectus in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions alone shall constitute the Conditions, which will be attached to each global note representing the Notes of the relevant Tranche. This type of documentation of the Conditions will be required where the Notes are publicly offered, in whole or in part, or are to be initially distributed, in whole or in part, to non-qualified investors.
- Alternatively, the Final Terms shall determine which of Option I or Option II and of the respective further options contained in each of Option I and Option II are applicable to the individual issue by referring to the relevant provisions of the relevant set of Terms and Conditions as set out in the Base Prospectus only. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in the Base Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in the Base Prospectus attached.

Determination of Options / Completion of Placeholders

The Final Terms shall determine which of the Option I or Option II shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I or Option II contains also certain further options (characterized by indicating the respective optional provision through instructions and explanatory notes set out either on the left of or in square brackets within the text of the relevant set of Terms and Conditions as set out in the Base Prospectus) as well as placeholders (characterized by square brackets which include the relevant items) which will be determined by the Final Terms as follows:

Determination of Options

The Issuer will determine which options will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the respective sections of the relevant set of Terms and Conditions as set out in the Base Prospectus. If the Final Terms do not refer to an alternative or optional provision or such alternative or optional provision is not replicated therein it shall be deemed to be deleted from the Conditions.

Completion of Placeholders

The Final Terms will specify the information with which the placeholders in the relevant set of Terms and Conditions will be completed. In the case the provisions of the Final Terms and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions the relevant set of Terms and Conditions shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions.

All instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Controlling Language

As to the controlling language of the respective Conditions, the following applies:

- in the case of Notes (i) offered to the public, in whole or in part, in Germany, or (ii) initially distributed, in whole or in part, to non-qualified investors in Germany, German will be the controlling language. If, in the event of such offers to the public or distribution to non-qualified investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal offices of the Fiscal Agent and the Issuer, as specified on the back cover of this Base Prospectus.
- in other cases the Issuer will elect either German or English to be the controlling language in the Conditions.

TERMS AND CONDITIONS OF THE NOTES

Anleihebedingungen der Schuldverschreibungen

Deutsche Fassung der Anleihebedingungen

Die Anleihebedingungen für die Schuldverschreibungen (die "**Anleihebedingungen**") sind nachfolgend in zwei Optionen aufgeführt:

Option I umfasst den Satz der Anleihebedingungen, der auf Tranchen von Schuldverschreibungen mit fester Verzinsung Anwendung findet.

Option II umfasst den Satz der Anleihebedingungen, der auf Tranchen von Schuldverschreibungen mit variabler Verzinsung Anwendung findet.

Der Satz von Anleihebedingungen für jede dieser Optionen enthält bestimmte weitere Optionen, die entsprechend gekennzeichnet sind, indem die jeweilige optionale Bestimmung durch Instruktionen und Erklärungen entweder links von dem Satz der Anleihebedingungen oder in eckigen Klammern innerhalb des Satzes der Anleihebedingungen bezeichnet wird.

In den Endgültigen Bedingungen wird die Emittentin festlegen, welche der Option I oder Option II (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) für die einzelne Emission von Schuldverschreibungen Anwendung findet, indem entweder die betreffenden Angaben wiederholt werden oder auf die betreffenden Optionen verwiesen wird.

Soweit die Emittentin zum Zeitpunkt der Billigung des Basisprospektes keine Kenntnis von bestimmten Angaben hat, die auf eine einzelne Emission von Schuldverschreibungen anwendbar sind, enthält dieser Basisprospekt Leerstellen in eckigen Klammern, die die maßgeblichen durch die Endgültigen Bedingungen zu vervollständigenden Angaben enthalten.

Im Fall, dass die Endgültigen Bedingungen, die für eine einzelne Emission anwendbar sind, nur auf die weiteren Optionen verweisen, die im Satz der Anleihebedingungen der Option I oder Option II enthalten sind, ist folgendes anwendbar:

Die Bestimmungen dieser Anleihebedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigelegten endgültigen Bedingungen (die "**Endgültigen Bedingungen**") vervollständigt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Anleihebedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; alternative oder wählbare Bestimmungen dieser Anleihebedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausgefüllt oder die gestrichen sind, gelten als aus diesen Anleihebedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Anleihebedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Anleihebedingungen gestrichen, so dass die Bestimmungen der Endgültigen Bedingungen Geltung erhalten. Kopien der Endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich; bei nicht auf Veranlassung der Emittentin an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Anleihegläubiger solcher Schuldverschreibungen erhältlich.

Terms and Conditions of the Notes

English language version

The Terms and Conditions of the Notes (the "**Terms and Conditions**") are set forth below for two options:

Option I comprises the set of Terms and Conditions that applies to Tranches of Notes with fixed interest rates.

Option II comprises the set of Terms and Conditions that applies to Tranches of Notes with floating interest rates.

The set of Terms and Conditions for each of these Options contains certain further options, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out either on the right of, or in square brackets within, the set of Terms and Conditions.

In the Final Terms, the Issuer will determine whether Option I or Option II including certain further options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of the Base Prospectus the Issuer has no knowledge of certain items which are applicable to an individual issue of Notes, this Base Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent provided that, in the case of Notes which are not listed on any stock exchange at the initiative of the Issuer, copies of the relevant Final Terms will only be available to the Noteholders of such Notes.

In the case the Final Terms applicable to an individual issue only refer to the further options contained in the set of Terms and Conditions for Option I or Option II the following applies:

OPTION I
Anleihebedingungen für
festverzinsliche Schuldverschreibungen

§ 1 Währung, Festgelegte Stückelung, Form

- (a) *Währung; Festgelegte Stückelung.* Die Schaeffler AG, Herzogenaurach (die "**Emittentin**") begibt Schuldverschreibungen (die "**Schuldverschreibungen**") in [*Festgelegte Währung*] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [*Festgelegte Währung*] [*Betrag*], eingeteilt in Schuldverschreibungen in der festgelegten Stückelung von je [*Festgelegte Währung*] [*Betrag*] (die "**Festgelegte Stückelung**").
- (b) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (c) *Vorläufige Globalurkunde – Austausch.* Die Schuldverschreibungen sind zunächst in einer vorläufigen Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft.

Die Vorläufige Globalurkunde wird insgesamt oder teilweise und unentgeltlich am oder nach dem Tag, der 40 Tage nach dem Tag der Begebung der Schuldverschreibungen, frühestens jedoch 40 Tage nach dem Tag des Beginns des Angebots liegt, gegen Nachweis über das Nichtbestehen wirtschaftlichen U.S.-Eigentums im Sinne des U.S.-Rechts (*non-U.S. beneficial ownership*) in der in der Vorläufigen Globalurkunde vorgesehenen Form, für den Inhaber von Schuldverschreibungen gegen eine dauerhafte Globalurkunde (die "**Dauer-Globalurkunde**") (die Vorläufige Globalurkunde und die Dauer-Globalurkunde jeweils auch eine "**Globalurkunde**") ohne Zinsscheine ausgetauscht. Ein Recht der Anleihegläubiger (wie nachstehend definiert) auf Ausgabe und Lieferung von Einzelurkunden oder Zinsscheinen besteht nicht.

- (d) *Clearingsystem.* Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von einem Clearingsystem oder im Auftrag eines Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

"**Clearingsystem**" bezeichnet [**bei mehr als einem Clearing System ist folgendes anwendbar:** jeweils] folgendes: [Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Bundesrepublik Deutschland ("**Clearstream, Frankfurt**") [,] [und] [Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxemburg, Großherzogtum Luxemburg, ("**Clearstream, Luxemburg**") [und] [Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien, ("**Euroclear**") [(Clearstream, Luxemburg und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**")]] sowie jeder Funktionsnachfolger.

OPTION I
Terms and Conditions that apply to
Fixed Rate Notes

§ 1 Currency, Specified Denomination, Form

- (a) *Currency; Specified Denomination.* The Notes are issued by Schaeffler AG, Herzogenaurach (the "**Issuer**") in [*Specified Currency*] (the "**Specified Currency**"), in the aggregate principal amount of [*Specified Currency*] [*amount*], divided into notes in the specified denomination of [*Specified Currency*] [*amount*] (the "**Specified Denomination**") each (the "**Notes**").
- (b) *Form.* The Notes are issued in bearer form.
- (c) *Temporary Global Note – Exchange.* The Notes are initially represented by a temporary global Note (the "**Temporary Global Note**") without interest coupons.

The Temporary Global Note will be exchangeable, in whole or in part and free of charge, on or after the day that is 40 days after the later of the commencement of the offering and the date of issue of the Notes for a permanent global Note (the "**Permanent Global Note**") (the Temporary Global Note and the Permanent Global Note, each a "**Global Note**") without interest coupons upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The right of the Noteholders (as defined below) to require the issue and delivery of definitive notes or interest coupons is excluded.

- (d) *Clearing System.* Each of the Temporary Global Note and the Permanent Global Note will be held 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 [**if more than one Clearing System the following applies:** each of] **the following:** [Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany ("**Clearstream, Frankfurt**") [,] [and] [Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, ("**Clearstream, Luxembourg**") [and] [Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium, ("**Euroclear**") [(Clearstream, Luxembourg and Euroclear each an "**ICSD**" and together the "**ICSDs**")]] and any successor in such capacity.

Im Fall von Schuldverschreibungen, die in Form einer Classical Global Note ausgegeben werden, gilt folgendes:

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten der Emissionsstelle.

The Temporary Global Note and the Permanent Global Note shall each bear the manual signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Fiscal Agent.

In the case of Notes intended to be issued in the Classical Global Note form, the following applies:

Im Fall von Schuldverschreibungen, die in Form einer New Global Note ausgegeben werden, gilt folgendes:

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem gemeinsamen Wertpapierverwahrer (*common safekeeper*) im Namen beider ICSDs verwahrt.

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

In the case of Notes intended to be issued in the New Global Note form, the following applies:

Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customers' interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

Bei Rückzahlung oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung, Zahlung bzw. Kauf und Entwertung bezüglich der Globalurkunde *pro rata* in die Register der ICSDs eingetragen werden und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

On any redemption or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

Bei Austausch eines Anteils von ausschließlich durch eine Vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten der Emissionsstelle und die eigenhändige Unterschrift eines bevollmächtigten Vertreters des gemeinsamen Wertpapierverwahrers.

The Temporary Global Note and the Permanent Global Note shall each bear the manual signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Fiscal Agent and the manual signature of an authorised officer of the common safekeeper.

- (e) *Anleihegläubiger*. Den Inhabern von Schuldverschreibungen ("**Anleihegläubiger**") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die gemäß anwendbarem Recht und den Bestimmungen und Regeln des Clearingsystems übertragen werden können.

§ 2 Status und Negativerklärung

- (a) *Status*. Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin zumindest gleichrangig sind, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.
- (b) *Negativerklärung*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Emissionsstelle zur Verfügung gestellt worden sind, für Kapitalmarktverbindlichkeiten (wie nachstehend definiert) nach dem Tag der Begebung der Schuldverschreibungen kein dingliches Sicherungsrecht ("**Sicherungsrecht**") am eigenen Vermögen zu bestellen, ohne die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an einem solchen Sicherungsrecht teilhaben zu lassen, mit der Maßgabe, dass diese Verpflichtung keine Anwendung findet, falls die Emittentin Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind, bestellt, übernimmt oder bestehen lässt.

In Bezug auf von der Emittentin begebene asset-backed Emissionen (i) findet die Verpflichtung nach dem ersten Satz dieses § 2(b) keine Anwendung auf ein Sicherungsrecht, das im Zusammenhang mit einer solchen asset-backed Emission bestellt wird, und (ii) schließen die im ersten Satz dieses § 2(b) benutzten Worte "Vermögen" und "Kapitalmarktverbindlichkeit" nicht Vermögensgegenstände und Kapitalmarktverbindlichkeiten der Emittentin ein, die im Einklang mit den Gesetzen und den International Financial Reporting Standards, wie sie in der EU anzuwenden sind, ("**IFRS**") nicht in der Bilanz der Emittentin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

"**Kapitalmarktverbindlichkeiten**" bezeichnet jede Verpflichtung zur Rückzahlung aufgenommener Gelder in der Form von oder verbrieft durch Schuldverschreibungen oder ähnliche(n) Wertpapiere(n) mit einer ursprünglichen Laufzeit von mehr als einem Jahr, die an einer Wertpapierbörse oder in einem over-the-counter Wertpapiermarkt notiert, eingeführt oder gehandelt werden oder dort notiert, eingeführt oder gehandelt werden können oder die anderweitig öffentlich gehandelt werden oder gehandelt werden sollen.

- (e) *Noteholders*. The holders of Notes ("**Noteholders**") are entitled to co-ownership participations or other comparable rights in the Global Note, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System.

§ 2 Status and Negative Pledge

- (a) *Status*. The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, save for any obligations required to be preferred by law.
- (b) *Negative pledge*. The Issuer undertakes, as long as Notes are outstanding but only up to the time all amounts of principal and interest have been provided to the Fiscal Agent, not to provide after the issue date of the Notes any security interest *in rem* ("**Security Interest**") upon its assets for any Capital Market Indebtedness (as defined below) without at the same time letting the Noteholders share *pari passu* in such Security Interest; provided, however, that this undertaking shall not be applicable in the event the Issuer shall create, assume or permit to exist any Security Interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals.

In respect of asset-backed securitizations originated by the Issuer, (i) the undertaking pursuant to first sentence of this § 2(b) will not apply to any Security Interest which is granted in connection with any such asset-backed securitization, and (ii) the expressions "assets" and "Capital Market Indebtedness" as used in the first sentence of this § 2(b) do not include assets and Capital Market Indebtedness of the Issuer which, pursuant to the requirements of law and International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), need not, and are not, reflected in the Issuer's balance sheet.

"**Capital Market Indebtedness**" shall mean any obligation for the repayment of borrowed money in the form of or represented by bonds, notes, debentures or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or over-the-counter securities market or which are otherwise publicly traded or intended to be publicly traded, having an original maturity of more than one year.

§ 3 Zinsen

- (a) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihre Festgelegte Stückelung ab dem [*Verzinsungsbeginn einfügen*] (der "**Verzinsungsbeginn**") (einschließlich) bis zum Endfälligkeitstag (ausschließlich) verzinst.

Die Schuldverschreibungen werden mit jährlich [*Zinssatz einfügen*] % verzinst. Die Zinsen sind nachträglich an jedem Zinszahlungstag zahlbar.

"**Zinszahlungstag**" bezeichnet den [*Zinszahlungstag(e) einfügen*] eines jeden Jahres, erstmals den [*ersten Zinszahlungstag einfügen*].

Die erste Zinszahlung beläuft sich auf [*anfänglichen Bruchteilzinsbetrag je Festgelegter Stückelung einfügen*] je Festgelegter Stückelung.

Die Zinsen für den Zeitraum ab dem [*den letzten dem Endfälligkeitstag vorausgehenden Zinszahlungstag einfügen*] (einschließlich) bis zum Endfälligkeitstag (ausschließlich) belaufen sich auf [*abschließenden Bruchteilzinsbetrag je Festgelegter Stückelung einfügen*] je Festgelegter Stückelung und sind nachträglich am Endfälligkeitstag zahlbar.

- (b) *Zinstagequotient.* Zinsen für einen beliebigen Zeitraum (ausgenommen ist ein etwaiger Zeitraum, für den ein Bruchteilzinsbetrag festgelegt ist) werden auf der Grundlage des Zinstagequotienten berechnet.

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

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (A) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (B) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
- (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der

Im Falle einer kurzen oder langen ersten Zinsperiode gilt folgendes:

Sofern der Endfälligkeitstag kein Zinszahlungstag ist, gilt folgendes:

Wenn die "Actual / Actual (ICMA)" Methode anwendbar ist, gilt folgendes:

§ 3 Interest

- (a) *Rate of interest and Interest Payment Dates.* The Notes bear interest on their Specified Denomination from and including [*insert Interest Commencement Date*] (the "**Interest Commencement Date**") to but excluding the Maturity Date.

The Notes bear interest at the rate of [*insert rate of interest*] per cent. *per annum*, such interest being payable in arrear on each Interest Payment Date.

"**Interest Payment Date**" means [*insert Interest Payment Date(s)*] in each year, commencing on [*insert first Interest Payment Date*].

The first payment of interest will amount to [*insert initial Broken Interest Amount per Specified Denomination*] per Specified Denomination.

Interest in respect of the period from and including [*insert Interest Payment Date preceding the Maturity Date*] to but excluding the Maturity Date will amount to [*insert final Broken Interest Amount per Specified Denomination*] per Specified Denomination, such interest being payable in arrear on the Maturity Date.

- (b) *Day Count Fraction.* If interest is required to be calculated for any period of time (other than any period of time for which a broken interest amount has been fixed), such interest shall be calculated on the basis of the Day Count Fraction.

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

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
- (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

In case of a short or long first coupon the following applies:

If the Maturity Date is not an Interest Payment Date, the following applies:

If "Actual / Actual (ICMA)" applies, the following applies:

Feststellungsperioden, die üblicherweise in einem Jahr enden; und

- (B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt folgendes:

"Feststellungstermin" bezeichnet jeden Zeitraum *[Feststellungstermin(e) einfügen]*;

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

- (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

Where:

"Determination Date" means each *[insert Determination Date(s)]*;

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

Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt folgendes:

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).

If "Actual / Actual (ISDA)" applies, the following applies:

Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt folgendes:

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.

the actual number of days in the Calculation Period divided by 365.

If "Actual / 365 (Fixed)" applies, the following applies:

Wenn die "Actual / 360" Methode anwendbar ist, gilt folgendes:

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.

the actual number of days in the Calculation Period divided by 360.

If "Actual / 360" applies, the following applies:

Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt folgendes:

die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360, (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February,

If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:

30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).

in which case the month of February shall not be considered to be lengthened to a 30-day month).

Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt folgendes:

die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).

If "30E / 360" or "Eurobond Basis" applies, the following applies:

- (c) *Ende des Zinslaufs.* Der Zinslauf der Schuldverschreibungen endet an dem Ende des Tages, der dem Tag vorausgeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung des ausstehenden Nennbetrags der Schuldverschreibungen nicht am Tag vor dem Fälligkeitstag, sondern erst an dem Ende des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorausgeht. Der jeweils geltende Zinssatz wird gemäß diesem § 3 bestimmt. Weitergehende Ansprüche der Anleihegläubiger bleiben unberührt.

- (c) *Cessation of Interest Accrual.* The Notes shall cease to bear interest from the end of the day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Noteholders.

§ 4 Rückzahlung

- (a) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits insgesamt oder teilweise zurückgezahlt oder angekauft und eingezogen, werden die Schuldverschreibungen zu ihrem Nennbetrag am [Endfälligkeitstag einfügen] (der "**Endfälligkeitstag**") zurückgezahlt.
- (b) *Vorzeitige Rückzahlung wegen des Eintritts eines Gross-up-Ereignisses.*

Sofern ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Kündigungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(b) Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Kündigungstag zu ihrer Festgelegten Stückelung zuzüglich der bis zum festgelegten Kündigungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Eine solche Kündigungserklärung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge (wie in § 6 definiert) zu zahlen.

Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Emissionsstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der ersten Tranche der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der

§ 4 Redemption

- (a) *Redemption at maturity.* To the extent not previously redeemed in whole or in part, or purchased and cancelled the Notes shall be redeemed at their principal amount on [insert Maturity Date] (the "**Maturity Date**").
- (b) *Early redemption following a Gross up Event.*

If a Gross up Event (as defined below) occurs, the Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date specified in the notice in accordance with § 4(d). If the Issuer exercises its call right in accordance with sentence 1 of § 4(b), the Issuer shall redeem each Note at its Specified Denomination together with interest accrued to but excluding the redemption date specified in the notice on the redemption date specified in the notice.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay any Additional Amounts (as defined in § 6).

A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any

Gesetze, Verordnungen oder sonstigen Vorschriften des Staats, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the date of issue of the first tranche of the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

(c) *[Keine vorzeitige Rückzahlung nach Wahl der Emittentin]* *[Vorzeitige Rückzahlung nach Wahl der Emittentin].*

(c) *[No early redemption at the option of the Issuer]* *[Early redemption at the option of the Issuer].*

Falls die Emittentin kein Recht hat, die Schuldverschreibungen nach § 4(c) vorzeitig zurückzahlen, gilt folgendes:

Die Emittentin ist nicht berechtigt, die Schuldverschreibungen vor dem Endfälligkeitstag zurückzuzahlen, außer nach Maßgabe von § 4(b).

The Issuer is not entitled to call the Notes prior to the Maturity Date, otherwise than provided in § 4(b).

If Notes are not subject to early redemption pursuant to § 4(c), the following applies:

Falls die Emittentin das Recht hat, die Schuldverschreibungen nach eigener Wahl zum Make-Whole Rückzahlungsbetrag vorzeitig zurückzahlen, gilt folgendes:

[(i)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Kündigungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)(i) Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 4(d) festgelegten Rückzahlungstag zu ihrem Make-Whole Rückzahlungsbetrag zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[(i)] The Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date specified in the notice in accordance with § 4(d). If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)(i), the Issuer shall redeem each Note at its Make-Whole Redemption Amount together with interest accrued to but excluding the redemption date specified in the notice in accordance with § 4(d) on the redemption date specified in the notice in accordance with § 4(d).

If Notes are subject to early redemption at the option of the Issuer at the Make-Whole Redemption Amount, the following applies:

Der "**Make-Whole Rückzahlungsbetrag**" je Schuldverschreibung entspricht dem höheren von:

- (i) der Festgelegten Stückelung; oder
- (ii) dem Abgezinsten Marktwert.

Der Make-Whole Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.

Der "**Abgezinsten Marktwert**" ist die Summe aus

The "**Make-Whole Redemption Amount**" per Note shall be the higher of:

- (i) the Specified Denomination; or
- (ii) the Present Value.

The Make-Whole Redemption Amount shall be calculated by the Calculation Agent.

The "**Present Value**" will be the sum of

- (a) dem auf den Rückzahlungstag abgezinsten Wert des Nennbetrags der zurückzuzahlenden Schuldverschreibung, der ansonsten am Fälligkeitstag fällig werden würde; und
- (b) den jeweils auf den Rückzahlungstag abgezinsten Werten der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem Rückzahlungstag bis zum Fälligkeitstag (einschließlich) fällig werden würden (ausschließlich etwaiger, bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen).

Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 3 entspricht, wobei sie die Benchmark-Rendite zuzüglich **[Prozentsatz einfügen]**% zugrunde legt.

Die "**Benchmark-Rendite**" bezeichnet die am Rückzahlungs-Berechnungstag bestehende Rendite der entsprechenden *[einfügen: [Euro-Referenz-Anleihe der Bundesrepublik Deutschland] [andere Referenzanleihe] unter Angabe folgender Einzelheiten: ISIN oder andere Wertpapierkennung, wie gegen 12:00 Uhr mittags [(Frankfurter Zeit)] [andere relevante Zeitzone] an diesem Tag auf der Bloomberg Seite [ISIN] Govt HP (unter Nutzung der Einstellung "Last Yield to Convention" und der Preisquelle ["FRNK"] [andere relevante Preisquelle]) abgelesen, oder wie von einer anderen, durch die Berechnungsstelle festgelegten, Quelle hergeleitet oder veröffentlicht]* oder sollte die Rendite zu diesem Zeitpunkt nicht verfügbar sein, bezeichnet die Benchmark-Rendite eine ersetzende Referenzanleihe, die von der Berechnungsstelle festgesetzt wird, die jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibung bis zum Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibung vergleichbaren Laufzeit verwendet werden würde.

"**Rückzahlungs-Berechnungstag**" ist der sechste Geschäftstag vor dem Tag, an dem die Schuldverschreibungen gemäß diesem § 4(c)(i) zurückgezahlt werden.

- (a) the Specified Denomination to be redeemed which would otherwise become due on the Maturity Date, discounted to the redemption date; and
- (b) the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the redemption date to and including the Maturity Date (excluding any interest accrued to but excluding the redemption date), each discounted to the redemption date.

The Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 3, using the Benchmark Yield plus **[insert percentage]** %.

The "**Benchmark Yield**" means the yield at the Redemption Calculation Date of the corresponding *[insert [euro denominated benchmark debt security of the Federal Republic of Germany] [other relevant benchmark] specifying the following details: ISIN or other securities code, as observed at around noon [(Frankfurt time)] [other relevant time] on such date on Bloomberg page [ISIN] Govt HP (using the setting "Last Yield to Convention" and using the pricing source ["FRNK"] [other source as relevant]), or as derived or published by such other source as determined by the Calculation Agent]*, and if such yield is not available at that time the Benchmark Yield shall be the yield of a substitute benchmark security chosen by the Calculation Agent, in each case as having a maturity comparable to the remaining term of the Note to the Maturity Date, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date.

"**Redemption Calculation Date**" means the sixth Business Day prior to the date on which the Notes are redeemed in accordance with this § 4(c)(i).

Falls die Emittentin das Recht hat, die Schuldverschreibungen nach eigener Wahl an Call-Rückzahlungstag(e) vorzeitig zurückzahlen, gilt folgendes:

[(ii)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) mit Wirkung zu dem / den Call-Rückzahlungstag(en) zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(ii)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 4(d) festgelegten Call-Rückzahlungstag zu ihrem jeweiligen Call-Rückzahlungsbetrag zuzüglich der bis zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Call-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[(ii)] The Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) with effect on the Call Redemption Date(s). If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(ii)], the Issuer shall redeem each Note at its Call Redemption Amount together with interest accrued to but excluding the Call Redemption Date specified in the notice in accordance with § 4(d) on the Call Redemption Date specified in the notice in accordance with § 4(d).

If Notes are subject to early redemption at the option of the Issuer on Call Redemption Date(s), the following applies:

Call-Rückzahlungstag(e)

Call-Rückzahlungsbetrag

Call Redemption Date(s)

Call Redemption Amount(s)

[Call-Rückzahlungstag(e) einfügen]

[Call-Rückzahlungsbetrag/beträge einfügen]

[insert Call Redemption Date(s)]

[insert Call Redemption Amount(s)]

Falls die Anleihegläubiger ebenfalls ein Recht haben, die Schuldverschreibungen vorzeitig zu kündigen, gilt folgendes:

Der Emittentin steht dieses Recht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Anleihegläubiger in Ausübung seines Rechts gemäß § 4(e) verlangt hat.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note in accordance with § 4(e).

If Notes are also subject to early redemption at the option of the Noteholders, the following applies:

Falls die Emittentin das Recht hat, die Schuldverschreibungen während einer Call-Rückzahlungsperiode nach eigener Wahl vorzeitig zurückzahlen, gilt folgendes:

[(iii)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) mit Wirkung zu dem Call-Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(iii)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem Call-Rückzahlungstag zu ihrem jeweiligen Call-Rückzahlungsbetrag zuzüglich der bis zu dem Call-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[(iii)] The Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) with effect on the Call Redemption Date. If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(iii)], the Issuer shall redeem each Note at its Call Redemption Amount together with interest accrued to but excluding the Call Redemption Date on the Call Redemption Date.

If Notes are subject to early redemption at the option of the Issuer during Call Redemption Period, the following applies:

"Call-Rückzahlungstag" bezeichnet einen Geschäftstag innerhalb einer Call-Rückzahlungsperiode.

"Call Redemption Date" means each Business Day within the Call Redemption Period(s) as selected by the Issuer.

Call-Rückzahlungsperiode

Call-Rückzahlungsbetrag

Call Redemption Period(s)

Call Redemption Amount(s)

[Call-Rückzahlungsperiode einfügen]

[Call-Rückzahlungsbetrag/beträge einfügen]

[insert Call Redemption Period(s)]

[insert Call Redemption Amount(s)]

Falls die Anleihegläubiger ebenfalls ein Recht haben, die Schuldverschreibungen vorzeitig zu kündigen, gilt folgendes:

Der Emittentin steht dieses Recht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Anleihegläubiger in Ausübung seines Rechts gemäß § 4(e) verlangt hat.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note in accordance with § 4(e).

If Notes are also subject to early redemption at the option of the Noteholders, the following applies:

Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-Wahlrückzahlungsbetrag zurückzahlen, gilt folgendes:

[(iv)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt oder teilweise) durch eine Transaktions-Mitteilung gemäß den nachstehend aufgeführten Bedingungen und gemäß § 4(d) mit Wirkung zu dem Ereignis-Wahl-Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(iv)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede zurückzuzahlende Schuldverschreibung an dem Ereignis-Wahl-Rückzahlungstag zum Transaktions-Rückzahlungsbetrag zuzüglich der bis zum Ereignis-Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[(iv)] The Issuer may, upon giving a Transaction Trigger Notice in accordance with the requirements set out below and in accordance with § 4(d), call the Notes for early redemption (in whole or in part) with effect on the Trigger Call Redemption Date. If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(iv)], the Issuer shall redeem each Note to be redeemed at the Transaction Trigger Redemption Amount together with interest accrued to but excluding the Trigger Call Redemption Date on the Trigger Call Redemption Date.

If Notes are subject to early redemption at the option of the issuer upon occurrence of a transaction related event, the following applies:

"**Transaktion**" bezeichnet *[Beschreibung der geplanten Transaktion für deren Finanzierung die Schuldverschreibungen begeben werden]*.

"**Transaktion**" means *[insert description of envisaged transaction for which the Notes are intended to be issued for refinancing purposes]*.

"**Transaktionskündigungsfrist**" bezeichnet den Zeitraum ab dem *[Begebungstag einfügen]* bis zum *[Datum Ende des Zeitraums einfügen]*.

"**Transaction Notice Period**" means the period from *[insert issue date]* to *[insert end of period date]*.

"**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß § 4(d) und § 11 innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

"**Transaction Trigger Notice**" means a notice to the Noteholders given in accordance with § 4(d) and § 11 within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Redemption Date.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen nach Eintritt eines der oben bezeichneten Ereignisse durch Bekanntmachung gemäß § 11 verzichten.

At any time the Issuer may waive its right to call the Notes for redemption following the occurrence of one of the events detailed above, by giving notice in accordance with § 11.

"**Ereignis-Wahl-Rückzahlungsbetrag**" je Schuldverschreibung ist gleich **[●]** % der Festgelegten Stückelung.

"**Trigger Call Redemption Amount**" per Note means **[●]** per cent. of the Specified Denomination.

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

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

Falls die Anleihegläubiger ebenfalls ein Recht haben, die Schuldverschreibungen vorzeitig zu kündigen, gilt folgendes:

Der Emittentin steht dieses Recht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Anleihegläubiger in Ausübung seines Rechts gemäß § 4(e) verlangt hat.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note in accordance with § 4(e).

If Notes are also subject to early redemption at the option of the Noteholders, the following applies:

Falls die Emittentin das Recht hat, die Schuldverschreibungen wegen eines geringen ausstehenden Nennbetrags vorzeitig zurückzahlen, gilt folgendes:

[(v)] Sofern zu irgendeinem Zeitpunkt der Gesamtnennbetrag der ausstehenden Schuldverschreibungen auf 15 % oder weniger des Gesamtnennbetrages der Schuldverschreibungen der Serie, die ursprünglich ausgegeben wurden, fällt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Kündigungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(v)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 4(d) festgelegten Rückzahlungstag zu ihrer festgelegten Stückelung zuzüglich der bis zum festgelegten Kündigungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

[(v)] If at any time the aggregate principal amount of the Notes outstanding is equal to or less than 15 per cent. of the aggregate principal amount of the Notes of the Series originally issued, the Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date specified in the notice in accordance with § 4(d). If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(v)], the Issuer shall redeem each Note at its Specified Denomination together with interest accrued to but excluding the redemption date specified in the notice on the redemption date specified in the notice.

If Notes are subject to early redemption at the option of the Issuer for a minimal outstanding principal amount, the following applies:

(d) *Kündigungserklärung.* Die Emittentin hat die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß § 4(b) oder § 4(c) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu erklären. Die Kündigung ist unwiderruflich, und in ihr wird bestimmt:

- genaue Bezeichnung der zur Rückzahlung anstehenden Serie, einschließlich der Wertpapierkennungen;
- der betreffende Tag der vorzeitigen Rückzahlung; [und]
- der betreffende Rückzahlungsbetrag, zu dem die Schuldverschreibungen vorzeitig zurückgezahlt werden, soweit dieser zum Zeitpunkt der Veröffentlichung der Kündigungserklärung schon feststeht[.]; und]
- eine Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzahlenden Schuldverschreibungen.

(d) *Notice.* The Issuer shall call the Notes for early redemption pursuant to § 4(b) or § 4(c) by publishing a notice to the Noteholders in accordance with § 11 subject to observing a notice period of not less than 30 nor more than 60 days which notice shall be irrevocable and shall specify:

- precise designation of the Series of Notes subject to redemption, including the securities codes;
- the applicable date of early redemption; [and]
- the applicable redemption amount at which such Notes are to be redeemed early, if such applicable redemption amount has already been fixed on the date of the publication of the notice[.]; and]
- whether the Notes will be redeemed in whole or in part and, if only in part, the aggregate principal amount of the Notes which are to be redeemed.

Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen

If Notes are subject to early redemption at the option of the issuer upon occur-

vorzeitig bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-Wahlrückzahlungsbetrag zurückzahlen, gilt folgendes:

Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die betreffenden zurückzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt.

In the case of a partial redemption of Notes, the relevant Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.

rence of a transaction related event, the following applies:

[Falls die Schuldverschreibungen in Form einer NGN begeben werden, ist folgendes anwendbar: Die teilweise Rückzahlung wird in den Registern von Clearstream, Luxemburg und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Gesamtnennbetrags wiedergegeben.]

[In the case of Notes in NGN form the following applies: Such partial redemption shall be reflected in the records of Clearstream, Luxembourg and Euroclear as either a pool factor or a reduction in aggregate principal amount, at the discretion of Clearstream, Luxembourg and Euroclear.]

Falls die Emittentin das Recht hat, die Schuldverschreibungen nach eigener Wahl zum Make-Whole Rückzahlungsbetrag vorzeitig zurückzahlen, gilt folgendes:

Die Emittentin hat am Rückzahlungsberechnungstag unmittelbar nach Bestimmung des Make-Whole Rückzahlungsbetrags durch die Berechnungsstelle diesen den Anleihegläubiger durch Veröffentlichung einer Bekanntmachung gemäß § 11 bekannt zu machen.

The Issuer shall on the Redemption Calculation Date immediately after the Make-Whole Redemption Amount has been fixed by the Calculation Agent notify such Make-Whole Redemption Amount to the Noteholders in accordance with § 11.

If Notes are subject to early redemption at the option of the Issuer at the Make-Whole Redemption Amount, the following applies:

Die Emittentin wird jeder Börse, an der die Schuldverschreibungen auf Veranlassung der Emittentin notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend Mitteilung über die Kündigung machen.

The Issuer will inform, if required by such stock exchange on which the Notes are listed at the initiative of the Issuer, such stock exchange as soon as possible of such redemption.

(e) *[Keine vorzeitige] [Vorzeitige] Rückzahlung nach Wahl des Anleihegläubigers.*

(e) *[No early] [Early] redemption at the option of a Noteholder.*

Falls die Anleihegläubiger kein Recht haben, die vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen, gilt folgendes:

Die Anleihegläubiger sind außer in Fällen des **[falls die Schuldverschreibungen im Fall eines Kontrollwechsels vorzeitig kündbar sind, ist folgendes anwendbar:** § 4(g) oder des] § 8 zu keinem Zeitpunkt berechtigt, von der Emittentin eine vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.

The Noteholders shall not be entitled to put the Notes for redemption otherwise than provided in **[if the Notes are subject to Early Redemption as a result of a Change of Control the following applies:** § 4(g) and] § 8 at any time.

If Notes are not subject to early redemption at the option of the Noteholders, the following applies:

Falls die Anleihegläubiger ein Recht haben, die vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen, gilt folgendes:

(i) Die Emittentin hat eine Schuldverschreibung nach Wahl des Anleihegläubigers am / an den Put-Rückzahlungstag(en) zum jeweiligen Put-Rückzahlungsbetrag zuzüglich der bis zum Put-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

(i) The Issuer shall, at the option of the Noteholder, redeem such Note on the Put Redemption Date(s) at the relevant Put Redemption Amount together with interest accrued to but excluding the Put Redemption Date.

If Notes are subject to early redemption at the option of the Noteholders, the following applies:

Put-Rückzahlungstag(e)	Put-Rückzahlungsbetrag	Put Redemption Date(s)	Put Redemption Amount(s)
<i>[Put-Rückzahlungstag(e) einfügen]</i>	<i>[Put-Rückzahlungsbetrag/ beträge einfügen]</i>	<i>[insert Put Redemption Date(s)]</i>	<i>[insert Put Redemption Amount(s)]</i>
	Dem Anleihegläubiger steht das Recht, die vorzeitige Rückzahlung zu verlangen, nicht in Bezug auf eine Schuldverschreibung zu, deren		The Noteholder may not exercise the option for early redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its right

Rückzahlung die Emittentin zuvor gemäß § 4 verlangt hat.

- (ii) Um dieses Recht auszuüben, hat der Anleihegläubiger nicht weniger als 30 und nicht mehr als 60 Tage vor dem Put-Rückzahlungstag, an dem die betreffenden Schuldverschreibungen gemäß der Ausübungserklärung (wie nachstehend definiert) zurückgezahlt werden sollen, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Erklärung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Recht ausgeübt wird und (ii) die Wertpapierkennungen dieser Schuldverschreibungen (soweit vergeben). Die Rückzahlung der Schuldverschreibungen, für welche das Recht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder an deren Order. Die Ausübung des Rechts kann nicht widerrufen werden.

(f) *Erwerb.*

Die Emittentin oder jede ihrer Tochtergesellschaften können jederzeit vorbehaltlich zwingender gesetzlicher Regelungen Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

(g) *Kontrollwechsel.*

Tritt (i) ein Kontrollwechsel ein und (ii) kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings (zusammen, ein "**Rückzahlungsereignis**"), hat jeder Anleihegläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 4 (b) [oder (c)] angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zu verlangen.

Für Zwecke dieses Wahlrechts:

Bedeutet "**Rating Agentur**" jede Ratingagentur von Fitch Polska S.A. ("**Fitch**"), Moody's Deutschland GmbH ("**Moody's**") und S&P Global Ratings Europe Limited ("**S&P**") oder eine ihrer Nachfolgegesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

Gilt eine "**Absenkung des Ratings**" in Bezug auf einen Kontrollwechsel als eingetreten, wenn (a) innerhalb des Kontrollwechselzeitraums ein vorher für die Emittentin oder die

to redeem such Note in accordance with § 4.

- (ii) In order to exercise the option, the Noteholder must, not less than 30 nor more than 60 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of the Fiscal Agent. The Put Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification numbers of such Notes, if any. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order. No option so exercised may be revoked or withdrawn.

(f) *Purchase.*

The Issuer or any of its subsidiaries may at any time and subject to mandatory provisions of law purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(g) *Change of Control.*

If there (i) occurs a Change of Control and (ii) within the Change of Control Period a Rating Downgrade occurs (together called a "**Put Event**"), each Noteholder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 4(b) [or (c)]) to require the Issuer to redeem that Note on the Optional Redemption Date at its principal amount together with interest accrued to but excluding the Optional Redemption Date.

For the purposes of such option:

"**Rating Agency**" means the rating agencies of Fitch Polska S.A. ("**Fitch**"), Moody's Deutschland GmbH ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period any rating previously assigned to the Issuer or the

Falls die Schuldverschreibungen im Fall eines Kontrollwechsels vorzeitig kündbar sind, gilt folgendes:

If the Notes are subject to Early Redemption as a result of a Change of Control the following applies:

Schuldverschreibungen vergebene Rating einer Rating Agentur (i) zurückgezogen oder (ii) von einem Investment Grade Rating (BBB- von Fitch, Baa3 von Moody's oder BBB- von S&P oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von Fitch, Ba1 von Moody's oder BB+ von S&P oder jeweils gleichwertig, oder schlechter) geändert oder (iii) (falls das für die Schuldverschreibungen vergebene Rating einer Rating Agentur unterhalb des Investment Grade Ratings liegt) um einen ganzen Punkt (von BB+ zu BB von Fitch, von Ba1 zu Ba2 von Moody's oder von BB+ zu BB von S&P oder eine ähnliche Absenkung eines gleichwertigen Ratings) abgesenkt wird oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur während des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage, ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat);

Ein "**Kontrollwechsel**" ist eingetreten, wenn und sobald irgendeine Person oder eine Gruppe von Personen, die abgestimmt handeln (im Sinne von § 2 Absatz 5 des Wertpapiererwerbs- und Übernahmegesetzes – WpÜG) mehr als 50% der Stimmrechte in der Emittentin erwerben, soweit es sich nicht um Familien-Aktionäre oder um ein von diesen Beherrschtes Unternehmen handelt.

"**Familien-Aktionäre**" sind Maria Elisabeth Schaeffler-Thumann und Georg F.W. Schaeffler und ihre jeweiligen gesetzlichen oder eingesetzten Erben.

Ein "**Beherrschtes Unternehmen**" ist, bezogen auf einer Person, eine juristische Person, welche direkt oder indirekt von dieser Person kontrolliert wird.

Ist der "**Kontrollwechselzeitraum**" der Zeitraum, der 90 Tage nach dem Eintritt eines Kontrollwechsels endet; und

Ist der "**Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Anleihegläubigern gemäß § 11 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmittteilung**"), in der die Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in diesem § 4 (g) genannten Wahlrechts angegeben sind.

Zur Ausübung dieses Wahlrechts muss der Anleihegläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen, nachdem die Rückzahlungsmittteilung veröffentlicht ist, eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Emissionsstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Emissionsstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann

Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by Fitch, Baa3 by Moody's or BBB- by S&P, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+ by Fitch, Ba1 by Moody's or BB+ by S&P, or their respective equivalents for the time being, or worse) or (iii) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (from BB+ to BB by Fitch, from Ba1 to Ba2 by Moody's or from BB+ to BB by S&P or such similar lower of the respective equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control);

A "**Change of Control**" occurs if and when any person or group of persons acting in concert (within the meaning of section 2 para. 5 of the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*)) other than the Family Shareholders and any of their Controlled Entities acquires ownership of more than 50 per cent. of the voting rights in the Issuer.

"**Family Shareholders**" means Maria Elisabeth Schaeffler-Thumann and Georg F.W. Schaeffler and in each case their respective legal or appointed heirs.

A "**Controlled Entity**" means, in relation to any person, an entity which is controlled directly or indirectly by that person.

"**Change of Control Period**" means the period ending 90 days after the occurrence of the Change of Control; and

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with § 11 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this §4(g).

In order to exercise such option, the Noteholder must submit during normal business hours at the specified office of the Fiscal Agent a duly completed option exercise notice ("**Exercise Notice**") in the form available from the specified office of the Fiscal Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

§ 5 Zahlungen

- (a) *Zahlungen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 1(c).
- (b) *Zahlungsweise.* Sämtliche auf die Schuldverschreibungen zu leistende Zahlungen werden in der Festgelegten Währung geleistet. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Emissionsstelle oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 6 ist die Emittentin nicht verpflichtet, zusätzliche Beträge als Ausgleich für irgendwelche Steuern oder Abgaben gleich welcher Art, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden, an die Anleihegläubiger zu zahlen.
- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.
- (d) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Geschäftstag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Geschäftstag**"

Falls die Festgelegte Währung nicht Euro ist, gilt folgendes:

einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln.

Falls die Festgelegte Währung Euro ist, gilt folgendes:

einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.

§ 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die von dem Staat, in dem die Emittentin steuerlich ansässig ist oder einer seiner Gebietskörperschaften oder zur Erhebung von

§ 5 Payments

- (a) *Payments.* Payment of principal and interest on the Notes shall be made to, or to the order of, the Clearing System for credit to the relevant account holders of the Clearing System. Payment of interest on Notes represented by a Temporary Global Note shall be made, upon due certification as provided in § 1(c).
- (b) *Manner of Payment.* Payments of any amounts due in respect of the Notes shall be made in the Specified Currency. No commission or expenses shall be charged to the Noteholders in respect of such payments. All payments will be subject to all applicable fiscal and other laws, directives and regulations or agreements to which the Issuer, the Fiscal Agent or any Paying Agent agree to be subject. Without prejudice to the provisions of § 6, the Issuer will not be obliged to pay to the Noteholders any additional amounts as compensation for any taxes or duties of whatever nature imposed or levied by such fiscal and other laws, regulations, directives or agreements.
- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (d) *Business Day.* If the due date for payment of any amount in respect of any Note is not a Business Day then the Noteholder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Business Day**" means a day which is

a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].

If the Specified Currency is not Euro, the following applies:

a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

If the Specified Currency is Euro, the following applies:

§ 6 Taxation

All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or

Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer Verbindung des betreffenden Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Verständigung oder dieses Abkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird.

Die Emittentin ist keinesfalls verpflichtet, Zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 7 Vorlegung, Verjährung

- (a) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für fällige Schuldverschreibungen wird auf zehn Jahre verkürzt.

any authority or any other agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) which are to be withheld or deducted by reason of the relevant Noteholder having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of that Note; or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.

In any event, the Issuer will have no obligation to pay Additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

§ 7 Presentation, Prescription

- (a) *Presentation.* The period for presentation of Notes due, as established in § 801(1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.

(b) *Verjährungsfrist.* Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

§ 8 Kündigungsgründe für die Anleihegläubiger

(a) Bei Eintritt und Fortdauer eines der nachstehenden Ereignisse ist ein Anleihegläubiger berechtigt, seine Schuldverschreibungen durch Mitteilung in Textform an die Emittentin, die bei der Emittentin oder bei der Emissionsstelle abzugeben ist, zur sofortigen Rückzahlung fällig zu stellen, woraufhin seine Schuldverschreibungen ohne weitere Handlungen oder Formalitäten sofort zu ihrer festgelegten Stückelung zuzüglich aufgelaufener Zinsen fällig werden:

- (i) *Nichtzahlung.* Die Emittentin zahlt Zinsbeträge in Bezug auf die Schuldverschreibungen nicht innerhalb von 30 Geschäftstagen nach Fälligkeit; oder
- (ii) *Nichterfüllung sonstiger wesentlicher Verpflichtungen.* Die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner sonstigen wesentlichen Verpflichtung aus den Schuldverschreibungen, und die Unterlassung dauert länger als 60 Tage fort, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
- (iii) *Cross Acceleration.* Eine (nicht aus den Schuldverschreibungen bestehende) Kapitalmarktverbindlichkeit der Emittentin wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligkeitstellung oder auf andere Weise) mit der Maßgabe, dass der Gesamtbetrag der Kapitalmarktverbindlichkeiten mindestens EUR 100.000.000 (oder den Gegenwert in einer anderen Währung) beträgt; oder
- (iv) *Insolvenz etc.*
 - (A) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen ein, oder
 - (B) ein Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin; oder
 - (C) die Emittentin geht in die Liquidation oder wird abgewickelt oder aufgelöst (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem

(b) *Prescription.* The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

§ 8 Events of Default

(a) If any of the events below occurs and is continuing, then any Note may, by notice in text form addressed to the Issuer and delivered to the Issuer or, alternatively, the Fiscal Agent, be declared due and payable, whereupon such Note will become immediately due and payable at its Specified Denomination together with accrued interest without further action or formality:

- (i) *Non-payment.* Failure by the Issuer to pay any amount of interest in respect of the Notes within 30 business days of the due date for payment of that amount; or
- (ii) *Non-fulfilment of other material obligations.* The Issuer fails to duly perform any other material obligation arising under the Notes and any such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Noteholder; or
- (iii) *Cross Acceleration.* Any Capital Market Indebtedness of the Issuer (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), provided that the aggregate amount of Capital Market Indebtedness amounts to at least EUR 100,000,000 (or its equivalent in other currencies); or
- (iv) *Insolvency etc.*
 - (A) the Issuer announces its inability to meet its financial obligations (*Zahlungsunfähigkeit*) or suspends payments; or
 - (B) a court opens insolvency proceedings against the Issuer; or
 - (C) the Issuer enters into a winding up or dissolution and liquidation (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially

	bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).		all of the assets and obligations of the Issuer).
(b)	<i>Quorum.</i> In den Fällen von § 8(a)(ii) bis (iv) wird eine Kündigung erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Anleihegläubigern von Schuldverschreibungen im Nennbetrag von mindestens 10 % der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirkung einer solchen Kündigung entfällt, wenn die Anleihegläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, es müssen aber in jedem Fall mehr Anleihegläubiger zustimmen als gekündigt haben.	(b)	<i>Quorum.</i> In the events specified in § 8(a)(ii) to (iv), any notice declaring Notes due shall become effective only when the Fiscal Agent has received such notices from the Noteholders of at least 10 per cent. in principal amount of Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Noteholders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, provided, however, that in each case there must be more Noteholders consenting to such resolution than Noteholders having terminated the Notes.
§ 9	Emissionsstelle, Zahlstelle(n) [und Berechnungsstelle]	§ 9	Fiscal Agent, Paying Agent(s) [and Calculation Agent]
(a)	<i>Bestellung; bezeichnete Geschäftsstelle.</i> Die Emissionsstelle und die Zahlstelle sind nachstehend mit den benannten anfänglichen Geschäftsstellen aufgeführt: "Emissionsstelle" und "Zahlstelle": Commerzbank Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz) 60311 Frankfurt am Main Deutschland [Die " Berechnungsstelle " soll eine unabhängige international anerkannte Bank oder ein unabhängiger Finanzberater mit einschlägiger Expertise sein, von der Emittentin ausgewählt und als Berechnungsstelle für diese Zwecke bestellt.]	(a)	<i>Appointment, specified office.</i> The Fiscal Agent and the Paying Agent and their respective initial specified offices are as follows: "Fiscal Agent" and "Paying Agent": Commerzbank Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz) 60311 Frankfurt am Main Germany [The " Calculation Agent " shall be an independent bank of international standing or an independent financial adviser with relevant expertise, selected by the Issuer and appointed as calculation agent for the purposes of such.]
(b)	<i>Änderung der Bestellung oder Abberufung.</i> Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der vorgenannten Zahlstelle, die " Zahlstellen " und jede eine " Zahlstelle ") zu benennen. Die Emittentin behält sich ferner das Recht vor, die Ernennung der Emissionsstelle [,][und] der Zahlstellen [und der Berechnungsstelle] jederzeit anders zu regeln oder zu beenden. Die Emittentin wird sicherstellen, dass jederzeit (i) eine Emissionsstelle, (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Die Emissionsstelle [,][und] etwaige Zahlstellen [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle in derselben Stadt zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf die Emissionsstelle und etwaige Zahlstellen erfolgen unverzüglich durch die Emittentin gemäß § 11.	(b)	<i>Variation or termination of appointment.</i> The Issuer reserves the right at any time to appoint additional paying agents (together with the Paying Agent specified above, the " Paying Agents " and each a " Paying Agent "). The Issuer further reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [,][and] any Paying Agent [and the Calculation Agent]. The Issuer will at all times maintain (i) a Fiscal Agent (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent [,][and] any Paying Agent [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Fiscal Agent or any Paying Agent will be given promptly by the Issuer to the Noteholders in accordance with § 11.

- (c) *Erfüllungsgehilfe(n) der Emittentin.* Die Emissionsstelle [,][und] die Zahlstelle(n) [und die Berechnungsstelle] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber dem Anleihegläubiger; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und dem Anleihegläubiger begründet.

Die Emissionsstelle [,] [und] die Zahlstelle(n) [und die Berechnungsstelle] können den Rat eines oder mehrerer Rechtsanwälte oder anderer Sachverständiger einholen, deren Beratung oder Dienste sie für notwendig hält, und sich auf eine solche Beratung verlassen. Die Emissionsstelle [,] [und] die Zahlstelle(n) [und die Berechnungsstelle] übernehmen keine Haftung gegenüber den Anleihegläubigern im Zusammenhang mit Handlungen, die in gutem Glauben im Einklang mit einer solchen Beratung getätigt, unterlassen oder geduldet wurden.

§ 10 Schuldnerersetzung

- (a) *Ersetzung.*

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird ("**Verbundene Unternehmen**", wie in § 17 AktG definiert), als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbeitreitender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;
- (ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;
- (iii) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der festgelegten Währung an das Clearingsystem oder die Emissionsstelle zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;
- (iv) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu

- (c) *Agent of the Issuer.* The Fiscal Agent [,][and] any Paying Agent(s) [and the Calculation Agent] act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for the Noteholder.

The Fiscal Agent [,] [and] the Paying Agent(s) [and the Calculation Agent] may engage the advice or services of any lawyers or other experts whose advice or services it deems necessary and may rely upon any advice so obtained. Neither the Fiscal Agent nor the Paying Agent [nor the Calculation Agent] will incur any liability as against the Noteholders in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice in good faith.

§ 10 Substitution

- (a) *Substitution.*

The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer ("**Affiliated Companies**", as defined in Section 17 German Stock Corporation Act –*Aktiengesetz*), as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process *vis-à-vis* the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (iii) the New Issuer is in the position to pay to the Clearing System or to the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (iv) the Issuer unconditionally and irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each

Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;

- (v) die Neue Emittentin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden; und
- (vi) der Emissionsstelle ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt werden, welche bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i) bis (v) erfüllt wurden.

(b) *Bezugnahmen.*

- (i) Im Fall einer Schuldnerersetzung gemäß § 10(a) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Schaeffler AG erfolgen soll, oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Schaeffler AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(a)(iv) erfolgen soll.

- (ii) In § 8 gilt ein weiterer Kündigungsgrund als aufgenommen, der dann besteht, wenn die Garantie gemäß § 10(a)(iv) mit rechtskräftiger Entscheidung eines zuständigen Gerichts für nicht vollumfänglich wirksam erklärt wird, oder die Garantin einen Mangel der Wirksamkeit behauptet und dieser Mangel nicht innerhalb von zehn Geschäftstagen behoben wird.

§ 11 Bekanntmachungen

- (a) *Veröffentlichungen.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange die Schuldverschreibungen am regulierten Markt der Luxemburger Wertpapierbörse zum Handel zugelassen sind) auf der Internet-Seite der Luxemburger Börse (derzeit unter www.bourse.lu) veröffentlicht. Jede Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.
- (b) *Mitteilungen an das Clearingsystem.* Solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 11(a) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 11(a) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das

Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;

- (v) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; and
- (vi) there shall have been delivered to the Fiscal Agent an opinion of lawyers of recognised standing to the effect that subparagraphs (i) to (v) above have been satisfied.

(b) *References.*

- (i) In the event of a substitution pursuant to § 10(a), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Schaeffler AG, or that the reference shall be to the New Issuer and Schaeffler AG, in relation to Schaeffler AG's obligations under the guarantee pursuant to § 10(a)(iv) at the same time.

- (ii) In § 8 a further event of default shall be deemed to have been included; such event of default shall exist in the case that the guarantee pursuant to § 10(a)(iv) is determined by the final decision of a competent court or is claimed by the guarantor not to be in full force and effect and such defect is not corrected within ten business days.

§ 11 Notices

- (a) *Publications.* All notices regarding the Notes will be published (so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange (currently on www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.
- (b) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 11(a) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 11(a) above; any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

In the case of Notes which are listed on the Luxembourg Stock Exchange, the following applies:

Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, ist folgendes anwendbar:

Clearingsystem als den Anleihegläubigern mitgeteilt.

Im Fall von Schuldverschreibungen, die nicht auf Veranlassung der Emittentin an einer Börse notiert sind, ist folgendes anwendbar:

- (a) *Mitteilungen an das Clearingsystem.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

- (a) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

In the case of Notes which are not listed at the initiative of the Issuer, the following applies:

[(b)][(c)] *Mitteilungen eines Anleihegläubigers.* Mitteilungen, die von einem Anleihegläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit dem Nachweis seiner Inhaberschaft gemäß § 13(c)(a) an die Emissionsstelle geleitet werden. Eine solche Mitteilung kann über das Clearingsystem in der von der Emissionsstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.

[(b)][(c)] *Notices by a Noteholder.* Notices to be given by any Noteholder shall be made in written form together with an evidence of the Noteholder's entitlement in accordance with § 13(c)(a) to the Fiscal Agent. Such notice may be given through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ 12 Begebung weiterer Schuldverschreibungen

Die Emittentin behält sich das Recht vor, ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) wie die vorliegenden Schuldverschreibungen zu begeben, so dass sie mit diesen eine einheitliche Serie bilden. Der Begriff "**Schuldverschreibungen**" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

§ 12 Further Issues

The Issuer reserves the right from time to time, without the consent of the Noteholders to issue additional notes with identical terms and conditions as the Notes in all respects (or in all respects except for the date of issue, the interest commencement date and/or the issue price) so as to be consolidated and form a single series with such Notes. The term "**Notes**" shall, in the event of such further issue, also comprise such further notes.

§ 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand

- (a) *Geltendes Recht.* Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.
- (b) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen Fassung (das "**SchVG**"), ist nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin Frankfurt am Main.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht zuständig, in dessen Bezirk die Emittentin ihren Sitz hat. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht ausschließlich zuständig, in dessen Bezirk die Emittentin ihren Sitz hat.

§ 13 Applicable Law, Place of Performance and Jurisdiction

- (a) *Applicable law.* The form and content of the Notes as well as all the rights and duties arising therefrom are governed exclusively by the laws of the Federal Republic of Germany.
- (b) *Jurisdiction.* Subject to any exclusive court of venue for specific legal proceedings in connection with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*), as amended from time to time (the "**SchVG**"), non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Frankfurt am Main.

The local court (*Amtsgericht*) in the district where the Issuer has its registered office will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) in the district where the Issuer has its registered office will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

- (c) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Emissionsstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Emissionsstelle bestätigten Ablichtung der Globalurkunde.

§ 14 Änderung der Anleihebedingungen; Gemeinsamer Vertreter

- (a) *Änderung der Anleihebedingungen.* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 10 abschließend geregelt ist, mit den in dem nachstehenden § 14(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

- (b) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 14(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird.

- (c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Fiscal Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System account holder as well as (b) a copy of the Global Bond certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

§ 14 Amendments to the Terms and Conditions; Joint Representative

- (a) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the SchVG. There will be no amendment of the Terms and Conditions without the Issuer's consent.

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 10, by resolutions passed by such majority of the votes of the Noteholders as stated under § 14(b) below. A duly passed majority resolution will be binding upon all Noteholders.

- (b) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.
- (c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 14(c)(ii), in either case convened by the Issuer or a joint representative, if any.

- (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 14(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 14(c)(i) oder § 14(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 14(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(a) zuzustimmen.
- (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with §§ 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.
- (ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 14(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG.
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 14(c)(i) or § 14(d)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 14(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.
- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(a) hereof.

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

Die Haftung des gemeinsamen Vertreters ist auf das Zehnfache seiner jährlichen Vergütung beschränkt, es sei denn, dem gemeinsamen Vertreter fällt Vorsatz oder grobe Fahrlässigkeit zur Last.

- (g) *Bekanntmachungen.* Bekanntmachungen betreffend diesen § 14 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 11.

§ 15 Sprache

Falls die Anleihebedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, ist folgendes anwendbar:

Diese Anleihebedingungen 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.

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

Unless the joint representative is liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*), the joint representative's liability shall be limited to ten times the amount of its annual remuneration.

- (g) *Notices.* Any notices concerning this § 14 will be made in accordance with §§ 5 et seq. of the SchVG and § 11.

§ 15 Language

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

If the Terms and Conditions shall be in the German language with an English language translation, the following applies:

These Terms and Conditions are written in the English language only.

If the Terms and Conditions shall be in the English language only, the following applies:

OPTION II
Anleihebedingungen für
variabel verzinsliche
Schuldverschreibungen

§ 1 Währung, Festgelegte Stückelung, Form

- (a) *Währung; Festgelegte Stückelung.* Die Schaeffler AG, Herzogenaurach (die "**Emittentin**") begibt Schuldverschreibungen (die "**Schuldverschreibungen**") in [*Festgelegte Währung*] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [*Festgelegte Währung*] [*Betrag*], eingeteilt in Schuldverschreibungen in der festgelegten Stückelung von je [*Festgelegte Währung*] [*Betrag*] (die "**Festgelegte Stückelung**").
- (b) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (c) *Vorläufige Globalurkunde – Austausch.* Die Schuldverschreibungen sind zunächst in einer vorläufigen Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft.

Die Vorläufige Globalurkunde wird insgesamt oder teilweise und unentgeltlich am oder nach dem Tag, der 40 Tage nach dem Tag der Begebung der Schuldverschreibungen, frühestens jedoch 40 Tage nach dem Tag des Beginns des Angebots liegt, gegen Nachweis über das Nichtbestehen wirtschaftlichen U.S.-Eigentums im Sinne des U.S.-Rechts (*non-U.S. beneficial ownership*) in der in der Vorläufigen Globalurkunde vorgesehenen Form, für den Inhaber von Schuldverschreibungen gegen eine dauerhafte Globalurkunde (die "**Dauer-Globalurkunde**") (die Vorläufige Globalurkunde und die Dauer-Globalurkunde jeweils auch eine "**Globalurkunde**") ohne Zinsscheine ausgetauscht. Ein Recht der Anleihegläubiger (wie nachstehend definiert) auf Ausgabe und Lieferung von Einzelurkunden oder Zinsscheinen besteht nicht.

- (d) *Clearingsystem.* Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von einem Clearingsystem oder im Auftrag eines Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

"Clearingsystem" bezeichnet [bei mehr als einem Clearing System ist folgendes anwendbar: jeweils] folgendes: [Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Bundesrepublik Deutschland ("**Clearstream, Frankfurt**") [,] [und] [Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxemburg, Großherzogtum Luxemburg, ("**Clearstream, Luxemburg**") [und] [Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien, ("**Euroclear**") [(Clearstream, Luxemburg und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**")]] sowie jeder Funktionsnachfolger.

OPTION II
Terms and Conditions that apply to
Floating Rate Notes

§ 1 Currency, Specified Denomination, Form

- (a) *Currency; Specified Denomination.* The Notes are issued by Schaeffler AG, Herzogenaurach (the "**Issuer**") in [*Specified Currency*] (the "**Specified Currency**"), in the aggregate principal amount of [*Specified Currency*] [*amount*], divided into notes in the specified denomination of [*Specified Currency*] [*amount*] (the "**Specified Denomination**") each (the "**Notes**").
- (b) *Form.* The Notes are issued in bearer form.
- (c) *Temporary Global Note – Exchange.* The Notes are initially represented by a temporary global Note (the "**Temporary Global Note**") without interest coupons.

The Temporary Global Note will be exchangeable, in whole or in part and free of charge, on or after the day that is 40 days after the later of the commencement of the offering and the date of issue of the Notes for a permanent global Note (the "**Permanent Global Note**") (the Temporary Global Note and the Permanent Global Note, each a "**Global Note**") without interest coupons upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The right of the Noteholders (as defined below) to require the issue and delivery of definitive notes or interest coupons is excluded.

- (d) *Clearing System.* Each of the Temporary Global Note and the Permanent Global Note will be held 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 [if more than one Clearing System the following applies: each of] the following: [Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany ("**Clearstream, Frankfurt**") [,] [and] [Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, ("**Clearstream, Luxemburg**") [and] [Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium, ("**Euroclear**") [(Clearstream, Luxembourg and Euroclear each an "**ICSD**" and together the "**ICSDs**")]] and any successor in such capacity.

Im Fall von Schuldverschreibungen, die in Form einer Classical Global Note ausgegeben werden, gilt folgendes:

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten der Emissionsstelle.

The Temporary Global Note and the Permanent Global Note shall each bear the manual signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Fiscal Agent.

In the case of Notes intended to be issued in the Classical Global Note form, the following applies:

Im Fall von Schuldverschreibungen, die in Form einer New Global Note ausgegeben werden, gilt folgendes:

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem gemeinsamen Wertpapierverwahrer (*common safekeeper*) im Namen beider ICSDs verwahrt.

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

In the case of Notes intended to be issued in the New Global Note form, the following applies:

Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customers' interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

Bei Rückzahlung oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung, Zahlung bzw. Kauf und Entwertung bezüglich der Globalurkunde *pro rata* in die Register der ICSDs eingetragen werden und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezählten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

On any redemption or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

Bei Austausch eines Anteils von ausschließlich durch eine Vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten der Emissionsstelle und die eigenhändige Unterschrift eines bevollmächtigten Vertreters des gemeinsamen Wertpapierverwahrers.

The Temporary Global Note and the Permanent Global Note shall each bear the manual signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Fiscal Agent and the manual signature of an authorised officer of the common safekeeper.

- (e) *Anleihegläubiger*. Den Inhabern von Schuldverschreibungen ("**Anleihegläubiger**") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die gemäß anwendbarem Recht und den Bestimmungen und Regeln des Clearingsystems übertragen werden können.

§ 2 Status und Negativerklärung

- (a) *Status*. Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin zumindest gleichrangig sind, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

- (b) *Negativerklärung*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Emissionsstelle zur Verfügung gestellt worden sind, für Kapitalmarktverbindlichkeiten (wie nachstehend definiert) nach dem Tag der Begebung der Schuldverschreibungen kein dingliches Sicherungsrecht ("**Sicherungsrecht**") am eigenen Vermögen zu bestellen, ohne die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an einem solchen Sicherungsrecht teilhaben zu lassen, mit der Maßgabe, dass diese Verpflichtung keine Anwendung findet, falls die Emittentin Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind, bestellt, übernimmt oder bestehen lässt.

In Bezug auf von der Emittentin begebene asset-backed Emissionen (i) findet die Verpflichtung nach dem ersten Satz dieses § 2(b) keine Anwendung auf ein Sicherungsrecht, das im Zusammenhang mit einer solchen asset-backed Emission bestellt wird, und (ii) schließen die im ersten Satz dieses § 2(b) benutzten Worte "Vermögen" und "Kapitalmarktverbindlichkeit" nicht Vermögensgegenstände und Kapitalmarktverbindlichkeiten der Emittentin ein, die im Einklang mit den Gesetzen und den International Financial Reporting Standards, wie sie in der EU anzuwenden sind, ("**IFRS**") nicht in der Bilanz der Emittentin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

"**Kapitalmarktverbindlichkeiten**" bezeichnet jede Verpflichtung zur Rückzahlung aufgenommenen Gelder in der Form von oder verbrieft durch Schuldverschreibungen oder ähnliche(n) Wertpapiere(n) mit einer ursprünglichen Laufzeit von mehr als einem Jahr, die an einer Wertpapierbörse oder in einem over-the-counter Wertpapiermarkt notiert, eingeführt oder gehandelt werden oder dort notiert, eingeführt oder gehandelt werden können oder die anderweitig öffentlich gehandelt werden oder gehandelt werden sollen.

- (e) *Noteholders*. The holders of Notes ("**Noteholders**") are entitled to co-ownership participations or other comparable rights in the Global Note, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System.

§ 2 Status and Negative Pledge

- (a) *Status*. The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, save for any obligations required to be preferred by law.

- (b) *Negative pledge*. The Issuer undertakes, as long as Notes are outstanding but only up to the time all amounts of principal and interest have been provided to the Fiscal Agent, not to provide after the issue date of the Notes any security interest *in rem* ("**Security Interest**") upon its assets for any Capital Market Indebtedness (as defined below) without at the same time letting the Noteholders share *pari passu* in such Security Interest; provided, however, that this undertaking shall not be applicable in the event the Issuer shall create, assume or permit to exist any Security Interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals.

In respect of asset-backed securitizations originated by the Issuer, (i) the undertaking pursuant to first sentence of this § 2(b) will not apply to any Security Interest which is granted in connection with any such asset-backed securitization, and (ii) the expressions "assets" and "Capital Market Indebtedness" as used in the first sentence of this § 2(b) do not include assets and Capital Market Indebtedness of the Issuer which, pursuant to the requirements of law and International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), need not, and are not, reflected in the Issuer's balance sheet.

"**Capital Market Indebtedness**" shall mean any obligation for the repayment of borrowed money in the form of or represented by bonds, notes, debentures or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or over-the-counter securities market or which are otherwise publicly traded or intended to be publicly traded, having an original maturity of more than one year.

§ 3 Zinsen

- (a) Zinszahlungstage.
- (i) Jede Schuldverschreibung wird bezogen auf ihre festgelegte Stückelung ab dem dem [Verzinsungsbeginn einfügen] (der "Verzinsungsbeginn") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) mit einem jährlichen Satz, der dem Zinssatz (wie nachstehend definiert) entspricht, verzinst. Die Zinsen sind nachträglich an jedem Zinszahlungstag zahlbar. Der zahlbare Zinsbetrag wird gemäß § 3(c) berechnet.
- (ii) "Zinszahlungstag" bezeichnet, vorbehaltlich der Geschäftstageskonvention, [festgelegte Zinszahlungstage einfügen] eines jeden Jahres.
- (iii) "Geschäftstageskonvention" hat die folgende Bedeutung: Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

Im Fall von festgelegten Zinszahlungstagen gilt folgendes:

Im Fall von festgelegten Zinsperioden gilt folgendes:

Im Fall der Modified Following Business Day Convention (adjusted) gilt folgendes:

Im Fall der FRN-Konvention (adjusted) gilt folgendes:

(soweit diese Anleihebedingungen keine abweichenden Bestimmungen vorsehen) jeweils den Tag, der [Zahl einfügen] [Wochen] [Monate] nach dem vorausgehenden Zinszahlungstag, oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.

auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, in den dieser gefallen wäre, hätte es die Verschiebung nicht gegeben.

§ 3 Interest

- (a) Interest Payment Dates.
- (i) Each Note bears interest on its Specified Denomination at the rate *per annum* equal to the Rate of Interest from and including [insert Interest Commencement Date] (the "Interest Commencement Date") to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date. Interest on the Notes will be payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3(c).
- (ii) "Interest Payment Date" means, subject to the Business Day Convention, [insert Specified Interest Payment Dates] in each year.
- (iii) "Business Day Convention" has the following meaning: If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), the Interest Payment Date shall be

In the case of Specified Interest Payment Dates insert:

In the case of Specified Interest Periods insert:

In the case of Modified Following Business Day Convention (adjusted), the following applies:

In the case of FRN Convention (adjusted), the following applies:

each date which (except as otherwise provided in these Terms and Conditions) falls [insert number] [weeks] [months] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment.

Im Fall der Following Business Day Convention (adjusted) gilt folgendes:

auf den nächstfolgenden Geschäftstag verschoben.

postponed to the next day which is a Business Day.

In the case of Following Business Day Convention (adjusted), the following applies:

Im Fall der Preceding Business Day Convention (adjusted) gilt folgendes:

auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

the immediately preceding Business Day.

In the case of Preceding Business Day Convention (adjusted), the following applies:

Falls die Festgelegte Währung Euro ist, gilt folgendes:

- (iv) "Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.

- (iv) "Business Day" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

If the Specified Currency is Euro, the following applies:

Falls die Festgelegte Währung nicht Euro ist, gilt folgendes:

einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] und das Clearingsystem für Geschäfte geöffnet sind bzw. Zahlungen abwickeln.

a day (other than a Saturday or a Sunday) on which commercial banks and the Clearing System are generally open for business and foreign exchange markets settle payments in [insert all relevant financial centres].

If the Specified Currency is not Euro, the following applies:

- (b) *Zinssatz.* Der "**Zinssatz**" für jede Zinsperiode (wie nachstehend definiert) ist der Zinssatz *per annum*, der dem Referenzsatz (wie nachstehend definiert) [[zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)] entspricht, wobei der Zinssatz mindestens 0,00 % *per annum* beträgt und alle Festlegungen durch die Berechnungsstelle erfolgen.

"Referenzsatz" für jede Zinsperiode

- (i) entspricht, solange kein Benchmark-Ereignis (wie in § 3(e) definiert) eingetreten ist,
- (A) dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestsetzungstag; oder
- (B) falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, aber kein Benchmark-Ereignis eingetreten ist, dem Referenzbankensatz an diesem Zinsfestsetzungstag.

Falls der Referenzbankensatz nicht gemäß der Definition dieses Begriffs festgestellt werden kann, aber kein Benchmark-Ereignis eingetreten ist, ist der "Referenzsatz" der

- (b) *Rate of Interest.* The "**Rate of Interest**" for each Interest Period (as defined below) will be a rate *per annum* equal to the Reference Rate (as defined below) [[plus] [minus] the Margin (as defined below)], subject to a minimum of 0.00 per cent. *per annum* and all as determined by the Calculation Agent.

"Reference Rate" for each Interest Period will be,

- (i) as long as no Benchmark Event (as defined in § 3(e)) has occurred,
- (A) the Original Benchmark Rate on the relevant Interest Determination Date; or
- (B) if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, but no Benchmark Event has occurred, the Reference Bank Rate on that Interest Determination Date.

If the Reference Bank Rate cannot be determined in accordance with the definition of such term, but no Benchmark Event has occurred, the "Reference Rate" shall be the Original

Ursprüngliche Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde; und

Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed; and

- (ii) wird, wenn ein Benchmark-Ereignis eingetreten ist, für jede Zinsperiode, die an oder nach dem Stichtag (wie in § 3(e)(vii) definiert) beginnt, gemäß § 3(e) bestimmt.

- (ii) if a Benchmark Event has occurred, determined in accordance with § 3(e) for each Interest Period commencing on or after the Effective Date (as defined in § 3(e)(vii)).

Im Falle einer Marge gilt folgendes

Die "Marge" beträgt [Marge] % *per annum*.

"Margin" means [Margin] % *per annum*.

In case of a Margin the following applies

"Zinsperiode" bezeichnet jeweils den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"Ursprünglicher Benchmarksatz" an einem Tag ist die um 11:00 Uhr (Brüsseler Ortszeit) gefixte und auf der Bildschirmseite angezeigte [1 / 3 / 6 / 12]-Monats Euro Interbank Offered Rate (ausgedrückt als Prozentsatz *per annum*) an diesem Tag.

"Original Benchmark Rate" on any day means the [1 / 3 / 6 / 12]-months Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at, and appearing on, the Screen Page as of 11.00 a.m. (Brussels time) on such day.

"Referenzbankensatz" bezeichnet den (als Prozentsatz *per annum* ausgedrückten) Satz für Einlagen in Euro für die betreffende Zinsperiode und über einen Repräsentativen Betrag (auf Grundlage des Actual/360 Zinstagequotienten), den die Referenzbanken (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag quotieren, und der wie folgt bestimmt wird: Die Emittentin wird jede Referenzbank bitten, der Berechnungsstelle ihren Angebotssatz mitzuteilen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzsatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

"Reference Bank Rate" means the rate (expressed as a percentage rate *per annum*) at which the Reference Banks (as defined below) offer to prime banks in the Euro-Zone interbank market and in a Representative Amount, assuming an Actual/360 day count basis, deposits in Euro at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date for the relevant Interest Period determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Interest Period shall be the arithmetic mean (rounded if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

Dabei gilt Folgendes:

Where:

"Bildschirmseite" bezeichnet die Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.

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

"Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung,

"Euro-zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and

eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

"**Referenzbanken**" bezeichnet die Hauptniederlassungen von vier von der Emittentin ausgewählten großen Banken im Interbankenmarkt der Euro-Zone.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu dem betreffenden Zeitpunkt in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) betriebsbereit ist.

"**Zinsfestsetzungstag**" bezeichnet den zweiten TARGET Geschäftstag vor Beginn der jeweiligen Zinsperiode.

Falls ein kurzer oder langer [erster / letzter] Kupon sowie Interpolationen anwendbar ist, gilt folgendes:

Für die [erste / letzte] Zinsperiode legt die Berechnungsstelle den Referenzsatz am Zinsfestsetzungstag in kaufmännisch vernünftiger Weise durch lineare Interpolation zwischen zwei Referenzsätzen fest, von denen (i) der eine Referenzsatz für einen Zeitraum zu bestimmen ist, für den es einen dem Referenzsatz vergleichbaren Referenzsatz gibt und der der Länge der anwendbaren Zinsperiode am nächsten kommt, aber kürzer als diese ist und (ii) der andere Referenzsatz für einen Zeitraum zu bestimmen ist, für den es einen dem Referenzsatz vergleichbaren Referenzsatz gibt und der der Länge der anwendbaren Zinsperiode am nächsten kommt, aber länger als diese ist.

- (c) *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen fälligen Zinsbetrag bezogen auf jede Festgelegte Stückelung (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede Festgelegten Stückelung angewendet werden, wobei der resultierende Betrag **[falls die Festgelegte Währung Euro ist einfügen:** auf den nächsten 0,01 Euro auf- oder abgerundet wird, wobei 0,005 Euro aufgerundet werden.] **[falls die Festgelegte Währung nicht Euro ist, einfügen:** auf die kleinste Einheit der Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.]

"**Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (unabhängig davon, ob es sich dabei um eine Zinsperiode handelt, der "**Zinsberechnungszeitraum**"):

Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt folgendes:

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die

the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

"**Reference Banks**" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

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

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

In respect of the [first / last] Interest Period, the Reference Rate shall be determined by the Calculation Agent on the Interest Determination Date in a commercially reasonable manner using the straight-line interpolation by reference to two reference rates, (i) one of which shall be determined for a term for which a reference rate similar to the Reference Rate is available and which is next closest to but shorter than the applicable Interest Period and (ii) the other of which shall be determined for a term for which a reference rate similar to the Reference Rate is available and which is next closest to but longer than the applicable Interest Period.

In the case a short/long [first / last] coupon and interpolation is applicable, the following applies:

- (c) *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure **[if the Specified Currency is Euro insert:** to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.] **[if the Specified Currency is not Euro insert:** to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the "**Calculation Period**"):

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of

If "Actual / Actual (ISDA)" applies, the following applies:

	tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).	days in that portion of the Calculation Period not falling in a leap year divided by 365).	
Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt folgendes:	die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.	the actual number of days in the Calculation Period divided by 365.	If "Actual / 365 (Fixed)" applies, the following applies:
Wenn die "Actual / 360" Methode anwendbar ist, gilt folgendes:	die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.	the actual number of days in the Calculation Period divided by 360.	If "Actual / 360" applies, the following applies:
Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt folgendes:	die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360, (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf 30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).	the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).	If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:
Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt folgendes:	die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).	the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).	If "30E / 360" or "Eurobond Basis" applies, the following applies:

- (d) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, unverzüglich, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen maßgeblichen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, sowie den Anleihegläubigern gemäß § 11 mitgeteilt.
- (d) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 and, if required by the rules of any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed at the initiative of the Issuer and to the Noteholders in accordance with § 11.

(e) *Benchmark-Ereignis.*

Wenn ein Benchmark-Ereignis in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3(b) Folgendes:

- (i) *Unabhängiger Berater.* Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfestsetzungstag erforderlich ist, einen Unabhängigen Berater zu benennen, der einen Neuen Benchmarksatz (wie in § 3(e)(vi) definiert), die Anpassungsspanne (wie in § 3(e)(vi) definiert) und etwaige Benchmark-Änderungen (gemäß § 3(e)(iv)) festlegt.
- (ii) *Ausweichsatz (fallback).* Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag
 - (A) die Emittentin keinen Unabhängigen Berater ernannt hat; oder
 - (B) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz gemäß diesem § 3(e) festgelegt hat,

dann entspricht der Referenzsatz für die nächste Zinsperiode dem an dem letzten zurückliegenden Zinsfestsetzungstag festgestellten Ursprünglichen Benchmarksatz.

Falls der gemäß diesem § 3(e)(ii) bestimmte Ausweichsatz (*fallback*) zur Anwendung kommt, wird § 3(e) erneut angewendet, um den Referenzsatz für die nächste nachfolgende (und, sofern notwendig, weitere nachfolgende) Zinsperiode(n) zu bestimmen.

- (iii) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz.* Falls der Unabhängige Berater nach billigem Ermessen feststellt,
 - (A) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder
 - (B) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In jedem dieser Fälle entspricht der "Referenzsatz" für die unmittelbar nachfolgende Zinsperiode und alle folgenden Zinsperioden dann dem (x) Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

(e) *Benchmark Event*

If a Benchmark Event occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3(b) will be determined as follows:

- (i) *Independent Adviser.* The Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, endeavour to appoint an Independent Adviser, who will determine a New Benchmark Rate (as defined in § 3(e)(vi)), the Adjustment Spread (as defined in § 3(e)(vi)) and any Benchmark Amendments (in accordance with § 3(e)(iv)).
- (ii) *Fallback rate.* If, prior to the 10th Business Days prior to the relevant Interest Determination Date,
 - (A) the Issuer has not appointed an Independent Adviser; or
 - (B) the Independent Adviser appointed by it has not determined a New Benchmark Rate in accordance with this § 3(e),

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

If the fallback rate determined in accordance with this § 3(e)(ii) is to be applied, § 3(e) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Interest Period(s).

- (iii) *Successor Benchmark Rate or Alternative Benchmark Rate.* If the Independent Adviser determines in its reasonable discretion that:
 - (A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or
 - (B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In each such case the "Reference Rate" for the immediately following Interest Period and all following Interest Periods will then be (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

- (iv) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3(e) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass Änderungen hinsichtlich dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen, und die Emittentin wird diese durch eine Mitteilung gemäß § 3(e)(v) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (A) den Referenzsatz einschließlich der "Bildschirmseite" und/oder die Methode zur Bestimmung des Ausweichsatzes (sog. fallback) für den Referenzsatz einschließlich des Referenzbanksatzes; und/oder
- (B) die Definitionen der Begriffe "Geschäftstag", "Geschäftstagekonvention", "Zinsperiode", "Zinstagequotient", "Zinsfestsetzungstag" und/oder "Zinszahlungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird).

- (v) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(e) der Emissionsstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 11 den Gläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, der Emissionsstelle, die Berechnungsstelle, die Zahlstellen und die Gläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

- (iv) *Benchmark Amendments.* If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3(e), and if the Independent Adviser determines that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 3(e)(v).

The Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (A) the Reference Rate including the "Screen Page" and/or the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
- (B) the definitions of the terms "Business Day", "Business Day Convention", "Interest Period", "Day Count Fraction", "Interest Determination Date" and/or "Interest Payment Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward-looking basis).

- (v) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(e) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 11, the Holders as soon as such notification is (in the Issuer's view) required following the determination thereof, but in any event not later than on the 10th Business Days prior to the relevant Interest Determination Date. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Holders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments with effect from the Effective Date.

Am Tag dieser Mitteilung hat die Emittentin der Emissionsstelle und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

- (A)
- (I) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;
 - (II) den nach Maßgabe der Bestimmungen dieses § 3(e) festgestellten Neuen Benchmarksatz benennt;
 - (III) die entsprechende Anpassungsspanne und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der Bestimmungen dieses § 3(e) festgestellt wurden; und
 - (IV) den Stichtag benennt; und
- (B) bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten.

(vi) *Definitionen.* Zur Verwendung in § 3(e):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Spanne oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die

- (A) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder
- (B) (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapielmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach

On the date of such notice, the Issuer shall deliver to the Fiscal Agent and to the Calculation Agent a certificate signed by two authorized signatories of the Issuer:

- (A)
- (I) confirming that a Benchmark Event has occurred;
 - (II) specifying the relevant New Benchmark Rate determined in accordance with the provisions of this § 3(e);
 - (III) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each determined in accordance with the provisions of this § 3(e); and
 - (IV) specifying the Effective Date; and
- (B) confirming that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such relevant New Benchmark Rate and the applicable Adjustment Spread.

(vi) *Definitions.* As used in this § 3(e):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread, or (b) the result of the operation of the formula or methodology for calculating the spread, which

- (A) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or

billigem Ermessen
vorgenommen werden; oder

- (C) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird) als industrieweit Standard für Over-the-Counter Derivatetransaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt und bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"Alternativ-Benchmarksatz"

bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapielmärkten zur Bestimmung von variablen Zinssätzen in der Festgelegten Währung angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"Benchmark Änderungen" hat die Bedeutung wie in § 3(e)(iv) festgelegt.

Ein **"Benchmark Ereignis"** tritt ein, wenn:

- (A) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig veröffentlicht wird oder nicht mehr erstellt wird; oder
- (B) eine öffentliche Erklärung des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder
- (C) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird

- (C) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"Alternative Benchmark Rate"

means an alternative benchmark or screen rate which is customarily applied in international debt capital markets transactions for the purpose of determining floating rates of interest in the Specified Currency, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"Benchmark Amendments" has the meaning given to it in § 3(e)(iv).

A **"Benchmark Event"** occurs if:

- (A) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or
- (B) a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made that the Original Benchmark Rate has been or will permanently or indefinitely discontinued; or

oder nicht mehr fortgeführt werden wird; oder

- (D) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, aufgrund derer der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder
- (E) die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung jedweder Zahlungen an Gläubiger für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder
- (F) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, mit der bekanntgegeben wird, dass der Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist; oder
- (G) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes gegenüber der Methode, die der Administrator des Ursprünglichen Benchmarksatzes bei Verzinsungsbeginn anwendete, wesentlich ändert.

"Nachfolge-Benchmarksatz"

bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

"Neuer Benchmarksatz" bezeichnet den jeweils gemäß diesem § 3(e) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"Nominierungsgremium" bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (A) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

- (D) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes; or

- (E) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Holder using the Original Benchmark Rate; or

- (F) a public statement by the supervisor for the administrator of the Original Benchmark Rate is made announcing that the Original Benchmark Rate is no longer representative; or

- (G) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3(e).

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten.

(vii) *Stichtag.* Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3(e) (der "**Stichtag**") ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:

(A) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (A), (F) oder (G) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(B) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (B), (C) oder (D) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(C) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund des Absatzes (E) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.

(viii) *Wiederholte Anwendung.* Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3(e) entsprechend für die Ersetzung des Neuen Benchmarksatzes

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer.

(vii) *Effective Date.* The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:

(A) if the Benchmark Event has occurred as a result of clauses (A), (F) or (G) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or

(B) if the Benchmark Event has occurred as a result of clauses (B), (C) or (D) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or

(C) if the Benchmark Event has occurred as a result of clause (E) of the definition of the term "Benchmark Event", the date from which the prohibition applies.

(viii) *Repeated Application.* If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3(e) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new

durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3(e) auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.

Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3(e) to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.

§ 4 Rückzahlung

- (a) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits insgesamt oder teilweise zurückgezahlt oder angekauft und eingezogen, werden die Schuldverschreibungen zu ihrem Nennbetrag am **[im Fall eines festgelegten Endfälligkeitstages einfügen: am [Endfälligkeitstag einfügen]] [im Fall eines Rückzahlungsmonats einfügen: am in den [Rückzahlungsmonat einfügen] fallenden Zinszahlungstag] (der "Endfälligkeitstag")** zurückgezahlt.

- (b) *Vorzeitige Rückzahlung wegen des Eintritts eines Gross-up-Ereignisses.*

Sofern ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Kündigungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(b) Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Kündigungstag zu ihrer Festgelegten Stückelung zuzüglich der bis zum festgelegten Kündigungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Eine solche Kündigungserklärung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge (wie in § 6 definiert) zu zahlen.

Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Emissionsstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der ersten Tranche der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staats, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung

§ 4 Redemption

- (a) *Redemption at maturity.* To the extent not previously redeemed in whole or in part, or purchased and cancelled the Notes shall be redeemed at their principal amount on **[in the case of a specified Maturity Date insert: [insert Maturity Date]] [in the case of a Redemption Month insert: on the Interest Payment Date falling in [insert Redemption Month]] (the "Maturity Date").**

- (b) *Early redemption following a Gross up Event.*

If a Gross up Event (as defined below) occurs, the Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date specified in the notice in accordance with § 4(d). If the Issuer exercises its call right in accordance with sentence 1 of § 4(b), the Issuer shall redeem each Note at its Specified Denomination together with interest accrued to but excluding the redemption date specified in the notice on the redemption date specified in the notice.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay any Additional Amounts (as defined in § 6).

A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the date of issue of the first tranche of the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

- (c) *[Keine vorzeitige Rückzahlung nach Wahl der Emittentin] [Vorzeitige Rückzahlung nach Wahl der Emittentin].*

Falls die Emittentin kein Recht hat, die Schuldverschreibungen nach § 4(c) vorzeitig zurückzahlen, gilt folgendes:

Die Emittentin ist nicht berechtigt, die Schuldverschreibungen vor dem Endfälligkeitstag zurückzuzahlen, außer nach Maßgabe von § 4(b).

- (c) *[No early redemption at the option of the Issuer] [Early redemption at the option of the Issuer].*

The Issuer is not entitled to call the Notes prior to the Maturity Date, otherwise than provided in § 4(b).

If Notes are not subject to early redemption pursuant to § 4(c), the following applies:

Falls die Emittentin das Recht hat, die Schuldverschreibungen nach eigener Wahl an Call-Rückzahlungstag(e) vorzeitig zurückzahlen, gilt folgendes:

[(i)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) mit Wirkung zu dem / den Call-Rückzahlungstag(en) zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(i)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 4(d) festgelegten Call-Rückzahlungstag zu ihrem jeweiligen Call-Rückzahlungsbetrag zuzüglich der bis zu dem in der Kündigungserklärung gemäß § 4(d) festgelegten Call-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

[(i)] The Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) with effect on the Call Redemption Date(s). If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(i)], the Issuer shall redeem each Note at its Call Redemption Amount together with interest accrued to but excluding the Call Redemption Date specified in the notice in accordance with § 4(d) on the Call Redemption Date specified in the notice in accordance with § 4(d).

If Notes are subject to early redemption at the option of the Issuer on Call Redemption Date(s), the following applies:

Call-Rückzahlungstag(e)
[Call-Rückzahlungstag(e) einfügen]

Call-Rückzahlungsbetrag
[Call-Rückzahlungsbetrag/ beträge einfügen]

Call Redemption Date(s)
[insert Call Redemption Date(s)]

Call Redemption Amount(s)
[insert Call Redemption Amount(s)]

Falls die Anleihegläubiger ebenfalls ein Recht haben, die Schuldverschreibungen vorzeitig zu kündigen, gilt folgendes:

Der Emittentin steht dieses Recht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Anleihegläubiger in Ausübung seines Rechts gemäß § 4(e) verlangt hat.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note in accordance with § 4(e).

If Notes are also subject to early redemption at the option of the Noteholders, the following applies:

Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-

[(ii)] Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt oder teilweise) durch eine Transaktions-Mitteilung gemäß den nachstehend aufgeführten Bedingungen und gemäß § 4(d) mit Wirkung zu dem Ereignis-Wahl-Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)[(ii)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede zurückzuzahlende

[(ii)] The Issuer may, upon giving a Transaction Trigger Notice in accordance with the requirements set out below and in accordance with § 4(d), call the Notes for early redemption (in whole or in part) with effect on the Trigger Call Redemption Date. If the Issuer exercises its call right in accordance with sentence 1 of § 4(c)[(ii)], the Issuer shall redeem each Note to be redeemed at the Transaction Trigger Redemption Amount together with interest accrued

If Notes are subject to early redemption at the option of the issuer upon occurrence of a transaction related event, the following applies:

nis-Wahl-rückzahlungs-betrag zurückzahlen, gilt folgendes:

Schuldverschreibung an dem Ereignis-Wahl-Rückzahlungstag zum Transaktions-Rückzahlungsbetrag zuzüglich der bis zum Ereignis-Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

"**Transaktion**" bezeichnet [Beschreibung der geplanten Transaktion für deren Finanzierung die Schuldverschreibungen begeben werden].

"**Transaktionskündigungsfrist**" bezeichnet den Zeitraum ab dem [Begebungstag einfügen] bis zum [Datum Ende des Zeitraums einfügen].

"**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß § 4(d) und § 11 innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen nach Eintritt eines der oben bezeichneten Ereignisse durch Bekanntmachung gemäß § 11 verzichten.

"**Ereignis-Wahl-Rückzahlungsbetrag**" je Schuldverschreibung ist gleich [●] % der Festgelegten Stückelung.

"**Ereignis-Wahl-Rückzahlungstag**" bezeichnet den in der Transaktions-Mitteilung festgelegten nächsten Zinszahlungstag, der auf den Ablauf der Transaktionskündigungsfrist folgt.

Der Emittentin steht dieses Recht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Anleihegläubiger in Ausübung seines Rechts gemäß § 4(e) verlangt hat.

[(iii)] Sofern zu irgendeinem Zeitpunkt der Gesamtnennbetrag der ausstehenden Schuldverschreibungen auf 15 % oder weniger des Gesamtnennbetrages der Schuldverschreibungen der Serie, die ursprünglich ausgegeben wurden, fällt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(d) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(d)

to but excluding the Trigger Call Redemption Date on the Trigger Call Redemption Date.

"**Transaction**" means [insert description of envisaged transaction for which the Notes are intended to be issued for refinancing purposes].

"**Transaction Notice Period**" means the period from [insert issue date] to [insert end of period date].

"**Transaction Trigger Notice**" means a notice to the Noteholders given in accordance with § 4(d) and § 11 within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Redemption Date.

At any time the Issuer may waive its right to call the Notes for redemption following the occurrence of one of the events detailed above, by giving notice in accordance with § 11.

"**Trigger Call Redemption Amount**" per Note means [●] per cent. of the Specified Denomination.

"**Trigger Call Redemption Date**" means the next Interest Payment Date following the expiration of the Transaction Notice Period, specified in the Transaction Trigger Notice.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note in accordance with § 4(e).

[(iii)] If at any time the aggregate principal amount of the Notes outstanding is equal to or less than 15 per cent. of the aggregate principal amount of the Notes of the Series originally issued, the Issuer may, upon giving a notice of redemption in accordance with § 4(d), call the Notes for early redemption (in whole but not in part) at any time with effect on the next Interest Payment Date as specified in the notice in accordance with § 4(d). If the Issuer

If Notes are also subject to early redemption at the option of the Noteholders, the following applies:

If Notes are subject to early redemption at the option of the Issuer for a minimal outstanding principal amount, the following applies:

Falls die Anleihegläubiger ebenfalls ein Recht haben, die Schuldverschreibungen vorzeitig zu kündigen, gilt folgendes:

Falls die Emittentin das Recht hat, die Schuldverschreibungen wegen eines geringen ausstehenden Nennbetrages vorzeitig zurückzu-

zahlen, gilt folgendes:

festgelegten nächsten Zinszahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß § 4(c)(iii)] Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 4(d) festgelegten Rückzahlungstag zu ihrer Festgelegten Stückelung zuzüglich der bis zum festgelegten Kündigungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

exercises its call right in accordance with sentence 1 of § 4(c)(iii)], the Issuer shall redeem each Note at its Specified Denomination together with interest accrued to but excluding the redemption date specified in the notice on the redemption date specified in the notice.

(d) *Kündigungserklärung.* Die Emittentin hat die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß § 4(b) oder § 4(c) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu erklären. Die Kündigung ist unwiderruflich, und in ihr wird bestimmt:

- genaue Bezeichnung der zur Rückzahlung anstehenden Serie, einschließlich der Wertpapierkennungen;
- der betreffende Tag der vorzeitigen Rückzahlung; [und]
- der betreffende Rückzahlungsbetrag, zu dem die Schuldverschreibungen vorzeitig zurückgezahlt werden[.]; und]
- eine Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen.

Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die betreffenden zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt.

[Falls die Schuldverschreibungen in Form einer NGN begeben werden, ist folgendes anwendbar: Die teilweise Rückzahlung wird in den Registern von Clearstream, Luxemburg und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Gesamtnennbetrags wiedergegeben.]

Die Emittentin wird jeder Börse, an der die Schuldverschreibungen auf Veranlassung der Emittentin notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend Mitteilung über die Kündigung machen.

(e) *[Keine vorzeitige] [Vorzeitige] Rückzahlung nach Wahl des Anleihegläubigers.*

Die Anleihegläubiger sind außer in Fällen des **[falls die Schuldverschreibungen im Fall eines Kontrollwechsels vorzeitig kündbar sind, ist folgendes anwendbar:** § 4(g) oder des] § 8 zu keinem Zeitpunkt berechtigt, von der Emittentin eine vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.

(d) *Notice.* The Issuer shall call the Notes for early redemption pursuant to § 4(b) or § 4(c) by publishing a notice to the Noteholders in accordance with § 11 subject to observing a notice period of not less than 30 nor more than 60 days which notice shall be irrevocable and shall specify:

- precise designation of the Series of Notes subject to redemption, including the securities codes;
- the applicable date of early redemption; [and]
- the applicable redemption amount at which such Notes are to be redeemed early[.]; and]
- whether the Notes will be redeemed in whole or in part and, if only in part, the aggregate principal amount of the Notes which are to be redeemed.

In the case of a partial redemption of Notes, the relevant Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.

[In the case of Notes in NGN form the following applies: Such partial redemption shall be reflected in the records of Clearstream, Luxembourg and Euroclear as either a pool factor or a reduction in aggregate principal amount, at the discretion of Clearstream, Luxembourg and Euroclear.]

The Issuer will inform, if required by such stock exchange on which the Notes are listed at the initiative of the Issuer, such stock exchange as soon as possible of such redemption.

(e) *[No early] [Early] redemption at the option of a Noteholder.*

The Noteholders shall not be entitled to put the Notes for redemption otherwise than provided in **[if the Notes are subject to Early Redemption as a result of a Change of Control the following applies:** § 4(g) and] § 8 at any time.

Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig nach Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-Wahlrückzahlungsbetrag zurückzahlen, gilt folgendes:

If Notes are subject to early redemption at the option of the issuer upon occurrence of a transaction related event, the following applies:

Falls die Anleihegläubiger kein Recht haben, die vorzeitige Rückzahlung der Schuldverschreibungen zu

If Notes are not subject to early redemption at the option of the Noteholders, the following applies:

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des:

- (i) Die Emittentin hat eine Schuldverschreibung nach Wahl des Anleihegläubigers am / an den Put-Rückzahlungstag(en) zum jeweiligen Put-Rückzahlungsbetrag zuzüglich der bis zum Put-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

- (i) The Issuer shall, at the option of the Noteholder, redeem such Note on the Put Redemption Date(s) at the relevant Put Redemption Amount together with interest accrued to but excluding the Put Redemption Date.

If Notes are
subject to
early
redemption
at the option
of the
Noteholders,
the following
applies:

Put- Rückzahlungstag(e)	Put- Rückzahlungsbetrag	Put Redemption Date(s)	Put Redemption Amount(s)
[Put-Rückzahlungstag(e) einfügen]	[Put- Rückzahlungsbetrag/ beträge einfügen]	[insert Put Redemption Date(s)]	[insert Put Redemption Amount(s)]

Dem Anleihegläubiger steht das Recht, die vorzeitige Rückzahlung zu verlangen, nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor gemäß § 4 verlangt hat.

The Noteholder may not exercise the option for early redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its right to redeem such Note in accordance with § 4.

- (ii) Um dieses Recht auszuüben, hat der Anleihegläubiger nicht weniger als 30 und nicht mehr als 60 Tage vor dem Put-Rückzahlungstag, an dem die betreffenden Schuldverschreibungen gemäß der Ausübungserklärung (wie nachstehend definiert) zurückgezahlt werden sollen, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Erklärung zur vorzeitigen Rückzahlung ("**Ausübungserklärung**"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Recht ausgeübt wird und (ii) die Wertpapierkennungen dieser Schuldverschreibungen (soweit vergeben). Die Rückzahlung der Schuldverschreibungen, für welche das Recht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder an deren Order. Die Ausübung des Rechts kann nicht widerrufen werden.

- (ii) In order to exercise the option, the Noteholder must, not less than 30 nor more than 60 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Notice**") in the form available from the specified office of the Fiscal Agent. The Put Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification numbers of such Notes, if any. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order. No option so exercised may be revoked or withdrawn.

- (f) *Erwerb.*

Die Emittentin oder jede ihrer Tochtergesellschaften können jederzeit vorbehaltlich zwingender gesetzlicher Regelungen Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

- (f) *Purchase.*

The Issuer or any of its subsidiaries may at any time and subject to mandatory provisions of law purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

Falls die Schuldverschreibungen im Fall eines Kontrollwechsels vorzeitig kündbar sind, gilt folgendes:

(g) *Kontrollwechsel.*

Tritt (i) ein Kontrollwechsel ein und (ii) kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings (zusammen, ein "**Rückzahlungsereignis**"), hat jeder Anleihegläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittelteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 4 (b) [oder (c)] angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zu verlangen.

Für Zwecke dieses Wahlrechts:

Bedeutet "**Rating Agentur**" jede Ratingagentur von Fitch Polska S.A. ("**Fitch**"), Moody's Deutschland GmbH ("**Moody's**") und S&P Global Ratings Europe Limited ("**S&P**") oder eine ihrer Nachfolgegesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

Gilt eine "**Absenkung des Ratings**" in Bezug auf einen Kontrollwechsel als eingetreten, wenn (a) innerhalb des Kontrollwechselzeitraums ein vorher für die Emittentin oder die Schuldverschreibungen vergebenes Rating einer Rating Agentur (i) zurückgezogen oder (ii) von einem Investment Grade Rating (BBB- von Fitch, Baa3 von Moody's oder BBB- von S&P oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von Fitch, Ba1 von Moody's oder BB+ von S&P oder jeweils gleichwertig, oder schlechter) geändert oder (iii) (falls das für die Schuldverschreibungen vergebene Rating einer Rating Agentur unterhalb des Investment Grade Ratings liegt) um einen ganzen Punkt (von BB+ zu BB von Fitch, von Ba1 zu Ba2 von Moody's oder von BB+ zu BB von S&P oder eine ähnliche Absenkung eines gleichwertigen Ratings) abgesenkt wird oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur während des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage, ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat);

Ein "**Kontrollwechsel**" ist eingetreten, wenn und sobald irgendeine Person oder eine Gruppe von Personen, die abgestimmt handeln (im Sinne von § 2 Absatz 5 des Wertpapiererwerbs- und Übernahmegesetzes – WpÜG) mehr als 50% der Stimmrechte in der Emittentin erwerben, soweit es sich nicht um Familien-Aktionäre oder um ein von diesen Beherrschtes Unternehmen handelt.

"**Familien-Aktionäre**" sind Maria Elisabeth Schaeffler-Thumann und Georg F.W. Schaeffler und ihre jeweiligen gesetzlichen oder eingesetzten Erben.

Ein "**Beherrschtes Unternehmen**" ist, bezogen auf einer Person, eine juristische Person, welche

(g) *Change of Control.*

If there (i) occurs a Change of Control and (ii) within the Change of Control Period a Rating Downgrade occurs (together called a "**Put Event**"), each Noteholder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 4(b) [or (c)]) to require the Issuer to redeem that Note on the Optional Redemption Date at its principal amount together with interest accrued to but excluding the Optional Redemption Date.

For the purposes of such option:

"**Rating Agency**" means the rating agencies of Fitch Polska S.A. ("**Fitch**"), Moody's Deutschland GmbH ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period any rating previously assigned to the Issuer or the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by Fitch, Baa3 by Moody's or BBB- by S&P, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+ by Fitch, Ba1 by Moody's or BB+ by S&P, or their respective equivalents for the time being, or worse) or (iii) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (from BB+ to BB by Fitch, from Ba1 to Ba2 by Moody's or from BB+ to BB by S&P or such similar lower of the respective equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control);

A "**Change of Control**" occurs if and when any person or group of persons acting in concert (within the meaning of section 2 para. 5 of the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*)) other than the Family Shareholders and any of their Controlled Entities acquires ownership of more than 50 per cent. of the voting rights in the Issuer.

"**Family Shareholders**" means Maria Elisabeth Schaeffler-Thumann and Georg F.W. Schaeffler and in each case their respective legal or appointed heirs.

A "**Controlled Entity**" means, in relation to any person, an entity which is controlled directly or indirectly by that person.

If the Notes are subject to Early Redemption as a result of a Change of Control the following applies:

direkt oder indirekt von dieser Person kontrolliert wird.

Ist der "**Kontrollwechselzeitraum**" der Zeitraum, der 90 Tage nach dem Eintritt eines Kontrollwechsels endet; und

Ist der "**Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Anleihegläubigern gemäß § 11 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmittelung**"), in der die Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in diesem § 4 (g) genannten Wahlrechts angegeben sind.

Zur Ausübung dieses Wahlrechts muss der Anleihegläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen, nachdem die Rückzahlungsmittelung veröffentlicht ist, eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Emissionsstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Emissionsstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

"**Change of Control Period**" means the period ending 90 days after the occurrence of the Change of Control; and

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with § 11 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this §4(g).

In order to exercise such option, the Noteholder must submit during normal business hours at the specified office of the Fiscal Agent a duly completed option exercise notice ("**Exercise Notice**") in the form available from the specified office of the Fiscal Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

§ 5 Zahlungen

- (a) *Zahlungen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 1(c).
- (b) *Zahlungsweise.* Sämtliche auf die Schuldverschreibungen zu leistende Zahlungen werden in der Festgelegten Währung geleistet. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Emissionsstelle oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 6 ist die Emittentin nicht verpflichtet, zusätzliche Beträge als Ausgleich für irgendwelche Steuern oder Abgaben gleich welcher Art, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden, an die Anleihegläubiger zu zahlen.
- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.

§ 5 Payments

- (a) *Payments.* Payment of principal and interest on the Notes shall be made to, or to the order of, the Clearing System for credit to the relevant account holders of the Clearing System. Payment of interest on Notes represented by a Temporary Global Note shall be made, upon due certification as provided in § 1(c).
- (b) *Manner of Payment.* Payments of any amounts due in respect of the Notes shall be made in the Specified Currency. No commission or expenses shall be charged to the Noteholders in respect of such payments. All payments will be subject to all applicable fiscal and other laws, directives and regulations or agreements to which the Issuer, the Fiscal Agent or any Paying Agent agree to be subject. Without prejudice to the provisions of § 6, the Issuer will not be obliged to pay to the Noteholders any additional amounts as compensation for any taxes or duties of whatever nature imposed or levied by such fiscal and other laws, regulations, directives or agreements.
- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

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

Für diese Zwecke bezeichnet "**Zahltag**" jeden Geschäftstag.

§ 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die von dem Staat, in dem die Emittentin steuerlich ansässig ist oder einer seiner Gebietskörperschaften oder zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer Verbindung des betreffenden Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Verständigung oder dieses Abkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird.

Die Emittentin ist keinesfalls verpflichtet, Zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer

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

For these purposes, "**Payment Business Day**" means a day which is a Business Day.

§ 6 Taxation

All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any other agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) which are to be withheld or deducted by reason of the relevant Noteholder having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of that Note; or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.

In any event, the Issuer will have no obligation to pay Additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or

anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("FATCA-Steuerabzug") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 7 Vorlegung, Verjährung

- (a) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für fällige Schuldverschreibungen wird auf zehn Jahre verkürzt.
- (b) *Verjährungsfrist.* Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

§ 8 Kündigungsgründe für die Anleihegläubiger

- (a) Bei Eintritt und Fortdauer eines der nachstehenden Ereignisse ist ein Anleihegläubiger berechtigt, seine Schuldverschreibungen durch Mitteilung in Textform an die Emittentin, die bei der Emittentin oder bei der Emissionsstelle abzugeben ist, zur sofortigen Rückzahlung fällig zu stellen, woraufhin seine Schuldverschreibungen ohne weitere Handlungen oder Formalitäten sofort zu ihrer festgelegten Stückelung zuzüglich aufgelaufener Zinsen fällig werden:
 - (i) *Nichtzahlung.* Die Emittentin zahlt Zinsbeträge in Bezug auf die Schuldverschreibungen nicht innerhalb von 30 Geschäftstagen nach Fälligkeit; oder
 - (ii) *Nichterfüllung sonstiger wesentlicher Verpflichtungen.* Die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner sonstigen wesentlichen Verpflichtung aus den Schuldverschreibungen, und die Unterlassung dauert länger als 60 Tage fort, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
 - (iii) *Cross Acceleration.* Eine (nicht aus den Schuldverschreibungen bestehende) Kapitalmarktverbindlichkeit der Emittentin wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligstellung oder auf andere Weise) mit der Maßgabe, dass der Gesamtbetrag der Kapitalmarktverbindlichkeiten mindestens EUR 100.000.000 (oder den Gegenwert in einer anderen Währung) beträgt; oder
 - (iv) *Insolvenz etc.*
 - (A) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt

any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

§ 7 Presentation, Prescription

- (a) *Presentation.* The period for presentation of Notes due, as established in § 801(1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.
- (b) *Prescription.* The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

§ 8 Events of Default

- (a) If any of the events below occurs and is continuing, then any Note may, by notice in text form addressed to the Issuer and delivered to the Issuer or, alternatively, the Fiscal Agent, be declared due and payable, whereupon such Note will become immediately due and payable at its Specified Denomination together with accrued interest without further action or formality:
 - (i) *Non-payment.* Failure by the Issuer to pay any amount of interest in respect of the Notes within 30 business days of the due date for payment of that amount; or
 - (ii) *Non-fulfilment of other material obligations.* The Issuer fails to duly perform any other material obligation arising under the Notes and any such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Noteholder; or
 - (iii) *Cross Acceleration.* Any Capital Market Indebtedness of the Issuer (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), provided that the aggregate amount of Capital Market Indebtedness amounts to at least EUR 100,000,000 (or its equivalent in other currencies); or
 - (iv) *Insolvency etc.*
 - (A) the Issuer announces its inability to meet its financial obligations

	oder stellt ihre Zahlungen ein, oder		(Zahlungsunfähigkeit) or suspends payments; or
	(B) ein Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin; oder	(B)	a court opens insolvency proceedings against the Issuer; or
	(C) die Emittentin geht in die Liquidation oder wird abgewickelt oder aufgelöst (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).	(C)	the Issuer enters into a winding up or dissolution and liquidation (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).
(b)	<i>Quorum.</i> In den Fällen von § 8(a)(ii) bis (iv) wird eine Kündigung erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Anleihegläubigern von Schuldverschreibungen im Nennbetrag von mindestens 10 % der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirkung einer solchen Kündigung entfällt, wenn die Anleihegläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, es müssen aber in jedem Fall mehr Anleihegläubiger zustimmen als gekündigt haben.	(b)	<i>Quorum.</i> In the events specified in § 8(a)(ii) to (iv), any notice declaring Notes due shall become effective only when the Fiscal Agent has received such notices from the Noteholders of at least 10 per cent. in principal amount of Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Noteholders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, provided, however, that in each case there must be more Noteholders consenting to such resolution than Noteholders having terminated the Notes.
§ 9	Emissionsstelle, Zahlstelle(n) und Berechnungsstelle	§ 9	Fiscal Agent, Paying Agent(s) and Calculation Agent
(a)	<i>Bestellung; bezeichnete Geschäftsstelle.</i> Die Emissionsstelle, die Zahlstelle und die Berechnungsstelle sind nachstehend mit den benannten anfänglichen Geschäftsstellen aufgeführt: "Emissionsstelle" und "Zahlstelle": Commerzbank Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz) 60311 Frankfurt am Main Deutschland "Berechnungsstelle": [•].	(a)	<i>Appointment, specified office.</i> The Fiscal Agent, the Paying Agent and the Calculation Agent and their respective initial specified offices are as follows: "Fiscal Agent" and "Paying Agent": Commerzbank Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz) 60311 Frankfurt am Main Germany "Calculation Agent": [•].
(b)	<i>Änderung der Bestellung oder Abberufung.</i> Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der vorgenannten Zahlstelle, die "Zahlstellen" und jede eine "Zahlstelle") zu benennen. Die Emittentin behält sich ferner das Recht vor, die Ernennung der Emissionsstelle, der Zahlstellen und der Berechnungsstelle jederzeit anders zu regeln oder zu beenden. Die Emittentin wird sicherstellen, dass jederzeit (i) eine Emissionsstelle und eine Berechnungsstelle, (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle	(b)	<i>Variation or termination of appointment.</i> The Issuer reserves the right at any time to appoint additional paying agents (together with the Paying Agent specified above, the "Paying Agents" and each a "Paying Agent"). The Issuer further reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent and the Calculation Agent. The Issuer will at all times maintain (i) a Fiscal Agent and a Calculation Agent (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent, any

an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Die Emissionsstelle, etwaige Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle in derselben Stadt zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf die Emissionsstelle, etwaige Zahlstellen und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 11.

- (c) *Erfüllungsgehilfe(n) der Emittentin.* Die Emissionsstelle, die Zahlstelle(n) und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber dem Anleihegläubiger; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und dem Anleihegläubiger begründet.

Die Emissionsstellen, die Zahlstelle(n) und die Berechnungsstelle können den Rat eines oder mehrerer Rechtsanwälte oder anderer Sachverständiger einholen, deren Beratung oder Dienste sie für notwendig hält, und sich auf eine solche Beratung verlassen. Die Emissionsstelle, die Zahlstelle(n) und die Berechnungsstelle übernehmen keine Haftung gegenüber den Anleihegläubigern im Zusammenhang mit Handlungen, die in gutem Glauben im Einklang mit einer solchen Beratung getätigt, unterlassen oder geduldet wurden.

§ 10 Schuldnerersetzung

- (a) Ersetzung.

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird ("Verbundene Unternehmen", wie in § 15 AktG definiert), als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;
- (ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;
- (iii) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der festgelegten Währung an das Clearingsystem oder die Emissionsstelle zu zahlen, und zwar

Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Fiscal Agent, any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Noteholders in accordance with § 11.

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

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent may engage the advice or services of any lawyers or other experts whose advice or services it deems necessary and may rely upon any advice so obtained. Neither the Fiscal Agent nor the Paying Agent nor the Calculation Agent will incur any liability as against the Noteholders in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice in good faith.

§ 10 Substitution

- (a) Substitution.

The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer ("Affiliated Companies", as defined in Section 15 German Stock Corporation Act –*Aktiengesetz*), as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process *vis-à-vis* the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (iii) the New Issuer is in the position to pay to the Clearing System or to the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax

ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

- (iv) die Emittentin unbeding und unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;
- (v) die Neue Emittentin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden; und
- (vi) der Emissionsstelle ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt werden, welche bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i) bis (v) erfüllt wurden.

(b) *Bezugnahmen.*

- (i) Im Fall einer Schuldnerersetzung gemäß § 10(a) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Schaeffler AG erfolgen soll, oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Schaeffler AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(a)(iv) erfolgen soll.

- (ii) In § 8 gilt ein weiterer Kündigungsgrund als aufgenommen, der dann besteht, wenn die Garantie gemäß § 10(a)(iv) mit rechtskräftiger Entscheidung eines zuständigen Gerichts für nicht vollumfänglich wirksam erklärt wird, oder die Garantin einen Mangel der Wirksamkeit behauptet und dieser Mangel nicht innerhalb von zehn Geschäftstagen behoben wird.

§ 11 Bekanntmachungen

- (a) *Veröffentlichungen.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange die Schuldverschreibungen am regulierten Markt der Luxemburger Wertpapierbörse zum Handel zugelassen sind) auf der Internet-Seite der Luxemburger Börse (derzeit unter www.bourse.lu) veröffentlicht. Jede Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.

Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, ist folgendes anwendbar:

residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;

- (iv) the Issuer unconditionally and irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;
- (v) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; and
- (vi) there shall have been delivered to the Fiscal Agent an opinion of lawyers of recognised standing to the effect that subparagraphs (i) to (v) above have been satisfied.

(b) *References.*

- (i) In the event of a substitution pursuant to § 10(a), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Schaeffler AG, or that the reference shall be to the New Issuer and Schaeffler AG, in relation to Schaeffler AG's obligations under the guarantee pursuant to § 10(a)(iv) at the same time.

- (ii) In § 8 a further event of default shall be deemed to have been included; such event of default shall exist in the case that the guarantee pursuant to § 10(a)(iv) is determined by the final decision of a competent court or is claimed by the guarantor not to be in full force and effect and such defect is not corrected within ten business days.

§ 11 Notices

- (a) *Publications.* All notices regarding the Notes will be published (so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange (currently on www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.

In the case of Notes which are listed on the Luxembourg Stock Exchange, the following applies:

Im Fall von Schuldverschreibungen, die nicht auf Veranlassung der Emittentin an einer Börse notiert sind, ist folgendes anwendbar:

(b) *Mitteilungen an das Clearingsystem.* Solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 11(a) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 11(a) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

(a) *Mitteilungen an das Clearingsystem.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

[(b)][(c)] *Mitteilungen eines Anleihegläubigers.* Mitteilungen, die von einem Anleihegläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit dem Nachweis seiner Inhaberschaft gemäß § 13(c)(a) an die Emissionsstelle geleitet werden. Eine solche Mitteilung kann über das Clearingsystem in der von der Emissionsstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.

§ 12 Begebung weiterer Schuldverschreibungen

Die Emittentin behält sich das Recht vor, ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) wie die vorliegenden Schuldverschreibungen zu begeben, so dass sie mit diesen eine einheitliche Serie bilden. Der Begriff "**Schuldverschreibungen**" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

§ 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand

(a) *Geltendes Recht.* Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

(b) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen Fassung (das "**SchVG**"), ist nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin Frankfurt am Main.

(b) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 11(a) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 11(a) above; any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

(a) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

[(b)][(c)] *Notices by a Noteholder.* Notices to be given by any Noteholder shall be made in written form together with an evidence of the Noteholder's entitlement in accordance with § 13(c)(a) to the Fiscal Agent. Such notice may be given through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ 12 Further Issues

The Issuer reserves the right from time to time, without the consent of the Noteholders to issue additional notes with identical terms and conditions as the Notes in all respects (or in all respects except for the date of issue, the interest commencement date and/or the issue price) so as to be consolidated and form a single series with such Notes. The term "**Notes**" shall, in the event of such further issue, also comprise such further notes.

§ 13 Applicable Law, Place of Performance and Jurisdiction

(a) *Applicable law.* The form and content of the Notes as well as all the rights and duties arising therefrom are governed exclusively by the laws of the Federal Republic of Germany.

(b) *Jurisdiction.* Subject to any exclusive court of venue for specific legal proceedings in connection with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*), as amended from time to time (the "**SchVG**"), non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Frankfurt am Main.

In the case of Notes which are not listed at the initiative of the Issuer, the following applies:

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht zuständig, in dessen Bezirk die Emittentin ihren Sitz hat. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht ausschließlich zuständig, in dessen Bezirk die Emittentin ihren Sitz hat.

- (c) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Emissionsstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Emissionsstelle bestätigten Ablichtung der Globalurkunde.

§ 14 Änderung der Anleihebedingungen; Gemeinsamer Vertreter

- (a) *Änderung der Anleihebedingungen.* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 10 abschließend geregelt ist, mit den in dem nachstehenden § 14(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

- (b) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit

The local court (Amtsgericht) in the district where the Issuer has its registered office will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (Landgericht) in the district where the Issuer has its registered office will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

- (c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Fiscal Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Bond certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

§ 14 Amendments to the Terms and Conditions; Joint Representative

- (a) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the SchVG. There will be no amendment of the Terms and Conditions without the Issuer's consent.

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 10, by resolutions passed by such majority of the votes of the Noteholders as stated under § 14(b) below. A duly passed majority resolution will be binding upon all Noteholders.

- (b) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.

- ihr verbundenen Unternehmens gehalten werden.
- (c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 14(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird.
- (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 14(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 14(c)(i) oder § 14(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 14(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des
- (c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 14(c)(ii), in either case convened by the Issuer or a joint representative, if any.
- (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.
- (ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 14(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG.
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 14(c)(i) or § 14(d)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 14(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.
- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint

gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(a) zuzustimmen.

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

Die Haftung des gemeinsamen Vertreters ist auf das Zehnfache seiner jährlichen Vergütung beschränkt, es sei denn, dem gemeinsamen Vertreter fällt Vorsatz oder grobe Fahrlässigkeit zur Last.

- (g) *Bekanntmachungen.* Bekanntmachungen betreffend diesen § 14 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 11.

§ 15 Sprache

Falls die Anleihebedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, ist folgendes anwendbar:

Diese Anleihebedingungen 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.

representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(a) hereof.

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

Unless the joint representative is liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*), the joint representative's liability shall be limited to ten times the amount of its annual remuneration.

- (g) *Notices.* Any notices concerning this § 14 will be made in accordance with § 5 et seq. of the SchVG and § 11.

§ 15 Language

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

If the Terms and Conditions shall be in the German language with an English language translation, the following applies:

These Terms and Conditions are written in the English language only.

If the Terms and Conditions shall be in the English language only, the following applies:

FORM OF FINAL TERMS

In case of Notes admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/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 and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]¹

[MIFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien und professionelle Kunden, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"), umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen.]²

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/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"); EITHER³ [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR⁴ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].⁵.]⁶

[MIFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT KLEINANLEGER, PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN - Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen geeignete Gegenparteien, professionelle Kunden und Kleinanleger, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"),

¹ Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only".

² Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien".

³ Include for Notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "ESMA Guidelines").

⁴ Include for Notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁵ If there are advised sales, a determination of suitability will be necessary.

⁶ Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market".

umfasst; ENTWEDER⁷ [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind[, einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen]] ODER⁸ [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an professionelle Investoren und geeignete Gegenparteien angemessen sind die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind - Anlageberatung[,/ und] Portfolio-Management[,/ und]] Verkäufe ohne Beratung [[und reine Ausführungsdienstleistungen]], nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]] [Bitte jegliche negativen Zielmärkte berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle[nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]⁹, zu bestimmen.]¹⁰

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129 of the European Parliament and of the Council of June 14, 2017 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]¹¹

[VERBOT DES VERKAUFS AN KLEINANLEGER IM EUROPÄISCHEN WIRTSCHAFTSRAUM UND IM VEREINIGTEN KÖNIGREICH – Die Schuldverschreibungen sind nicht zum Angebot, zum Verkauf oder zur sonstigen Zurverfügungstellung an Kleinanleger im Europäischen Wirtschaftsraum ("EWR") oder im Vereinigten Königreich ("GB") bestimmt und sollten Kleinanlegern im EWR und in GB nicht angeboten, nicht an diese verkauft und diesen auch nicht in sonstiger Weise zur Verfügung gestellt werden. Für die Zwecke dieser Bestimmung bezeichnet der Begriff Kleinanleger eine Person, die eines (oder mehrere) der folgenden Kriterien erfüllt: (i) sie ist ein Kleinanleger im Sinne von Artikel 4 Abs. 1 Nr. 11 der Richtlinie 2014/65/EU (in ihrer jeweils gültigen Fassung, "MiFID II"); (ii) sie ist ein Kunde im Sinne der Richtlinie 2016/97/EU in ihrer jeweils gültigen Fassung ("IDD"), soweit dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 4 Abs. 1 Nr. 10 MiFID II gilt; oder (iii) sie ist kein qualifizierter Anleger im Sinne der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 (wie von Zeit zu Zeit ergänzt, die "Prospektverordnung"). Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014 (in ihrer jeweils gültigen oder ersetzten Fassung, die "PRIIPs-Verordnung") erforderliches Basisinformationsblatt für das Angebot oder den Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR oder in GB erstellt; daher kann das Angebot oder der Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR oder in GB nach der PRIIPs-Verordnung rechtswidrig sein.]¹²

⁷ Einfügen für Schuldverschreibungen, die nicht nach den Leitlinien zu komplexen Schuldtiteln und strukturierten Einlagen (ESMA/2015/1787) (die "ESMA Leitlinien") ESMA komplex sind.

⁸ Einfügen im Fall von Schuldverschreibungen, die nach den ESMA Leitlinien ESMA komplex sind. Diese Liste muss gegebenenfalls angepasst werden, z.B. wenn Anlageberatung für erforderlich gehalten wird. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit und Angemessenheit notwendig. Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nach Article 25(3) MiFID II nicht zulässig.

⁹ Im Fall von Beratungsverkäufen ist eine Angemessenheitsprüfung erforderlich.

¹⁰ Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger".

¹¹ Include legend unless the Final Terms specify "Prohibition of Sales to Retail Investors in the European Economic Area and the United Kingdom" as "Not Applicable".

¹² Legende einfügen, sofern nicht die Endgültigen Bedingungen "Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum und im Vereinigten Königreich" für "Nicht anwendbar" erklären.

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA") – The Notes are (i) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and (ii) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹³

[SINGAPORE SECURITIES AND FUTURES ACT PRODUKTEINSTUFUNGSMITTEILUNG GEMÄß SECTION 309B(1)(C) DES SECURITIES AND FUTURES ACT (CHAPTER 289) VON SINGAPUR, IN DER JEWEILS GEÄNDERTEN ODER ERGÄNZTEN FASSUNG (DER "SFA") – Bei den Schuldverschreibungen handelt es sich (i) um prescribed capital markets products (wie in den Securities and Futures (Capital Markets Products) Regulations 2018 von Singapur definiert) und (ii) um Excluded Investment Products (wie in der MAS-Mitteilung SFA 04-N12: Notice on the Sale of Investment Products und der MAS-Bekanntmachung FAA-N16: Notice on Recommendations on Investment Products definiert).]¹⁴

¹³ Include if the Notes are being sold into Singapore.

¹⁴ Einzufügen, wenn die Schuldverschreibungen nach Singapur verkauft werden.

Dated [●]
Datum [●]

Final Terms
Endgültige Bedingungen

SCHAEFFLER AG
Legal Entity Identifier (LEI): 549300Q7E782X7GC1P43

[Offer][Issue] of
[Angebot][Emission] von

[Aggregate Principal Amount of Tranche]
[Gesamtnennbetrag der Tranche]

[Title of Notes]
[Bezeichnung der Schuldverschreibungen]

[to be consolidated and form a single Series with the [insert original tranche(s)] issued on [date(s)]
die mit der [ursprüngliche Tranche(n) einfügen], begeben am [Datum/Daten] konsolidiert werden und eine einheitliche
Serie bilden]

issued as
begeben als

Series	[●]	Tranche	[●]
Serie		Tranche	

under the
unter dem

Euro 5,000,000,000
DEBT ISSUANCE PROGRAMME

of
der

SCHAEFFLER AG

Issue Date:	[●]	Issue Price:	[●] per cent.
Begebungstag:	[●]	Emissionspreis:	[●] %

Important Notice

This document constitutes the final terms relating to the issue of Notes described herein (the "**Final Terms**"). These Final Terms have been prepared for the purposes of Article 8 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated October 1, 2020 [(, as supplemented by the supplement(s) to the base prospectus dated [●],)] (the "**Base Prospectus**") which constitute(s) a base prospectus for the purposes of the Prospectus Regulation. The Base Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

[A summary, fully completed for the individual issue of Notes, is annexed to these Final Terms.]¹⁵

Wichtiger Hinweis

*Dieses Dokument stellt die endgültigen Bedingungen für die Emission der hierin beschriebenen Schuldverschreibungen dar (die "**Endgültigen Bedingungen**"). Diese Endgültigen Bedingungen wurden für die Zwecke des Artikel 8 der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 (wie von Zeit zu Zeit ergänzt, die "**Prospektverordnung**") abgefasst und sind nur mit dem Basisprospekt vom 1. Oktober 2020 [(ergänzt durch [den][die] [Nachtrag][Nachträge] zum Basisprospekt vom [●])] (der "**Basisprospekt**"), der einen Basisprospekt im Sinne der Prospektverordnung darstellt, gemeinsam zu lesen. Der Basisprospekt sowie etwaige Nachträge können in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) eingesehen werden. Vollständige Informationen in Bezug auf die Emittentin und das Angebot sind nur in der Gesamtheit dieser Endgültigen Bedingungen und dem Basisprospekt enthalten.*

[Eine für die einzelne Emission von Schuldverschreibungen vollständig ausgefüllte Zusammenfassung ist diesen Endgültigen Bedingungen beigelegt.]¹⁶

¹⁵ Not applicable in the case of an issue of Notes with a minimum denomination of at least EUR 100,000 or EUR 100,000 equivalent of any other currency.

¹⁶ Nicht anwendbar im Fall einer Emission von Schuldverschreibungen mit einer Mindeststückelung in Höhe von mindestens EUR 100.000 oder dem entsprechenden Betrag einer anderen Währung.

PART I – CONTRACTUAL TERMS

- [A. **[In the case the options applicable to the relevant Series of Notes are to be determined by replicating the relevant provisions set forth in the Base Prospectus as Option I or Option II including certain further options contained therein, respectively, and completing the relevant placeholders, insert:]**

The Terms and Conditions applicable to the Notes (the "Conditions") [, and the English language translation thereof,] are as set out below.

[In the case of Notes with fixed interest rates replicate here the relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders.]

[In the case of Notes with floating interest rates replicate here the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders.]]

- [B. **[In the case the options applicable to the relevant Series of Notes are to be determined by referring to the relevant provisions set forth in the Base Prospectus as Option I or Option II including certain further options contained therein, respectively, insert:]**

This Part I of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to Notes with [fixed] [floating] interest rates set forth in the Base Prospectus as [Option I] [Option II] (the "Terms and Conditions"). Capitalised terms shall have the meanings specified in the Terms and Conditions.

All references in this Part I of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Footnotes denote directions for completing the Final Terms. The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the Terms and Conditions together with Part I of these Final Terms constitute the "Conditions").]

TEIL I – VERTRAGLICHE REGELUNGEN

- [A. **[Falls die für die betreffende Serie von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Basisprospekt als Option I oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt und die betreffenden Leerstellen vervollständigt werden, einfügen:]**

Die für die Schuldverschreibungen geltenden Anleihebedingungen (die "Bedingungen") [sowie deren englischsprachige Übersetzung] sind wie nachfolgend aufgeführt.

[Im Fall von Schuldverschreibungen mit fester Verzinsung hier die betreffenden Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]

[Im Fall von Schuldverschreibungen mit variabler Verzinsung hier die betreffenden Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]]

- [B. **[Falls die für die betreffende Serie von Schuldverschreibungen geltenden Optionen durch Verweisung auf die betreffenden im Basisprospekt als Option I oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt werden, einfügen:]**

Dieser Teil I der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Anleihebedingungen, der auf Schuldverschreibungen mit [fester] [variabler] Verzinsung Anwendung findet, zu lesen, der als [Option I] [Option II] im Basisprospekt enthalten ist (die "Anleihebedingungen"). Begriffe, die in den Anleihebedingungen definiert sind, haben dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.

Bezugnahmen in diesem Teil I der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Anleihebedingungen.

Anwendbare Bestimmung einfügen oder als "Nicht anwendbar" (N/A) kennzeichnen. Es ist zu beachten, dass die Reihenfolge der Nummerierung unverändert bleibt, auch wenn einzelne Abschnitte oder Unterabschnitte als "nicht anwendbar" gekennzeichnet sind. Fußnoten kennzeichnen Erläuterungen für die Bearbeitung der Endgültigen

*Bedingungen. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Anleihebedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Anleihebedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Anleihebedingungen (die Anleihebedingungen zusammen mit diesem Teil I der Endgültigen Bedingungen sind die "**Bedingungen**") gestrichen.]*

§ 1 Currency, Specified Denomination, Form

§ 1 Währung, Festgelegte Stückelung, Form

Specified Currency: [●]
Festgelegte Währung: [●]
Aggregate Principal Amount: [●]¹⁷
Gesamtnennbetrag: [●]¹⁸
Specified Denomination: [●]¹⁹
Festgelegte Stückelung: [●]²⁰

Clearing System(s)

Clearingsystem(e)

- Clearstream, Frankfurt
 Clearstream, Luxembourg / Euroclear

Global Note

Globalurkunde

- Classical Global Note or deposited with Clearstream Frankfurt

Classical Global Note oder Verwahrung durch Clearstream Frankfurt

- New Global Note

New Global Note

§ 3 Interest

§ 3 Zinsen

- Fixed Rate Notes (Option I)**

Festverzinsliche Schuldverschreibungen (Option I)

Rate of Interest: [●] per cent. *per annum*

Zinssatz: [●] % *per annum*

Interest Commencement Date: [●]

Verzinsungsbeginn: [●]

Interest Payment Date(s): [●]

Zinszahlungstag(e): [●]

First Interest Payment Date: [●]

Erster Zinszahlungstag: [●]

- Initial Broken Interest Amount per Specified Denomination: [●]

¹⁷ Insert currency and amount of the Tranche.

¹⁸ *Währung und Betrag der Tranche einfügen.*

¹⁹ The minimum denomination of the Notes will be, if in euro, EUR 1,000, and, if in any currency other than euro, an amount in such other currency at least equivalent to EUR 1,000 at the time of the issue of Notes.

²⁰ *Die Mindeststückelung der Schuldverschreibungen beträgt in EUR 1.000 oder, soweit in einer anderen Währung als Euro begeben, den Betrag in dieser Währung, der zum Zeitpunkt der Ausgabe der Schuldverschreibungen mindestens EUR 1.000 entspricht.*

- Anfänglicher Bruchteilzinsbetrag je Festgelegter Stückelung:* [•]
- Interest Payment Date preceding the Maturity Date: [•]
- Dem Endfälligkeitstag vorausgehender Zinszahlungstag:* [•]
- Final Broken Interest Amount per Specified Denomination: [•]
- Abschließender Bruchteilzinsbetrag je Festgelegter Stückelung:* [•]
- Day Count Fraction
- Zinstagequotient*
- Actual/Actual (ICMA)
Determination Date(s): [•]²¹
Feststellungstermin(e): [•]²²
- Actual/Actual – ISDA
- Actual/365 (Fixed)
- Actual/360
- 30/360 / 360/360 / Bond Basis
- 30E/360 / Eurobond Basis
- Floating Rate Notes (Option II)**
- Variabel verzinsliche Schuldverschreibungen (Option II)***
- Interest Payment Dates
- Zinszahlungstage*
- Interest Commencement Date: [•]
- Verzinsungsbeginn:* [•]
- Specified Interest Payment Date(s): [•]
Festgelegte Zinszahlungstag(e): [•]
- Specified Interest Period(s): [[specify number] [weeks / months]]
Festgelegte Zinsperiode(n): [[Zahl einfügen] [Wochen / Monate]]
- Business Day Convention
- Geschäftstagekonvention*
- Modified Following Business Day Convention (adjusted)
- FRN Convention (adjusted)
- Following Business Day Convention (adjusted)

²¹ Only to be completed for an issue of Fixed Rate Notes where Day Count Fraction is Actual/Actual (ICMA). Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.

²² Nur zu vervollständigen für Emissionen von festverzinslichen Schuldverschreibungen, deren Zinstagequotient Actual/Actual (ICMA) ist. Reguläre Zinszahlungstage mit Ausnahme des Begebungstags und des Fälligkeitstags im Falle von kurzen oder langen ersten oder letzten Zinsperioden einfügen.

Preceding Business Day Convention (adjusted)

Business Day

Geschäftstag

TARGET

Relevant financial centre(s): [●]

Relevante(s) Finanzzentrum / zentren: [●]

Rate of Interest

Zinssatz

Original Benchmark Rate [1 / 3 / 6 / 12]-month-EURIBOR

Ursprünglicher Benchmarksatz [1 / 3 / 6 / 12]-Monats-EURIBOR

Margin: [●] per cent.

Marge: [●] %

plus

zuzüglich

minus

abzüglich

Interpolation: [first][last] Interest Period

Interpolation: [erste][letzte] Zinsperiode

Day Count Fraction

Zinstagequotient

Actual/Actual – ISDA

Actual/365 (Fixed)

Actual/360

30/360 / 360/360 / Bond Basis

30E/360 / Eurobond Basis

§ 4 Redemption

§ 4 Rückzahlung

Maturity Date: [●]²³

Endfälligkeitstag: [●]²⁴

Redemption Month: [●]²⁵

Rückzahlungsmonat: [●]²⁶

Early redemption at the option of the Issuer at the Make-Whole [Yes][No]

Redemption Amount:²⁷

*Vorzeitige Rückzahlung nach Wahl der Emittentin zum Make-Whole Rückzahlungsbetrag:*²⁸ [Ja][Nein]

²³ Always to be inserted in case of Fixed Rate Notes. Specify date for Floating Rate Notes, if applicable.

²⁴ *Im Falle von festverzinslichen Schuldverschreibungen immer auszufüllen. Genaues Datum für variabel verzinsliche Schuldverschreibungen angeben, sofern anwendbar.*

²⁵ Specify relevant month for Floating Rate Notes, if applicable.

²⁶ *Betreffenden Monat für variabel verzinsliche Schuldverschreibungen angeben, sofern anwendbar.*

²⁷ Only applicable in case of Fixed Rate Notes.

²⁸ *Nur im Falle von festverzinslichen Schuldverschreibungen anwendbar.*

Present Value:	Benchmark Yield plus [●] %
<i>Abgezinster Marktwert:</i>	<i>Benchmark Rendite zuzüglich [●] %</i>
Benchmark Yield:	[Euro denominated benchmark debt security of the Federal Republic of Germany] [other relevant benchmark] specifying the following details: ISIN or other securities code, as observed at around noon [(Frankfurt time)] [other relevant time] on such date on Bloomberg page [ISIN] Govt HP (using the setting "Last Yield to Convention" and using the pricing source ["FRNK"] [other source as relevant]), or as derived or published by such other source as determined by the Calculation Agent]
<i>Benchmark Rendite:</i>	<i>[Euro-Referenz-Anleihe der Bundesrepublik Deutschland] [andere Referenzanleihe] unter Angabe folgender Einzelheiten: ISIN oder andere Wertpapierkennung, wie gegen 12:00 Uhr mittags [(Frankfurter Zeit)] [andere relevante Zeitzone] an diesem Tag auf der Bloomberg Seite [ISIN] Govt HP (unter Nutzung der Einstellung "Last Yield to Convention" und der Preisquelle ["FRNK"] [andere relevante Preisquelle]) abgelesen, oder wie von einer anderen, durch die Berechnungsstelle festgelegten, Quelle hergeleitet oder veröffentlicht]</i>
Early Redemption at the option of the Issuer:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin:</i>	<i>[Ja][Nein]</i>
Call Redemption Date(s):	[●]
<i>Call-Rückzahlungstag(e):</i>	<i>[●]</i>
Call Redemption Amount(s):	[●]
<i>Call-Rückzahlungsbetrag / beträge:</i>	<i>[●]</i>
Early Redemption at the option of the Issuer during a call redemption period: ²⁹	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin während einer Call-Rückzahlungsperiode:³⁰</i>	<i>[Ja][Nein]</i>
Call Redemption Period(s):	[●]
<i>Call-Rückzahlungsperiode:</i>	<i>[●]</i>
Call Redemption Amount(s):	[●]
<i>Call-Rückzahlungsbetrag / beträge:</i>	<i>[●]</i>
Early Redemption at the option of the Issuer upon occurrence of a transaction related event:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin nach Eintritt eines transaktionsbezogenen Ereignisses:</i>	<i>[Ja][Nein]</i>
Transaction Trigger Redemption Amount:	[●]
<i>Transaktions-Rückzahlungsbetrag:</i>	<i>[●]</i>
Transaction Notice Period:	[Not applicable] [●] to [●]

²⁹ Only applicable in case of Fixed Rate Notes.

³⁰ Nur im Falle von festverzinslichen Schuldverschreibungen anwendbar.

<i>Transaktionskündigungsfrist:</i>	<i>[Nicht anwendbar] [•] bis [•]</i>
Transaction:	[Insert description of transaction]
<i>Transaktion:</i>	<i>[Beschreibung der Transaktion einfügen]</i>
Early redemption at the option of the Issuer for minimal outstanding principal amount:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin wegen eines geringen ausstehenden Nennbetrags:</i>	<i>[Ja][Nein]</i>
Early Redemption at the option of the Noteholder:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Anleihegläubiger:</i>	<i>[Ja][Nein]</i>
Put Redemption Date(s):	[•]
<i>Put-Rückzahlungstag(e):</i>	<i>[•]</i>
Put Redemption Amount(s):	[•]
<i>Put-Rückzahlungsbetrag / beträge:</i>	<i>[•]</i>
Early Redemption as a result of a Change of Control:	[Yes][No]
<i>Vorzeitige Rückzahlung im Falle eines Kontrollwechsels:</i>	<i>[Ja][Nein]</i>

§ 5 Payments

§ 5 Zahlungen

Financial centre(s) relating to Payment Business Dates: [Not applicable][•]³¹

Finanzzentrum (-zentren) in Bezug auf Zahltag: *[Nicht anwendbar][•]*³²

§ 9 Fiscal Agent and Paying Agent [, Calculation Agent]

§ 9 Emissionsstelle und Zahlstelle [, Berechnungsstelle]

Calculation Agent: [insert name and address]

Berechnungsstelle: *[Angabe von Name und Adresse]*

§ 11 Notices

§ 11 Bekanntmachungen

Notes listed on the Luxembourg Stock Exchange

Schuldverschreibungen sind an der Luxemburger Börse notiert

Notification to Clearing System

Mitteilungen an das Clearing System

§ 15 Language³³

§ 15 Sprache³⁴

German and English, German binding

Deutsch und Englisch, Deutsch bindend

English only

Nur Englisch

³¹ Only to be completed for an issue of Fixed Rate Notes and only if the Specified Currency is not Euro.

³² *Nur zu vervollständigen für Emissionen von festverzinslichen Schuldverschreibungen, bei der die Festgelegte Währung nicht Euro ist.*

³³ To be determined in consultation with the Issuer.

³⁴ *In Abstimmung mit der Emittentin festzulegen.*

PART II – OTHER INFORMATION³⁵
TEIL II – ANDERE INFORMATIONEN³⁶

Listing and admission to trading

Börsennotierung und Zulassung zum Handel

- Regulated market of the Luxembourg Stock Exchange
Regulierter Markt der Luxemburger Börse
- Other market: [give details]
Anderer Markt: [Angabe von Einzelheiten]
- Not admitted to trading
Nicht zum Handel zugelassen
- Date of admission: [insert date]
Datum der Zulassung: [Angabe des Datums]
- Estimate of the total expenses related to admission to trading:³⁷ [give details]
Geschätzte Gesamtkosten für die Zulassung zum Handel:³⁸ [Angabe von Einzelheiten]
- All regulated markets or third country markets, SME Growth Market or MTFs on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading:³⁹ [give details]
Angabe aller geregelten Märkte, Drittlandsmärkte, KMU-Wachstumsmärkte oder MTFs, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind.⁴⁰ [Angabe von Einzelheiten]
- Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:⁴¹ [not applicable][give details]
- Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung:⁴² [nicht anwendbar][Angabe von Einzelheiten]*

³⁵ There is no obligation to complete Part II of the Final Terms in case of Notes with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency, provided that such Notes will not be admitted to trading on any regulated market within the European Economic Area. To be completed in consultation with the Issuer.

³⁶ *Es besteht keine Verpflichtung, Teil II der Endgültigen Bedingungen bei Schuldverschreibungen mit einer Festgelegten Stückelung von mindesten EUR 100.000 oder dem Gegenwert in einer anderen Währung auszufüllen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zum Handel zugelassen werden. In Absprache mit der Emittentin auszufüllen.*

³⁷ Only required for Notes with a Specified Denomination of at least EUR 100,000.

³⁸ *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von mindestens EUR 100.000.*

³⁹ Only required for Notes with a Specified Denomination of less than EUR 100,000.

⁴⁰ *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000.*

⁴¹ Only required for Notes with a Specified Denomination of less than EUR 100,000.

⁴² *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000.*

Rating of the Notes

Rating der Schuldverschreibungen

- The Notes to be issued have been rated as follows⁴³

Die Schuldverschreibungen wurden wie folgt geratet⁴⁴

- | | |
|--|-----|
| <input type="checkbox"/> Fitch: | [•] |
| <input type="checkbox"/> Moody's: | [•] |
| <input type="checkbox"/> S&P: | [•] |
| <input type="checkbox"/> [Other] ⁴⁵ : | [•] |

- The Notes have not been rated.

Die Schuldverschreibungen wurden nicht geratet.

Interests of natural and legal persons involved in the issue/offer

Interessen von natürlichen oder juristischen Personen, die bei der Emission/dem Angebot beteiligt sind

- [So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[Soweit es der Emittentin bekannt ist, hat keine Person, die bei dem Angebot der Schuldverschreibungen beteiligt ist, Interessen, die für das Angebot von wesentlicher Bedeutung sind.]

- Other interest (specify): [specify details]

Andere Interessen (angeben): [Einzelheiten einfügen]

Reasons for the offer and Net Proceeds

Gründe für das Angebot und Nettoerlöse

Use of proceeds / reasons for the offer:⁴⁶ [specify details]

Verwendung der Emissionserlöse / Gründe für das Angebot:⁴⁷ [Einzelheiten einfügen]

Estimated net proceeds:⁴⁸ [•]

Geschätzter Nettobetrag des Emissionserlöses:⁴⁹ [•]

Estimated total expenses of the issue:⁵⁰ [•]

Geschätzte Gesamtkosten der Emission:⁵¹ [•]

⁴³ Include brief explanation of the meaning of the rating if this has previously been published by the rating provider.

⁴⁴ Kurze Erläuterung der Bedeutung des Ratings aufnehmen, sofern zuvor von der Ratingagentur veröffentlicht.

⁴⁵ Indicate whether the rating agency is established in the European Community or in the United Kingdom and is registered under the CRA Regulation.

Angabe, ob die Ratingagentur ihren Sitz in der Europäischen Gemeinschaft oder in dem Vereinigten Königreich hat und gemäß der CRA-Verordnung registriert ist.

⁴⁶ See paragraph "Use of Proceeds" in the Base Prospectus. If reasons for the offer are different from general financing purposes of the Schaeffler Group include those reasons here. Include details for Green Bonds here.

Angabe, ob die Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß der CRA-Verordnung registriert ist.

⁴⁷ Siehe Abschnitt "Use of Proceeds" im Basisprospekt. Sofern die Gründe für das Angebot nicht in allgemeinen Finanzierungszwecken der der Schaeffler Gruppe bestehen, sind die Gründe hier anzugeben. Im Fall eines Green Bonds, hier Einzelheiten eintragen.

⁴⁸ If proceeds are intended for more than one principal use will need to split up and present in order of priority.

⁴⁹ Sofern der Emissionserlös für verschiedene wichtige Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.

⁵⁰ If proceeds are intended for more than one principal use, the total expenses will need to split up accordingly and present according to the priority of the use. Not to be completed in case of Notes with a Specified Denomination of at least EUR 100,000.

⁵¹ Sofern der Emissionserlös für verschiedene wichtige Verwendungszwecke bestimmt sind, sind die Gesamtkosten entsprechend aufzuschlüsseln und entsprechend der Priorität der Verwendungszwecke darzustellen. Nicht auszufüllen bei Schuldverschreibungen mit einem festgelegten Nennbetrag von mindestens EUR 100.000.

Yield and Historic Interest Rates

Rendite und Zinssätze der Vergangenheit

Yield: ⁵²	[•]
<i>Rendite:</i> ⁵³	[•]
Details of historic EURIBOR rates and the further performance as well as their volatility can be obtained from: ⁵⁴	Reuters EURIBOR01
<i>Einzelheiten zu vergangenen EURIBOR Sätzen und Informationen über künftige Entwicklungen sowie ihre Volatilität können abgerufen werden unter:</i> ⁵⁵	Reuters EURIBOR01

Placing and Underwriting

Platzierung und Übernahme

Prohibition of Sales to Retail Investors in the European Economic Area and the United Kingdom: ⁵⁶	[Applicable][Not applicable]
<i>Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum und im Vereinigten Königreich:</i> ⁵⁷	[Anwendbar][Nicht anwendbar]
Stabilisation Manager(s):	[None][give name]
<i>Stabilisation Manager(s):</i>	[Keiner][Angabe des Namens]
Method of Placement ⁵⁸	
<i>Art der Platzierung</i> ⁵⁹	
<input type="checkbox"/> Syndicated	
<i>Syndiziert</i>	
Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place:	[give details]
<i>Name und Anschrift des Koordinators/der Koordinatoren des gesamten Angebots sowie einzelner Angebotsteile und - sofern der Emittentin oder dem Anbieter bekannt – Name und Anschrift derjenigen, die das Angebot in den verschiedenen Ländern platzieren:</i>	[Angabe von Einzelheiten]
If syndicated, names and addresses and underwriting commitments of Lead Manager(s) and Manager(s):	[give details] ⁶⁰

⁵² Not required in case of Floating Rate Notes.

⁵³ *Nicht erforderlich im Fall von variabel verzinsten Schuldverschreibungen.*

⁵⁴ Only required in case of Floating Rate Notes with a Specified Denomination of less than EUR 100,000.

⁵⁵ *Nur erforderlich im Fall von variabel verzinsten Schuldverschreibungen mit einem Festgelegten Nennbetrag von weniger als EUR 100.000.*

⁵⁶ If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

⁵⁷ *Sind die Schuldverschreibungen eindeutig keine "verpackten" Produkte, so sollte "Nicht anwendbar" ausgewählt werden. Wenn die Schuldverschreibungen "verpackte" Produkte darstellen und kein KID vorbereitet wird, ist "Anwendbar" auszuwählen.*

⁵⁸ Not required in the case of an issue of Notes with a Specified Denomination of at least EUR 100,000.

⁵⁹ *Nicht erforderlich im Fall einer Emission von Schuldverschreibungen mit einer Festgelegten Stückelung in Höhe von mindestens EUR 100.000.*

⁶⁰ Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.

<i>Falls syndiziert: Namen und Adressen und Übernahmeverpflichtungen des oder der Lead Manager(s) und der Manager:</i>	<i>[Angabe von Einzelheiten]</i> ⁶¹
Date of Subscription Agreement:	[insert date]
<i>Datum des Übernahmevertrags:</i>	<i>[Datum angeben]</i>
<input type="checkbox"/> Non-syndicated	
<i>Nicht syndiziert</i>	
If non-syndicated, name and address of Dealer:	[give name]
<i>Falls nicht syndiziert, Name und Adresse des Dealers:</i>	<i>[Angabe des Namens]</i>
The various categories of potential investors to which the Notes are offered:	[give details]
<i>Angabe der verschiedenen Kategorien der potentiellen Investoren, dem die Schuldverschreibungen angeboten werden:</i>	<i>[Angabe von Einzelheiten]</i>
If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate such tranche:	[not applicable][give details]
<i>Erfolgt das Angebot gleichzeitig auf den Märkten zwei oder mehrerer Länder und wurde/ wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche:</i>	<i>[nicht anwendbar][Angabe von Einzelheiten]</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[not applicable][give details]
<i>Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist:</i>	<i>[nicht anwendbar][Angabe von Einzelheiten]</i>
Dealer's commission: ⁶²	[•]
<i>Provision der Dealer:</i> ⁶³	<i>[•]</i>

Security Codes and Eurosystem eligibility

Wertpapierkennung and EZB-Fähigkeit

ISIN:	[•]
Common Code:	[•]
WKN:	[•]
[CFI:]	[•]
[FISN:]	[•]
[Any other security number:]	[•]

⁶¹ *Namen und Adressen der Institute einfügen, die bereit sind, eine Emission auf fester Zusagebasis zu übernehmen und Einzelheiten über Institute, die bereit sind ohne feste Zusage oder gemäß Vereinbarungen "zu den bestmöglichen Bedingungen" zu platzieren, falls diese nicht mit den Managern identisch sind.*

⁶² Including discretionary fee, if any (insert up to amount). Not required in the case of an issue of Notes with a Specified Denomination of at least EUR 100,000.

⁶³ *Gegebenenfalls einschließlich sog. 'discretionary fee' (bis zu Betrag angeben). Nicht erforderlich im Fall einer Emission von Schuldverschreibungen mit einer Festgelegten Stückelung in Höhe von mindestens EUR 100.000.*

[Sonstige Wertpapierkennung:]

Intended to be held in a manner which would allow Eurosystem eligibility:

Soll in EZB-fähiger Weise gehalten werden:

[•]

[Yes] [No] [Not applicable in case of a Classical Global Note]

[Ja] [Nein] [Nicht anwendbar im Fall einer Classical Global Note]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]⁶⁴

[Es wird darauf hingewiesen, dass "Ja" hier lediglich bedeutet, dass die Wertpapiere nach ihrer Begebung bei einem der ICSDs als gemeinsamen Verwahrer verwahrt werden und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystems entweder nach Begebung oder zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]⁶⁵

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]⁶⁶

[Während die Bestimmung am Tag dieser Endgültigen Bedingungen mit "Nein" festgelegt wurde, können sich die Eurosystemfähigkeitskriterien für die Zukunft derart ändern, dass die Schuldverschreibungen fähig sein werden diese einzuhalten. Die Schuldverschreibungen können dann bei einer der ICSDs als gemeinsamer Verwahrer hinterlegt (und auf den Namen eines Nominees von einem der ICSDs als gemeinsamer Verwahrer eingetragen) werden. Es ist zu beachten, dass die Schuldverschreibungen selbst dann nicht notwendigerweise als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystems zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB

⁶⁴ Include explanation in case of an NGN deposited with one of the ICSDs.

⁶⁵ Erläuterung einfügen im Fall einer durch einen der ICSDs verwahrten NGN.

⁶⁶ Include explanation in case of an NGN not deposited with one of the ICSDs.

abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]⁶⁷

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Clearstream Banking AG, Frankfurt am Main and that this does not necessarily mean that the Notes will be recognised as eligible collateral by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]⁶⁸

[Es wird darauf hingewiesen, dass "Ja" hier lediglich bedeutet, dass die Schuldverschreibungen nach ihrer Begebung von Clearstream Banking AG, Frankfurt am Main verwahrt werden und dass die Schuldverschreibungen bei ihrer Begebung, zu irgendeinem Zeitpunkt während ihrer Laufzeit oder während ihrer gesamten Laufzeit nicht notwendigerweise als EZB-fähige Sicherheiten anerkannt werden. Eine solche Anerkennung hängt davon ab, ob die Zulässigkeitskriterien des Eurosystems erfüllt sind.]⁶⁹

Terms and Conditions of the Offer to the Public⁷⁰

Bedingungen des öffentlichen Angebots⁷¹

Issue Price at which the Notes will be offered:	[insert percentage rate] per cent.
<i>Emissionspreis, zu dem die Schuldverschreibungen voraussichtlich angeboten werden:</i>	<i>[Prozentsatz einfügen] %</i>
Conditions to which the offer is subject:	[give details]
<i>Bedingungen, denen das Angebot unterliegt:</i>	<i>[Angabe von Einzelheiten]</i>
Total amount of the offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:	[give details]
<i>Gesamtsumme des Angebots, wenn die Summe nicht feststeht, Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum:</i>	<i>[Angabe von Einzelheiten]</i>
Time period, including any possible amendments, during which the offer will be open and description of the application process:	[give details]
<i>Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt und Beschreibung des Antragsverfahrens:</i>	<i>[Angabe von Einzelheiten]</i>
Description of possible reduction of subscriptions and manner of refunding excess amount paid by applicants:	[give details]
<i>Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Rückerstattung des zuviel gezahlten Betrages an die Zeichner:</i>	<i>[Angabe von Einzelheiten]</i>

⁶⁷ Erläuterung einfügen im Fall einer nicht durch einen der ICSDS verwahrten NGN.

⁶⁸ Include explanation in case of Notes deposited with CBF.

⁶⁹ Erläuterung einfügen im Fall einer Verwahrung der Schuldverschreibungen durch CBF.

⁷⁰ Complete with respect to a public offer of Notes with a Specified Denomination of less than EUR 100,000.

⁷¹ Bei öffentlichem Angebot von Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

Details of the minimum and/or maximum amount of application:	[give details]
<i>Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung:</i>	<i>[Angabe von Einzelheiten]</i>
Method and time limits for paying up and delivering the Notes:	[give details]
<i>Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung:</i>	<i>[Angabe von Einzelheiten]</i>
Manner and date on which results of the offer are to be made public:	[give details]
<i>Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind:</i>	<i>[Angabe von Einzelheiten]</i>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[give details]
<i>Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Übertragbarkeit der Zeichnungsrechte und die Behandlung von nicht ausgeübten Zeichnungsrechten:</i>	<i>[Angabe von Einzelheiten]</i>
Amount of expenses and taxes charged to the subscriber/purchaser:	[not applicable][give details]
<i>Kosten/Steuern, die dem Zeichner/Käufer in Rechnung gestellt werden:</i>	<i>[nicht anwendbar][Angabe von Einzelheiten]</i>
Public Offer and information to be provided regarding the consent by the Issuer:	[not applicable]
<i>Öffentliches Angebot und zur Verfügung zu stellende Informationen über die Zustimmung der Emittentin:</i>	<i>[nicht anwendbar]</i>
Final placement of the Notes in the following jurisdictions:	[Luxembourg] [,] [and] [Germany] [,] [and] [The Netherlands]
<i>Endgültige Platzierung der Schuldverschreibungen in den folgenden Jurisdiktionen:</i>	<i>[Luxemburg] [,] [und] [Deutschland] [,] [und] [die Niederlande]</i>
Offer period during which subsequent resale or final placement of the Notes by Dealers and/or further financial intermediaries can be made:	[Not applicable] [Specify offer period]
<i>Angebotsfrist, während derer die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch die Platzeure oder weitere Finanzintermediäre erfolgen kann:</i>	<i>[Nicht anwendbar] [Einzelheiten zur Angebotsfrist einfügen]</i>

[Listing application

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the Euro 5,000,000,000 Debt Issuance Programme of Schaeffler AG on the Luxembourg Stock Exchange.]

[Antrag auf Börsennotierung

Diese Endgültigen Bedingungen enthalten die Details, die erforderlich sind, um die hierin beschriebenen Schuldverschreibungen des Euro 5,000,000,000 Debt Issuance Programme der Schaeffler AG an der Luxemburger Wertpapierbörse zu notieren.]

Authorisation

The issue of this Series of Notes was authorised by a resolution of the management board of Schaeffler AG passed on [●].

Genehmigung

Die Emission dieser Serie von Schuldverschreibungen wurde durch einen Beschluss des Vorstandes der Schaeffler AG vom [●] genehmigt.

[Third Party Information]

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof. The following sources were used [●].]

[Informationen von Seiten Dritter]

Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt, dass diese Informationen zutreffend wiedergegeben worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte – keine Fakten weggelassen wurden, deren Fehlen die reproduzierten Informationen unzutreffend oder irreführend gestalten würden; (ii) die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit. Folgende Quellen wurden verwendet [●].]

Signed on behalf of

Schaeffler AG

By: _____
Duly authorised

DESCRIPTION OF THE ISSUER AND THE SCHAEFFLER GROUP

General Information on Schaeffler AG

Name, Registered Seat (Sitz) and Purpose (Unternehmensgegenstand) of Schaeffler AG

Schaeffler AG is a stock corporation (*Aktiengesellschaft*) organized under German law.

Schaeffler AG was founded under the legal name "INA Beteiligungsgesellschaft mit beschränkter Haftung" as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law by articles of association dated April 19, 1982 and was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Fürth, Germany under number HRB 2379 on May 26, 1982.

By resolution of the company's shareholders' meeting dated October 2, 2014, the Issuer changed its legal form to a German stock corporation (*Aktiengesellschaft*) and its legal name to "Schaeffler AG". The change in legal form and name was registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Fürth, Germany under number HRB 14738 on October 24, 2014.

Schaeffler AG's registered office and business address is Schaeffler AG, Industriestraße 1-3, 91074 Herzogenaurach, Germany (Tel. +49 9132 82-0). The Legal Entity Identifier (LEI) of Schaeffler AG is 549300Q7E782X7GC1P43.

The website of Schaeffler AG is www.schaeffler.com. The information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

Pursuant to section 2(1) of the articles of association of Schaeffler AG, the corporate purpose of Schaeffler AG encompasses (i) development, production and distribution of components, parts and systems for automobile manufacturers and other industrial customers, (ii) trading in such goods by using the brand names "INA", "LuK" and "FAG" as well as other brand names, (iii) and production or sourcing of raw materials or other parts which are required for the production of these goods.

Fiscal Year

Schaeffler AG's fiscal year is the calendar year.

Term and Dissolution

Schaeffler AG has been founded for an unlimited term and may be dissolved upon a resolution of the general meeting requiring a majority of at least three quarters of the share capital represented during the resolution. The assets of Schaeffler AG remaining after servicing all liabilities are distributed among all shareholders *pro rata* to their shareholding (i.e., among both holders of common voting bearer shares and common non-voting bearer shares with preferred dividend payments) in Schaeffler AG pursuant to the provisions of the German Stock Corporation Act (*Aktiengesetz*).

Shareholder Structure

Schaeffler AG's share capital as of the date of this Base Prospectus amounts to EUR 666,000,000 and is divided into 500,000,000 common voting bearer shares (*Stammaktien*) and 166,000,000 common non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*). The shares are no par value shares (*Stückaktien*), each such share with a notional value of EUR 1.00. The share capital of Schaeffler AG is fully paid up.

Only the common non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*) are listed on the regulated market of the Frankfurt Stock Exchange.

As of the date of this Base Prospectus, all common voting bearer shares in Schaeffler AG (*Stammaktien*) are indirectly held by Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler.

Statutory Auditors

The independent auditor of Schaeffler AG is KPMG AG Wirtschaftsprüfungsgesellschaft, Bahnhofstraße 30, 90402 Nürnberg, Germany ("KPMG"). KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany. KPMG audited the consolidated financial statements of the Issuer as of the financial years ended December 31, 2019 and December 31, 2018.

Ratings

Fitch Polska S.A. ("**Fitch**") has assigned a "BBB-"⁷² rating to Schaeffler AG.

S&P Global Ratings Europe Limited ("**S&P**") has assigned a "BB+ "⁷³ rating to Schaeffler AG.

Moody's Deutschland GmbH ("**Moody's**") has assigned a "Ba1 "⁷⁴ rating to Schaeffler AG.

The credit ratings included or referred to in this Base Prospectus have been issued by Fitch, S&P and Moody's, all of which are established in the European Union and/or the UK registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

History

In 1946, brothers Dr. Wilhelm Schaeffler and Dr. Georg Schaeffler founded Industrie GmbH in Herzogenaurach, Germany. LuK (Lamellen- und Kupplungsbau) GmbH was founded in 1965 in Bühl, Germany (in cooperation with Industrienadellager ("**INA**")), and later managed as a 50/50 joint venture. After the death of the founders (Dr. Wilhelm Schaeffler died in 1981 and Dr. Georg Schaeffler died in 1996), Maria-Elisabeth Schaeffler-Thumann, Dr. Georg Schaeffler's widow, and her son Georg F. W. Schaeffler took charge of the family business to continue their life's work. In 1999, Schaeffler Group acquired from Valeo S.A. the 50% of LuK that it did not yet own. In 2001, INA acquired FAG (FAG Kugelfischer Georg Schäfer AG). Since 2002, INA, FAG and LuK have been the main brands owned by Schaeffler Group.

In July 2008, the then existing Schaeffler Group initiated an acquisition of Continental AG via a public tender offer, which was financed primarily by external debt. Following this acquisition, it focused on the gradual improvement of its debt profile. In 2011, the then existing Schaeffler Group took a key step in this direction, when it significantly reduced its financial debt and achieved a considerable improvement of the terms and conditions of its financing by selling some of its stake in Continental AG. In 2012, the then existing Schaeffler Group also debuted on the capital markets by completing its first ever bond offering. In 2014, the then existing Schaeffler Group and its shareholders completed the final stage of a multi-year corporate reorganization that had been initiated in 2012 and was designed to establish a clean structure separating ownership of Schaeffler Group from ownership in Continental Aktiengesellschaft.

On October 9, 2015 the non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*) in Schaeffler AG were listed and traded for the first time on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*) of Schaeffler AG are included in Deutsche Börse AG's SDAX index from March 18, 2019.

With effect as of January 1, 2018, the former Automotive Aftermarket business division was set up as a third stand-alone division of the Schaeffler Group. This step reflects the increased significance of the Automotive Aftermarket business to the Schaeffler Group. As a consequence, the Schaeffler Group has been dividing its business into three divisions – Automotive OEM, Automotive Aftermarket, and Industrial.

Group Structure

Schaeffler AG is the parent company of Schaeffler Group and acts as the group's lead company with no significant operating business. The operating business of Schaeffler Group is carried out by Schaeffler Technologies AG & Co. KG, a 100% directly owned subsidiary of Schaeffler AG, and its subsidiaries. Schaeffler AG's audited consolidated financial statements include all material subsidiaries whose financial and business policy can be controlled by Schaeffler AG, either directly or indirectly, and the equity interests of Schaeffler Group whose financial and business policy can be influenced by Schaeffler Group to a

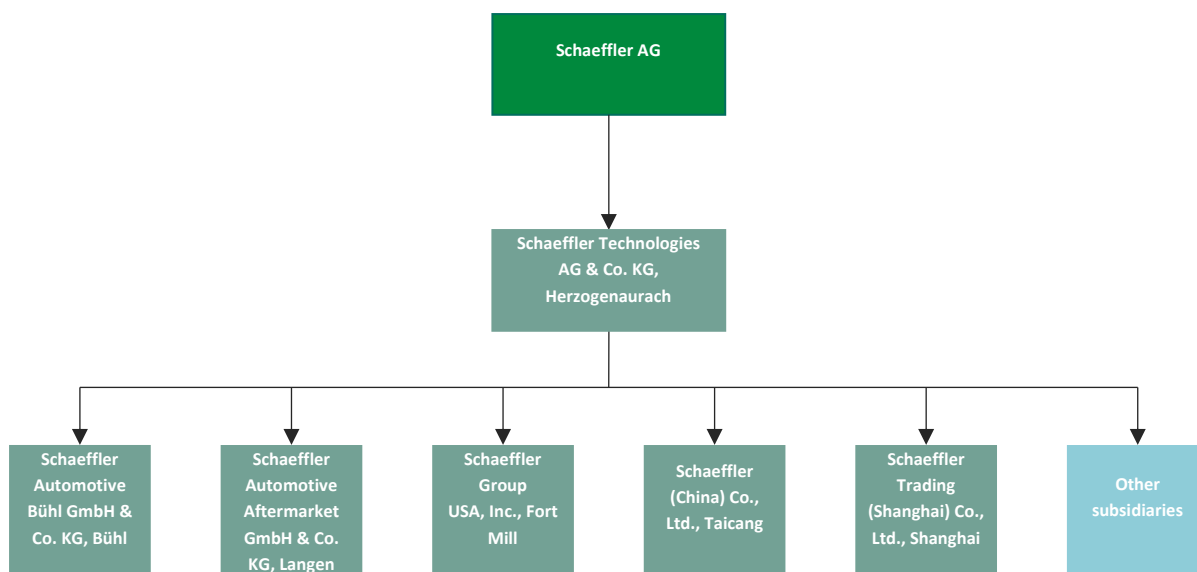
⁷² Fitch defines "BBB-" rating as follows: "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. Within rating categories, Fitch may use modifiers. The modifiers "+" or "-" may be appended to a rating to denote relative status within major categories.

⁷³ S&P defines "BB+" as follows: An obligation rated "BB" is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

⁷⁴ Moody's defines "Ba1" as follows: "Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category". A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

significant extent. In addition to Schaeffler AG, the group of consolidated companies included 152 subsidiaries as of June 30, 2020.

The following simplified chart provides an overview of selected material subsidiaries of Schaeffler AG as of the date of the Base Prospectus:



Business Overview

Schaeffler Group is a global automotive and industrial supplier with local presence throughout the world. With 84,223 employees (as of June 30, 2020) Schaeffler Group is one of the largest global technology companies according to its own estimation serving multiple automotive and industrial customer sectors. The Group's objectives are to identify key trends early on, to invest in research and development of new forward-looking products, and to set new standards in technology in order to create sustainable value for all its stakeholders.

In its updated strategy, Schaeffler Group focuses on CO₂-efficient Drives, Chassis Applications, Industrial Machinery & Equipment, Renewable Energy and Services & Aftermarket Solutions. These focus areas are based on future trends, such as climate change, new mobility, demographic change, data economy and autonomous production, with influence on Schaeffler Group's product portfolio. The updated strategy will be implemented by a new execution program comprising three divisional and four cross-division subprograms.

In all its activities Schaeffler Group places special emphasis on sustainability. Sustainability has been firmly anchored at Schaeffler for many years. For this reason, group-wide sustainability targets have been adopted. In addition, to give sustained, long-term effect to these targets, Schaeffler Group integrated them into the variable component of the remuneration paid to senior management.

The Group believes that its extensive systems know-how enables it to offer comprehensive solutions that are tailored to customer and market requirements. Furthermore, the Issuer believes its competitive strength is expressed by the ability to combine continuous innovation, superior quality, system understanding and high-precision manufacturing. Its product portfolio comprises high-precision components and systems for engines, transmissions, electrified propulsion systems and chassis applications. This includes innovative and sustainable technologies for combustion-engine powered vehicles in addition to hybrid and electric vehicles. The Schaeffler Group offers solutions for automated and autonomous driving, components and systems for rotary and linear motion as well as services, maintenance products and monitoring systems for a variety of industrial applications. Also repair solutions in OEM quality, supported by relevant services, for the global automotive aftermarket are an integral part of the product portfolio.

In the fiscal year ended December 31, 2019, Schaeffler Group had revenues of EUR 14,427 million (fiscal year ended December 31, 2018: EUR 14,241 million) and EBIT before special items (as defined below) of EUR 1,161 million (fiscal year ended December 31, 2018: EUR 1,381 million).

Business Divisions

The Schaeffler Group's business is managed based on the three divisions – Automotive OEM, Automotive Aftermarket, and Industrial – which also represent the reportable segments. The Automotive OEM division organizes its business into the four business divisions E-Mobility, Engine Systems, Transmission Systems, and Chassis Systems. The Automotive Aftermarket and Industrial divisions are managed based on the regions Europe, Americas, Greater China, and Asia/Pacific.

Automotive OEM Division

In the fiscal year ended December 31, 2019, the Automotive OEM Division generated 63% (prior year: 63%) of the Group's revenue and 42% (prior year: 49%) of the Group's EBIT before special items (as defined below).

In the Automotive OEM Division, the ten largest customers accounted for 63% (prior year: 63%) of the division's total revenue in the fiscal year ended December 31, 2019.

The Automotive OEM division partners with the global automotive industry in developing and manufacturing components and systems for engine, transmission, and chassis applications, as well as for hybrid and electric drive systems. Along with technologies for low-emission and emission-free drive systems, the division develops components and systems for connecting vehicles and for autonomous driving. The Automotive OEM division manages its business based on the four business divisions (BD) E-Mobility, Engine Systems, Transmission Systems, and Chassis Systems which in turn comprise several business units:

E-Mobility

The E-Mobility BD develops and manufactures products and system solutions for drive train electrification – from 48-volt mild hybrids and plug-in hybrids through to all-electric drives. The product portfolio includes hybrid modules, electric axle drives, electromechanical actuators, wet double clutches, primary components for continuously variable transmissions, and electric motors. In the fiscal year ended December 31, 2019, the E-Mobility BD accounted for 7% (prior year: 5%) of the Automotive OEM Division's revenues.

Engine Systems

The Engine Systems BD develops and manufactures components and systems for engines. The product portfolio includes valve-lash adjustment elements, variable camshaft phasing units, and the thermal management module. In the fiscal year ended December 31, 2019, the Engine Systems BD accounted for 31% (prior year: 31%) of the Automotive OEM Division's revenues.

Transmission Systems

The Transmission Systems BD develops and manufactures components and systems for transmissions. The product portfolio includes solutions for double-clutch, manual, automated, and automatic transmissions (e.g. torque converters, the dual-mass flywheel, clutches, transmission bearings). In the fiscal year ended December 31, 2019, the Transmission Systems BD accounted for 44% (prior year: 46%) of the Automotive OEM Division's revenues.

Chassis Systems

The Chassis Systems BD develops and manufactures components and systems for the chassis. Its product spectrum ranges from wheel bearings through to mechatronic systems for active chassis. In the fiscal year ended December 31, 2019, the Chassis Systems BD accounted for 17% (prior year: 17%) of the Automotive OEM Division's revenues.

Automotive Aftermarket Division

In the fiscal year ended December 31, 2019, the Automotive Aftermarket Division generated 13% of the Group's revenue (prior year: 13%) and 26% (prior year: 25%) of the Group's EBIT before special items (as defined below).

The Automotive Aftermarket division is responsible for the Schaeffler Group's global business with spare vehicle parts and provides components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications.

Like the Automotive OEM and Industrial Divisions, the Automotive Aftermarket Division operates under the Schaeffler corporate brand and distributes its range under the three product brands LuK, INA, and FAG. In addition, it offers comprehensive services for repair shops under the service brand REPERT. The management model of the division follows a regional approach based on the regions Europe, Americas, Greater China, and Asia/Pacific. Within each region, products and services are sold via two distribution channels: the Original Equipment Service (OES) and the open (independent) spare parts market, known as the Independent Aftermarket (IAM).

Industrial Division

In the fiscal year ended December 31, 2019, the Industrial Division generated 25% (prior year: 24%) of the Group's revenue and 32% (prior year: 27%) of the Group's EBIT before special items (as defined below).

The Industrial division develops and manufactures components and systems for rotary and linear movements and offers services for various industrial sectors.

The management model of the Industrial Division follows a regional approach based on the regions Europe, Americas, Greater China, and Asia/Pacific. Within the regions, the direct business with the OEMs is grouped into eight sector clusters: (1) wind, (2) raw materials, (3) aerospace, (4) railway, (5) off-road, (6) two-wheelers, (7) power transmission, and (8) industrial automation. In addition, the business with distributors is managed by the Industrial Distribution unit. Industry 4.0 products and services are concentrated in a strategic business field with global responsibility.

The Industrial division's product portfolio includes rolling and plain bearing solutions, linear technology, maintenance products, monitoring systems, and direct drive technology. Bearing solutions cover a wide range from high-speed and high-precision bearings with small diameters to large-size bearings several meters wide. Applications for the bearings manufactured by the division include drive technology, production machinery and wind turbines, as well as heavy industry. In the aerospace sector, the division is also a manufacturer of high-precision bearings with applications including aircraft and helicopter engines. The Industrial division offers rotary and linear mechatronic products, digital services, as well as new data-based business models for the implementation of Industry 4.0. This includes services and systems for condition monitoring and predictive maintenance that facilitate targeted scheduled maintenance of power units, thus helping to increase machine and equipment availability as well as reduce operating costs.

Overview Division Earnings

The following table provides key information on the earnings of Schaeffler Group's operating divisions:

<i>(amounts in EUR million, unless otherwise indicated)</i>	Automotive OEM			Automotive Aftermarket			Industrial			Schaeffler Group Total		
	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %
	2019	2018		2019	2018		2019	2018		2019	2018	
	<i>(audited, unless otherwise specified)</i>											
Revenue	9,038	8,996	0.5	1,848	1,862	(0.7)	3,541	3,383	4.7	14,427	14,241	1.3
<i>at constant currency * (1)(3)</i>			<i>(0.8)</i>			<i>(1.1)</i>			<i>3.1</i>			<i>0.1</i>
Revenue by region ⁽²⁾												
Europe	3,781	4,014	(5.8)	1,355	1,395	(2.9)	1,867	1,904	(1.9)	7,003	7,313	(4.2)
<i>at constant currency * (1)(3)</i>			<i>(6.0)</i>			<i>(3.1)</i>			<i>(2.4)</i>			<i>(4.5)</i>
Americas	2,155	1,939	11.1	362	339	6.8	638	596	7.0	3,154	2,874	9.8
<i>at constant currency * (1)(3)</i>			<i>7.4</i>			<i>6.6</i>			<i>2.9</i>			<i>6.4</i>
Greater China	1,959	1,910	2.6	81	76	6.8	723	575	25.6	2,763	2,562	7.9
<i>at constant currency * (1)(3)</i>			<i>1.8</i>			<i>5.7</i>			<i>23.4</i>			<i>6.7</i>
Asia Pacific	1,143	1,133	0.9	50	51	(3.2)	314	308	1.7	1,506	1,493	0.9
<i>at constant currency * (1)(3)</i>			<i>(0.7)</i>			<i>(5.4)</i>			<i>(0.1)</i>			<i>(0.7)</i>
Cost of sales	(7,172)*	(6,986)*	2.7*	(1,217)*	(1,200)*	1.4*	(2,464)*	(2,371)*	3.9*	(10,853)	(10,558)	2.8
Gross profit	1,866*	2,010*	(7.2)*	631*	661*	(4.6)*	1,077*	1,012*	6.4*	3,574	3,683	(3.0)
<i>in % of revenue *</i>	<i>20.6</i>	<i>22.3</i>	<i>-</i>	<i>34.1</i>	<i>35.5</i>	<i>-</i>	<i>30.4</i>	<i>29.9</i>	<i>-</i>	<i>24.8</i>	<i>25.9</i>	<i>-</i>

<i>(amounts in EUR million, unless otherwise indicated)</i>	Automotive OEM			Automotive Aftermarket			Industrial			Schaeffler Group Total		
	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %	Fiscal year ended December 31,		Change in %
	2019	2018		2019	2018		2019	2018		2019	2018	
	<i>(audited, unless otherwise specified)</i>											
Earning before financial result and income taxes (EBIT)	282	662	(57.4)	283	341	(17.2)	225	351	(35.8)	790	1,354	(41.7)
<i>in % of revenue</i>	3.1	7.4	-	15.3	18.3	-	6.4	10.4	-	5.5	9.5	-
Special items ⁽³⁾	209	11	>100	15	(3)	>100	147	19	>100	372	27	>100
EBIT before special items	491	673	(27.0)	298	339	(12.1)	373	370	0.9	1,161	1,381	(15.9)
<i>in % of revenue</i>	5.4	7.5	-	16.1	18.2	-	10.5	10.9	-	8.1	9.7	-

* Unaudited

(1) Performance Indicator. Revenue figures at constant currency, i.e. excluding the impact of currency translation, are calculated by translating functional currency revenue using the same exchange rate for both the current and the prior year or comparison reporting period in relation to actual prior year figures.

(2) By market view (customer location).

(3) For further information, please refer to the section "Performance Indicators" below.

Distribution and Markets

Schaeffler Group has a strong global presence. The business activities are divided into four regions: the Europe region (comprising Western Europe, Central and Eastern Europe & Middle East and Africa), the Americas region (comprising North America and South America), the Greater China region (which also includes Hong Kong, Taiwan and Macao) and the Asia/Pacific region (comprising Japan, South Korea and the countries in Southeast Asia). Effective January 1, 2020, India has been reallocated from the Europe region to the Asia/Pacific region. In addition to the traditional core markets in Europe (49% of the Group's consolidated revenue in the fiscal year ended December 31, 2019) and the Americas (22% of the Group's consolidated revenue in the fiscal year ended December 31, 2019), the Group's business is increasingly significant in key growth markets, such as Greater China and Asia/Pacific, which accounted for 19% and 10%, respectively, of consolidated revenue in the fiscal year ended December 31, 2019.

Distribution is embedded directly in each of the Automotive OEM, Automotive Aftermarket and Industrial Divisions.

The Automotive OEM Division's global key account management function is responsible for serving key customers. Schaeffler Group believes that in this manner, the Automotive OEM Division is consistently oriented along customer and market needs.

The Automotive Aftermarket Division uses two distribution channels to sell its products and services within each of the four regions: the Original Equipment Service ("OES") which accounted for 21% of the Automotive Aftermarket Division's revenues in the fiscal year ended December 31, 2019 and the open (independent) spare parts market, known as the Independent Aftermarket ("IAM") which accounted for 79% of the Automotive Aftermarket Division's revenues in the fiscal year ended December 31, 2019. The OES comprises the automobile manufacturers' spare parts business, that is, supplying original spare parts and services to branded repair shops, i.e. those that are authorized by automobile manufacturers. IAM, on the other hand, supplies independent, non-branded repair shops with components as well as repair solutions and services. IAM differentiates between two types of business: In addition to the traditional component business consisting of replacing parts, the Automotive Aftermarket Division develops and distributes custom-assembled repair sets and kits for simple, efficient, and professional vehicle repairs.

Within the four regions, the Industrial Division serves customers directly through the eight sector clusters outlined above. In addition to these sector clusters, the business with distributors is managed by the Industrial Distribution unit. Transregional issues, such as the global technology and product strategy, are driven forward by the close network linking the regions within the division. A global key account management function for key customers with operations in more than one region is aimed at meeting their needs with the same level of quality all over the world.

Production

As a global automotive and industrial supplier, the Schaeffler Group currently has a global production system consisting of 75 plants in 22 countries as of June 30, 2020. The plants, which employed approximately 66.000 staff as of June 30, 2020, form the core of Schaeffler Group's operations and are managed based on uniform principles.

The global production system and the manufacturing technologies utilized in the plants represent key factors underlying the Schaeffler Group's worldwide success.

In order to further strengthen the Issuer's production efficiency and quality, it has set up its new "Advanced Production Technology" unit in 2019 to identify new manufacturing technologies and then pilot and apply them in a technology factory. At the same time, the Issuer has established a structure aimed at digitalizing the entire value chain in order to realize its vision of digital, semi-autonomous, and sustainable production using its digital expertise and its own local manufacturing experts.

The Schaeffler Group has established campus locations effective January 1, 2020. A key feature of these campus locations is the existence of several plants at one location with shared infrastructure such as human resources, IT, logistics, or location planning functions. The new plant assignment has reduced the complexity of the existing plant network, streamlined workflows and processes, and eliminated duplicate structures. The change sets the Issuer up to be more efficient and competitive.

Procurement

Schaeffler Group uses various raw materials such as steel (flat steel or steel bar), iron and aluminium casting, as well as non-ferrous metals in manufacturing its products. The production materials Schaeffler Group uses primarily depend, directly or indirectly, on the trend in the price of steel, coking coal, and iron ore, as well as non-ferrous metals. Price changes are normally either passed on indirectly with a time-lag via changes in costs charged by suppliers or via new prices during contract negotiations.

Property, Plant and Equipment

As of June 30, 2020, the Group operated 75 manufacturing plants in 22 countries worldwide, the vast majority of which are owned by Schaeffler Group. As of June 30, 2020, Schaeffler Group operated 43 plants in Europe, 13 in the Americas, ten in Greater China and nine in Asia/Pacific. All plants of the Schaeffler Group are operated with the same high standards of quality and environmental protection and are certified under globally recognized quality norms, standards, and regulations.

The corporate headquarter of Schaeffler Group is located in Herzogenaurach, Germany. The Group fully owns the area and the building with a surface area of 378,850 square meters.

Information Technology Systems

Schaeffler Group's information technology infrastructure is characterized by a high level of standardization. The Group's information technology systems and application landscapes rely heavily on SAP software. Applications are unified for the Group's divisions. Non-SAP software is only used for office applications and computer-aided design as specified software.

A key cornerstone of these activities is establishing an agile IT organization that designs, implements, and operates the IT of tomorrow in close collaboration with the divisions, functions, and regions.

Research and Development

The Schaeffler Group's research and development activities are largely aimed at strengthening the company's extensive existing expertise in the field of mechanical components and mechanical systems and enhancing it with respect to mechatronic applications and systems. With respect to the Automotive OEM and Automotive Aftermarket divisions, these development activities focus on new drive technologies and automated driving. Development activities for the Industrial division mainly concentrate on Industry 4.0 and robotics.

The research and development ("R&D") expenses of the Group amounted to EUR 849 million in 2019 and EUR 847 million in 2018, or approximately 6% of Schaeffler Group's revenue in each period.

As of June 30, 2020, the Schaeffler Group employed around 8,000 employees at 20 R&D centres and additional R&D locations in a total of 23 countries.

Intellectual Property

The Group has obtained many patents and licenses to cover its products, their design and manufacturing processes and is continuously seeking to secure further patents on the Group's developments.

With 2,385 patent registrations in the fiscal year 2019, Schaeffler Group is Germany's second most innovative company according to the German Patent and Trademark Office (*Deutsches Patent- und Markenamt*) and considers itself as one of the leading innovators in the industrial sector. As of June 30, 2020, Schaeffler Group held approximately 26,000 patents and patent applications.

Investments

Except as described below under "*Recent Events since June 30, 2020 - COVID-19 and Additional Structural Measures*", Schaeffler Group has made no new or previously unannounced investments between June 30, 2020 and the date of this Base Prospectus, and its management has made no decisions or firm commitments on investments for the future, that would result in a significant change in the financial or trading position of the Schaeffler Group.

The Schaeffler Group's growth strategy is based, most of all, on investments in new products and technologies as well as in expanding the Group's global production network.

At the same time, the Schaeffler Group is putting a stronger focus on the efficient allocation and use of its capital and has developed a new framework for managing its capital allocation. This framework comprises four portfolio strategies (Build, Grow, Harvest, Exit) and four capital expenditure categories (Growth, Rationalization, Maintenance, Security and Regulation). The sum of total investment for the Schaeffler Group is derived from a defined reinvestment rate or rather a corresponding target range. The reinvestment rate puts capital expenditures in relation to group depreciation.

In 2019, the capital expenditures on property, plant and equipment and intangible assets (capex) decreased by EUR 188 million or 15% to EUR 1,045 million (prior year: EUR 1,232 million). Capital expenditures amounted to 7.2% (prior year: 8.7%) of the Group's revenue (capex ratio). By far the largest share of total capital expenditures related to the Europe region.

Total additions to intangible assets and property, plant and equipment amounted to EUR 933 million in the fiscal year 2019 (prior year: EUR 1,275 million). 75% of these additions related to the Automotive OEM Division, 7% to the Automotive Aftermarket Division and 17% to the Industrial Division. In order to strengthen its competitive position, the Schaeffler Group especially invested in strategically aligning its logistics activities and IT infrastructure as well as expanding capacity and in equipment and machinery for product start-ups.

In the Europe region, the Schaeffler Group mainly invested in a state-of-the-art assembly and packaging centre of the Automotive Aftermarket division known as "Aftermarket Kitting Operation" (AKO) in 2019. At this central logistics hub, automotive parts, which the Automotive Aftermarket division sells as separate products as well as in the form of repair solutions, will be picked, assembled into kits, packaged, and shipped throughout Europe starting in 2020. Further significant investments related to Schaeffler Group's information technology systems and applications and the acquisition of real estate in Herzogenaurach.

In the Americas region, capital expenditures related especially to equipment and machinery for product start-ups in the E-Mobility business division and expanding capacity in the Transmission Systems business division.

In the Greater China region, Schaeffler Group continued to make targeted investments in expanding capacity and to realize new product start-ups in 2019. Significant capital expenditures in this field related to the Transmission Systems, Engine Systems, and E-Mobility business divisions. The Industrial division mainly invested in its rolling bearing business.

In the Asia/Pacific region, Schaeffler Group invested in 2019 primarily in expanding the capacity of the Industrial division at the production location in Vietnam, which manufactures mainly radial insert bearings and needle roller bearings with a high degree of vertical integration. Further capital expenditures were made in South Korea, mainly to expand capacity in the Transmission Systems business division.

Employees

The Schaeffler Group believes that its employees represent one of the key pillars of the Group's success. The objective of the company's human resources activities is to identify, support, and retain the best employees for the long term as an attractive employer.

The following table shows the headcount as of June 30, 2020, December 31, 2019 and 2018 by the Group's regions:

	As of 30 June	As of December 31,	
	2020	2019	2018
Number of Employees		<i>(unaudited)</i>	
Europe*	55,569	57,309	63,165**
Americas	10,813	12,264	13,138
Greater China	11,913	12,182	12,976
Asia Pacific	5,928	5,993	3,199**
Schaeffler Group	84,223	87,748	92,478

* Including employees of the corporate head office.

** In 2018, Group employees in India were allocated to the Europe region. From 2019, such employees were allocated to the Asia Pacific region.

The number of employees of Schaeffler Group as of the date of this Base Prospectus does not differ significantly from the number of employees as of June 30, 2020.

Litigation and Administrative Proceedings

The Schaeffler Group is, and may become involved, in legal or administrative proceedings during the ordinary course of its business activities, both as a plaintiff and as a defendant.

With the exception of the matter described below, the Schaeffler Group is not currently involved, and has not been involved in the past 12 months, in governmental, legal or arbitration proceedings (including pending or threatened proceedings) that could or recently had a significant impact on the financial position or profitability of the Schaeffler Group.

Antitrust Investigations

Since 2011, several antitrust authorities have been investigating several manufacturers of rolling bearings and other vendor parts for the automotive sector. The authorities are investigating possible agreements violating antitrust laws. Schaeffler Group companies are among the entities subject to these investigations. In addition, there is a risk that third parties may claim damages in connection with antitrust proceedings that are either ongoing or have been finalized. As of June 30, 2020, Schaeffler Group has recognised provisions for a portion of these investigations and potential claims for damages to the extent IFRS provided for the setting up of a provision. Additional penalties or claims for damages cannot be ruled out. Schaeffler Group cooperates with the investigating authorities in current and future investigations as a matter of principle.

Product Liability Proceedings

Although Schaeffler Group aims to address any product-related risks prospectively through a careful product development procedure and thorough quality management systems, the Group is frequently subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warrant obligations and claims arising from breaches of contract, recall campaigns or fines imposed by governments.

In November 2018, the automobile manufacturer Opel issued a notification through the EU rapid alert system RAPEX alleging that in the Astra K model (model years 2016-2018) particles coming from the clutch slave cylinder sealing might contaminate the brake master cylinder which may cause a reduction of braking power. Schaeffler delivered the clutch slave cylinder including the sealing to Opel. Opel subsequently notified Schaeffler in June 2019 that it seeks compensation for damages for this issue. However, to Schaeffler's knowledge, as of the date of this Base Prospectus, the root cause investigation is not yet complete, and tests and data evaluation to determine the root cause are still ongoing.

Insurance

The Group believes that Schaeffler AG and its subsidiaries have reasonable insurance protection, to the extent customary in the industry.

Material Agreements

The following section provides a summary of material agreements to which any member of the Group is a party.

Financing Agreements

Facilities Agreement

The Issuer is party to a EUR 1,800 million syndicated term loan and revolving credit facilities agreement (as amended from time to time, the "**Facilities Agreement**"). At the date of this Base Prospectus, the Facilities Agreement consists of a EUR 1,800 million revolving credit facility (the "**Schaeffler Group Revolving Facility**"), accrued interest on which is payable in cash and which matures (subject to an uncommitted extension option for an extension of the final maturity date by up to two years) on September 30, 2023. As of June 30, 2020, the Schaeffler Group Revolving Facility was utilized in a total amount of EUR 124 million thereof EUR 24 million primarily in the form of letters of credit. The facilities made available under the Facilities Agreement are unsecured *in rem*.

Until the date on which credit ratings solicited by Schaeffler AG of BBB/Baa2 (or equivalent) have been assigned to Schaeffler AG's long-term debt by at least two of Moody's and/or any of the other two rating agencies of international standing which are market leaders (the "**Facilities Agreement Fall-Away Date**"), the Facilities Agreement contains a covenant that requires the Group to satisfy a specified financial test and maintain a specified financial ratio regarding the maximum level of total consolidated net debt to consolidated EBITDA, each as calculated in accordance with the terms and provisions of the Facilities Agreement. Furthermore, the Facilities Agreement contains covenants that impose restrictions on the operations of the Issuer and its subsidiaries and certain transactions they may undertake. Certain prepayment events apply to the Facilities Agreement, including the occurrence of a change of control event. Additionally, the Issuer has the obligation to periodically provide certain financial and other information to the lenders. The loans made available under the Facilities Agreement may be accelerated (and unutilised commitments under the Facilities Agreement may be cancelled) by the lenders in case an event of default (including, but not limited to, a failure to comply with the financial covenant or a cross default) has occurred and is continuing.

Investment Facility

Schaeffler AG is party to a term loan facilities agreement to finance certain capital expenditure investments (as amended from time to time, the "**Investment Facility**") providing for credit facilities in the aggregate amount of originally up to EUR 250 million with certain banks named therein as original lenders, maturing in December 2022 (subject to an uncommitted extension option for an extension of the final maturity date by one year). The Investment Facility provides for semi-annual prepayments beginning in May 2020. As of June 30, 2020, EUR 238 million in principal amount were outstanding under the Investment Facility. The Investment Facility is unsecured *in rem*.

Until the Facilities Agreement Fall-Away Date, the Investment Facility contains a covenant that requires the Group to satisfy a specified financial test and maintain a specified financial ratio regarding the maximum level of total consolidated net debt to consolidated EBITDA, each as calculated in accordance with the terms and provisions of the Investment Facility. Furthermore, the Investment Facility contains covenants that impose restrictions on the operations of Schaeffler AG and its subsidiaries and certain transactions they may undertake. Certain prepayment events apply to the Investment Facility, including the occurrence of a change of control event. Additionally, Schaeffler AG has the obligation to periodically provide certain financial and other information to the lenders. The loans made available under the Investment Facility may be accelerated by the lenders in case an event of default (including, but not limited to, a failure to comply with the financial covenant or a cross default) has occurred and is continuing.

Existing B.V. Notes

Schaeffler Finance B.V., a wholly owned subsidiary of the Issuer, issued the EUR 600 million 3.25% fixed-rate notes issued under a New York law governed indenture dated April 13, 2015, as amended from time to time, and due May 15, 2025 which are outstanding at the date of this Base Prospectus (the "**Existing B.V. Notes**"). Schaeffler Finance B.V. may redeem the Existing B.V. Notes in whole or in part at any time at specified redemption prices. The Existing B.V. Notes are unsecured *in rem*. Security interests previously granted to secure the Existing B.V. Notes have been released on September 15, 2018. In addition, all guarantees originally granted by subsidiaries of the Issuer in respect of Existing B.V. Notes have been released as of February 28, 2019. The Existing B.V. Notes are unconditionally and irrevocably guaranteed by the Issuer.

The Existing B.V. Notes contain covenants that impose restrictions on the operations of the Issuer and its subsidiaries and certain transactions they may undertake, including the incurrence of additional indebtedness, the payment of dividends, the ability to make restricted payments or the creation or incurrence of certain liens. In addition, the Existing B.V. Notes contain change of control provisions and provide for events of default, including cross-acceleration and cross-payment defaults.

Notes issued under this Programme

On March 26, 2019, the Issuer issued the following notes under this Programme (the "**Existing Programme Notes**"):

- EUR 750 million 1.125% fixed-rate notes due March 26, 2022;
- EUR 800 million 1.875% fixed-rate notes due March 26, 2024; and
- EUR 650 million 2.875% fixed-rate notes due March 26, 2027.

Promissory Notes (Schuldscheindarlehen)

In May, June and August 2020, Schaeffler AG issued in total EUR 557 million (partially "green") promissory notes (*Schuldscheindarlehen*) (the "**Promissory Notes**"), governed by German law. EUR 264 million of the Promissory Notes mature on May 11, 2023, EUR 167 million mature on May 12, 2025, EUR 76 million mature on May 11, 2028 and EUR 50 million mature on May 13, 2030.

Part of the proceeds from the issuance of the Promissory Notes were used to refinance a portfolio of projects focusing on products for zero-emission mobility such as electric motors and electric axles as well as products for generating climate-friendly energy using wind power, and to invest in making the Issuer's worldwide production more sustainable with respect to minimizing waste and waste water and reducing energy consumption.

Each Promissory Note must be repaid on its respective maturity date. The Issuer may permanently cancel and voluntarily prepay the respective loan under a Promissory Note in accordance with mandatory law. Each Promissory Note requires mandatory prepayment of the respective loan made available thereunder in full if the relevant lender so requires (following a specified negotiation period) after the occurrence of a change of control. Further on, each Promissory Note provides for certain restrictive covenants customary for these type of financing (and substantially equivalent to the relevant provisions of the Facilities Agreement) subject to certain specified exceptions. The Promissory Notes are unsecured and not guaranteed by any of the Issuer's subsidiaries.

Bilateral lines of credit

In addition to the Facilities Agreement, the Investment Facility, the Existing B.V. Notes, the Existing Programme Notes and the Promissory Notes, Schaeffler Group had further committed lines of credit with certain banks or other financial institutions in the equivalent of EUR 289 million as of June 30, 2020, of which an aggregate principal amount of EUR 274 million was unutilized as of June 30, 2020.

Revolving sale of trade receivables

Since November 30, 2017, Schaeffler Group has an asset-backed commercial paper program (the "**ABCP-Program**") for the revolving sale of trade receivables in place. In 2019, the program was extended by one more year and matures on November 30, 2020. The committed financing volume of the ABCP-Program is EUR 150 million as of June 30, 2020 (EUR 200 million as of December 31, 2019).

Commercial Paper Programme

On December 6, 2019, the Issuer established a EUR 1,000 million multi-currency commercial paper program (the "**CP Programme**"). Notes issued under the CP Programme have a maturity of less than one year and are unsecured. As of June 30, 2020, EUR 297 million in aggregate principal amount were issued and outstanding under the CP Programme.

Other Material Agreements

Joint Procurement Cooperation Agreement

On March 27, 2009, Schaeffler KG (today IHO Holding GmbH & Co. KG) entered into a joint procurement cooperation agreement (the "**Cooperation Agreement**") with Continental AG. The Cooperation Agreement was amended twice in 2010 and 2015. With effect from February 1, 2010, IHO Holding GmbH & Co. KG has, as a result of a series of corporate reorganizations within Schaeffler Group, been replaced by Schaeffler Technologies AG & Co. KG as a party to the Cooperation Agreement.

Pursuant to the Cooperation Agreement, Schaeffler Technologies AG & Co. KG and Continental AG will act as independent entities but try to create synergies through a worldwide purchasing cooperation. The goal of the Cooperation Agreement is to strengthen the market and negotiation position of both parties by cumulating their purchasing volumes, allowing them to jointly negotiate lower prices and to achieve advantageous conditions, including a better-quality performance of suppliers as well as better access to markets and component suppliers. The Group believes that this improves the competitiveness and pricing for products of Schaeffler Group and Continental AG.

The parties shall determine products which will then be mutually sourced from suppliers and mutually determine such suppliers. However, the actual purchase of the products is conducted independently by each party and for the respective party's own account.

The Cooperation Agreement will be renewed automatically for consecutive twelve-month periods unless cancelled by prior written notice given at least 90 days prior to the end of the respective term.

Management and Supervisory Bodies of Schaeffler AG

General

The governing bodies are the board of managing directors (*Vorstand*), supervisory board (*Aufsichtsrat*) and general shareholders' meeting (*Hauptversammlung*). The powers of these entities are determined by the German Stock Corporation Act (*Aktiengesetz*), the German Corporate Governance Codex (*Deutscher Corporate Governance Kodex*), the articles of association (*Satzung*) and the internal rules of procedure (*Geschäftsordnung*) of the supervisory board and of the management board.

The board of managing directors of Schaeffler AG (the "**Board of Managing Directors**") is responsible for managing the company in accordance with applicable law, the articles of association, the internal rules of procedure for the Board of Managing Directors, including the business distribution plan (*Geschäftsverteilungsplan*). The Board of Managing Directors represents the company in dealings with third parties.

The Board of Managing Directors and the regional chief executive officers ("**CEOs**") together represent the Schaeffler Group's executive board (the "**Executive Board**"). In order to ensure that the regions are appropriately represented within the multi-dimensional matrix organisation of the Schaeffler Group, regional CEOs have been designated to represent each of the four regions. The regional CEOs regularly attend meetings of the Board of Managing Directors. However, the regional CEOs are not members of the Board of Managing Directors and therefore not members of a statutory board of Schaeffler Group.

The supervisory board of Schaeffler AG (the "**Supervisory Board**") appoints the members of the Board of Managing Directors and is entitled to dismiss them for good cause. The Supervisory Board advises and oversees the Board of Managing Directors on the management of the company, but is not itself authorized to manage the company, as set out in the German Stock Corporation Act (*Aktiengesetz*). However according to Section 9 paragraph 2 of the articles of association certain types of business undertaken by the Board of Managing Directors require the prior approval of the Supervisory Board. The Supervisory Board is authorized to determine which types of business are subject to such restriction.

Applicable Corporate Governance Rules

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) (the "**Code**"), in the version dated 16 December 2019 entered into force on 20 March 2020, includes principles, recommendations and suggestions for managing and monitoring of German companies listed on stock exchanges (amongst others) with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and the auditing of financial statements. The Code includes principles, recommendations and suggestions that are accepted nationally and internationally as standards of good and responsible governance. While the recommendations or suggestions of the Code are not mandatory, the German Stock Corporation Act (*Aktiengesetz*) requires the management and supervisory boards of a listed company to disclose each year which recommendations were not or will not be followed and to explain the reasons for the non-compliance. This disclosure must be made permanently publicly accessible. However, deviations from the suggestions contained in the Code need not be disclosed.

In its latest declaration of conformity, dated December 2019 and referring to the then current German Corporate Governance Kodex 2017 ("**GCGK 2017**"), Schaeffler AG confirmed that the company complies with all recommendations of the GCGK 2017 with the following exception:

- The GCGK 2017 recommended in item 5.4.1 para 2 (GCGK 2017), that the Supervisory Board shall specify concrete objectives regarding its composition and also set an age limit for the members of the Supervisory Board. The Supervisory Board of Schaeffler AG will not set such age limit because it is of the opinion that this criterion is not informative with respect to the suitability of a person to perform as member of the Supervisory Board.

Board of Managing Directors

The Supervisory Board determines the number of members of the Board of Managing Directors which must consist of at least two persons according to the articles of association. The Supervisory Board may appoint one member of the Board of Managing

Directors as chair and another member as deputy chair. Currently, the Board of Managing Directors of Schaeffler AG consists of eight members with Klaus Rosenfeld appointed as chair.

The following table lists the members of the Board of Managing Directors, their respective responsibilities and their memberships on Supervisory Boards or in comparable domestic and foreign Controlling Bodies, respectively.

Name	Area of Responsibility	Memberships on Supervisory Boards or in comparable domestic and foreign Controlling Bodies
Klaus Rosenfeld	Chief Executive Officer	<ul style="list-style-type: none"> • Member of the Supervisory Board and a Member of the Audit Committee of Continental AG, Hannover • Member of the Supervisory Board of Gamesa Corporación Tecnología, Zamudio, Spain • Chairman of the advisory board of Schaeffler Consulting GmbH, Herzogenaurach; member of the board of directors of Schaeffler Holding (China) Co. Ltd., Shanghai, China; member of the board of directors of Schaeffler India Ltd., Mumbai, India • Member of the Executive Committee of the Federation of German Industries (BDI) in Berlin
Dr. Klaus Patzak	Chief Financial Officer	<ul style="list-style-type: none"> • Member of the Supervisory Board of Bayerische Börse AG
Andreas Schick	Chief Operating Officer	<ul style="list-style-type: none"> • Member of the Supervisory Board of SupplyOn AG, Hallbergmoos • Member of the Advisory Board of Bundesvereinigung Logistik (BVL) e.V.
Corinna Schittenhelm	Chief Human Resources Officer	<ul style="list-style-type: none"> • Member of the advisory board of Schaeffler Consulting GmbH, Herzogenaurach • Member of TÜV SÜD Gesellschafterausschuss GbR, Munich
Michael Söding	CEO Automotive Aftermarket	<ul style="list-style-type: none"> • Member of the shareholder committee of Caruso GmbH
Dr. Stefan Spindler	CEO Industrial	-
Uwe Wagner	Chief Technology Officer	<ul style="list-style-type: none"> • Member of the Supervisory Board of IAV GmbH Ingenieurgesellschaft Auto und Verkehr, Berlin • Member of the advisory board of Schaeffler Paravan Technologie GmbH & Co. KG, Herzogenaurach • Member of the advisory board of Xtronic GmbH, Boeblingen • Member of the advisory board of Compact Dynamics GmbH, Starnberg
Matthias Zink	CEO Automotive OEM	<ul style="list-style-type: none"> • Member of the advisory board of Compact Dynamics GmbH, Starnberg • Member of the advisory board of Schaeffler Paravan Technologie GmbH & Co. KG, Herzogenaurach • Member of the Supervisory Board of Schaeffler Savaria Kft., Szombathely, Hungary • Chairman of the board of directors of Schaeffler (China) Co. Ltd., Shanghai, China

The members of the Board of Managing Directors may be contacted at the business address of Schaeffler AG.

The following table sets forth certain information on the regional CEOs:

Name	Area of Responsibility
Jürgen Ziegler	Regional CEO Europe
Marc McGrath	Regional CEO Americas
Dr. Yilin Zhang	Regional CEO Greater China
Dharmesh Arora	Regional CEO Asia/Pacific

Supervisory Board

The Supervisory Board consists of 20 members (10 shareholder representatives and 10 employee representatives). The shareholder representatives are elected by the shareholders at the general shareholders' meeting.

The current members of the Supervisory Board of Schaeffler AG, their principal occupations and their principal board memberships outside the Schaeffler Group, respectively, are as follows:

Name/Function	Position / Principal Occupation	Memberships on other Supervisory Boards or in comparable domestic and foreign Controlling Bodies
Georg F. W. Schaeffler	Chairman of the Supervisory Board of Schaeffler AG Partner of INA-Holding Schaeffler GmbH & Co. KG and Managing Director of IHO Verwaltungs GmbH	<ul style="list-style-type: none"> Member of the Supervisory Board of Continental AG, Hannover and also a member of its Presiding Committee and Audit Committee Chairman of the advisory board of Atesteo Management GmbH
Maria-Elisabeth Schaeffler-Thumann	Deputy Chairperson of the Supervisory Board of Schaeffler AG Partner of INA-Holding Schaeffler GmbH & Co. KG and Managing Director of IHO Verwaltungs GmbH	<ul style="list-style-type: none"> Member of the Supervisory Board of Continental AG, Hannover
Jürgen Wechsler*	Deputy Chairman of the Supervisory Board of Schaeffler AG Representative of IG Metall at Schaeffler	-
Sabine Bendiek	Chairman of the Executive Board of Microsoft Deutschland GmbH	-
Prof. Dr. Hans-Jörg Bullinger	Professor of Technology Management	<ul style="list-style-type: none"> Chairman of the Supervisory Board of ARRI AG, Munich Member of the Supervisory Board of Bauernfeind AG, Zeulenrode-Triebes Member of the Supervisory Board of CO.DON AG, Berlin Chairman of the Supervisory Board of TÜV SÜD AG, Munich
Dr. Holger Engelmann	Chairman of the Executive Board of Webasto SE	<ul style="list-style-type: none"> Chairman of the Supervisory Board of Webasto Thermo & Comfort SE, Gilching

Name/Function	Position / Principal Occupation	Memberships on other Supervisory Boards or in comparable domestic and foreign Controlling Bodies
Prof. Dr. Bernd Gottschalk	Managing Partner of AutoValue GmbH	<ul style="list-style-type: none"> • Vice Chairman of the Supervisory Board of the JOST Werke AG, Neu-Isenburg • Member of the Supervisory Board and the Remuneration Committee (Comité des Rémunération) of Plastic Omnium S.A., Paris, France • Chairman of the Supervisory Board of Haldex AB, Landskrona, Schweden
Andrea Grimm*	Deputy Chairperson of the Works Council at Herzogenaurach plant Member of the General Works Council of Schaeffler Technologies AG & Co. KG Member of the Schaeffler Group European Works Council	-
Thomas Höhn*	2nd authorized representative for IG Metall, Schweinfurt Company representative of IG Metall for Schaeffler AG	-
Susanne Lau*	Chairwoman of the Group Works Council Schaeffler AG Chairwoman of the Works Council at the Hamburg plant Deputy Chairperson of the General Works Council Schaeffler AAM GmbH & Co. KG, Automotive Aftermarket Division	-
Barbara Resch*	Secretary of IG Metall regional directorate of Baden-Wuerttemberg	-
Jutta Rost*	Senior Vice President HR Functions, Schaeffler AG	-
Jürgen Schenk*	Deputy Chairman of the Works Council for Schweinfurt and member of the General Works Council	<ul style="list-style-type: none"> • Member of the Supervisory Board of ACR Auto Club Europa e.V.
Helga Schönhoff*	Deputy Chairwoman of the Supervisory Board of Schaeffler Automotive Bühl GmbH & Co. KG Member of the Schaeffler Group Works Council	-
Sabrina Soussan	CEO dormakaba Holding AG effective 1 April 2021 following a prior onboarding phase starting 2021; former Co-CEO Siemens Mobility GmbH until July 2020	<ul style="list-style-type: none"> • Member of the board of directors of ITT Inc., White Plains, U.S. • Advisor role to Siemens Mobility GmbH until December 31, 2020

Name/Function	Position / Principal Occupation	Memberships on other Supervisory Boards or in comparable domestic and foreign Controlling Bodies
Robin Stalker	Certified Public Accountant	<ul style="list-style-type: none"> Vice Chairman of the Supervisory Board of Schmitz Cargobull AG, Horstmar Member of the Supervisory Board and member of the Audit and Risk Committees of Commerzbank AG, Frankfurt am Main
Salvatore Vicari*	Chairman of the General Works Council Deputy Chairperson of Schaeffler's European Works Council Chairman of the Works Council at Homburg/Saar plant	<ul style="list-style-type: none"> Member of the Supervisory Board of GEW Management GmbH, Hamburg
Prof. TU Graz e.h. KR Ing. Siegfried Wolf	Entrepreneur	<ul style="list-style-type: none"> Member of the Supervisory Board of Banque Eric Sturdza SA, Genf, Schweiz Member of the Supervisory Board of Continental AG, Hannover Member of the Supervisory Board of Miba AG, Mitterbauer Beteiligungs AG, Laakirchen, Österreich Chairman of the Supervisory Board of Sberbank Europe AG, Vienna, Austria Member of the Supervisory Board of Porsche Automobil Holding SE, Stuttgart
Prof. Dr.-Ing. Tong Zhang	Director of the Academic Commission, Department of Automotive Engineering Center at Tongji University, Shanghai	-
Markus Zirkel*	Deputy Chairman of the Works Council at the Hirschaid location	<ul style="list-style-type: none"> Member of the Supervisory Board of VR Bank Bamberg-Forchheim eG

* Employee representative

The current term of appointment of the members of the Supervisory Board representing the shareholders will end on the date of the annual general meeting of the Issuer in 2024.

The members of the Supervisory Board may be contacted at the business address of Schaeffler AG.

Committees of the Supervisory Board

The Supervisory Board has formed the following committees from among its members:

Executive Committee	Audit Committee	Mediation Committee	Nomination Committee	Technology Committee
Georg F. W. Schaeffler (Chairman)	Robin Stalker (Chairman)	Georg F. W. Schaeffler (Chairman)	Georg F. W. Schaeffler (Chairman)	Prof. Dr. Hans-Jörg Bullinger (Chairman)
Salvatore Vicari	Dr. Holger Engelmann	Maria-Elisabeth Schaeffler-Thumann	Dr. Holger Engelmann	Georg F.W. Schaeffler
Barbara Resch	Andrea Grimm	Salvatore Vicari	Prof. Dr. Bernd Gottschalk	Jürgen Schenk
Maria-Elisabeth Schaeffler-Thumann	Thomas Höhn	Jürgen Wechsler	Maria-Elisabeth Schaeffler-Thumann	Salvatore Vicari

Executive Committee	Audit Committee	Mediation Committee	Nomination Committee	Technology Committee
Jürgen Wechsler	Georg F. W. Schaeffler			Jürgen Wechsler
Prof. TU Graz e.h. KR Ing. Siegfried Wolf	Jürgen Wechsler			Prof. TU Graz e.h. KR Ing. Siegfried Wolf
				Prof. Dr.-Ing. Tong Zhang

Executive Committee (Präsidialausschuss)

The executive committee is responsible for preparing the Supervisory Board meetings and decisions of the Supervisory Board regarding matters relating to the Board of Managing Directors. The general committee gives recommendations for the appointment and dismissal of members of the Board of Managing Directors. Furthermore, its approval is required for the conclusion, amendment or termination of the employment contracts of members of the Board of Managing Directors. Thus, the executive committee also acts as the Issuer's remuneration committee.

Audit Committee (Prüfungsausschuss)

The audit committee's tasks relate to accounting, the audit of the financial statements, and compliance. In particular, the committee performs a preliminary examination of the Group's annual financial statements as well as the risk management system and makes its recommendation to the plenary session of the Supervisory Board, which then passes resolutions pursuant to Section 171(1) of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, the committee discusses draft condensed financial reports and is responsible for assuring the necessary independence of auditors, for engaging the auditors, for determining the focus of the audit as required, for approving engagements for non-audit services and for negotiating the fee.

Mediation Committee (Vermittlungsausschuss)

The mediation committee's task pursuant to the German Co-Determination Act (*Mitbestimmungsgesetz*) is to nominate candidates for the Board of Managing Directors in case the required majority is not reached in the first round of voting. The mediation committee consists of the chairman of the Supervisory Board and his deputy, as well as one member elected by the shareholders' representatives and one member elected by the employees' representatives.

Nomination Committee

The Supervisory Board has established a nomination committee within the meaning of Section D.5. of the Code (former Section 5.3.3. GCGK 2017). The nomination committee consists of the chairman of the Supervisory Board along with three other members of the Supervisory Board. These members are also shareholder representatives as stipulated by D.5. of the Code (former Section 5.3.3 GCGK 2017). The nomination committee is responsible for proposing suitable candidates to the Issuer's shareholders' meeting for election to the Supervisory Board.

Technology Committee

The Supervisory Board has established a technology committee, which is made up of equal numbers of employee and shareholder representatives. The technology committee is responsible for the regular exchange of information between the Supervisory Board and the Board of Managing Directors on technological developments and for joint deliberations on technology projects.

Conflicts of Interest

Schaeffler AG has not been notified or otherwise been informed by any of the members of the Board of Managing Directors or any member of the Supervisory Board about any potential conflicts of interest between any duties to Schaeffler AG of the members of the Board of Managing Directors and of the Supervisory Board and their private interests and/or other duties.

Recent Events since June 30, 2020

Rating

On July 20, 2020, the rating agency Standard & Poor's downgraded its ratings for the Schaeffler Group from previously BBB- to BB+. Standard & Poor's considers the outlook for the ratings to be "stable".

Appointment of new Chief Financial Officer

On July 20, 2020, the Supervisory Board of Schaeffler AG appointed Dr. Klaus Patzak as a member of the Board of Managing Directors of Schaeffler AG for a three-year term of office effective from August 1, 2020. Dr. Patzak assumed the position of CFO, which includes responsibility for the Finance and IT functions, as the successor to Dietmar Heinrich, who left Schaeffler AG as agreed on July 31, 2020, in order to pursue new challenges in his career.

COVID-19 and Additional Structural Measures

Although demand has picked up across all of Schaeffler's three divisions and four regions since 30 June 2020 and a sequential improvement trend compared to the prior months, uncertainty surrounding the pandemic outlook and the resulting economic downturn remains high. Moreover, market and revenue projections for the five years to 2025 point to a slow recovery, resulting in structural overcapacity at the Issuer's production plants. The automotive industry, which was already undergoing structural transformation amid the move to electrification, has been hit hard by the COVID-19 crisis. In a sharp decline, global light vehicle production for 2020 is forecast to be down about 20 percent year on year, and a return to pre-crisis levels is not expected until 2024 at the earliest (*source: IHS Markit, as of August 2020*). Global industrial production has also been significantly impacted, with estimates for 2020 pointing to a downturn of more than 5 percent (*source: Oxford Economics, as of September 2020*).

In this context, the Schaeffler Group considers it highly probable that a declining market will adversely affect demand for the Group's products in 2020. Additionally, the current consequences of the coronavirus pandemic point to a possible adverse medium-term trend in the Schaeffler Group's relevant sales markets in the timeframe beyond 2020.

In light of this economic environment, the Issuer considers it to be vital for Schaeffler Group to take further structural measures in addition to the temporary measures to address the effects of the COVID-19 crisis, such as closure days, plant holidays and short-time work, which the Issuer will continue to make use of.

On September 9, 2020, the Board of Managing Directors of the Issuer adopted an additional package of measures that is designed to accelerate the Schaeffler Group's transformation and strengthen its ability to compete and realize future opportunities. The package of measures has two broad aims:

The first is to downsize structural overcapacity and consolidate Schaeffler Group's locations in Europe, focusing in particular on Germany. The second is to strengthen the Issuer's competitiveness and build up local capabilities at selected locations in Germany. The structural measures, which the Issuer aims to have largely implemented by the end of 2022, relate mainly to twelve locations in Germany and two further locations elsewhere in Europe.

In total, the measures will result in a net workforce reduction of about 4,400 jobs in Europe. The bulk of these will be in Germany. All three of Schaeffler Group's divisions and all of its corporate functions will contribute to the measures. The package of measures is intended to be implemented in a socially responsible manner on the basis of the Future Accord signed between Schaeffler Group and the IG Metall trade union in 2018. As of the date of this Base Prospectus, the Issuer is currently engaged in constructive dialog with employee representatives with the aim of implementing the structural measures using a diverse mix of tools.

The second part of the package of measures involves clustering and consolidating local technology and production capabilities at several Schaeffler Group's locations. This shall strengthen selected locations in Germany and is aimed to boost the competitiveness of Schaeffler Group as a whole.

The Issuer envisages that the package of measures is expected to yield potential savings of EUR 250-300 million annually, of which 90 percent is expected to be realized by 2023. It is expected that about half of these savings will come from the Automotive OEM division and about half from the Industrial division, with the Automotive Aftermarket division contributing only a minor share. The measures are expected to generate transformation expenditures of about EUR 700 million, most of which is expected to be recognized as a provision in the financial statements for 2020. The capital freed up in Germany as a result of implementing the package of measures will be reinvested in key growth areas of business and technology in Germany.

New authorized capital of up to 200 million shares approved

On September 15, 2020, the creation of authorized capital of the Issuer of up to 200 million shares was approved during the Issuer's extraordinary general meeting, held as a virtual event in accordance with the COVID-19 legislation requirements. The authorization permits the issue of common non-voting shares and its term is set to end on August 31, 2025. It can be used once or in instalments during this period.

The Issuer considers the creating of the new authorized capital as measure to establish the conditions required for a potential capital increase to strengthen its capital base in with the objective of utilizing growth opportunities and driving forward the company's transformation.

Trend Information

Except for the uncertainties surrounding the pandemic outlook, the economic downturn and the potential resulting adverse trend in the Schaeffler Group's relevant sales markets which already had an impact on the Group's consolidated interim results as of June 30, 2020 and which are further described under "*Recent Events since June 30, 2020*" above, there has been no material adverse change in the prospects of Schaeffler AG since December 31, 2019.

Significant Changes

Except for the developments and strategic initiatives described under "*Recent Events since June 30, 2020*" above, there has been no significant change in the financial performance of the Group since June 30, 2020.

Except for the developments and strategic initiatives described under "*Recent Events since June 30, 2020*" above, there has been no significant change in the financial position of the Group since June 30, 2020.

Consolidated Financial Information

The following historical financial information for the Schaeffler Group is based on the audited consolidated financial statements of Schaeffler AG as of and for the financial years ended December 31, 2019 and 2018 and the unaudited financial statement for the six-month-period ended June 30, 2020, which are incorporated by reference in this Base Prospectus, and should be read together with them. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The consolidated annual financial statements of the Schaeffler Group were audited by KPMG and were both issued with an unqualified auditor's opinion.

Consolidated Income Statements

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million; earnings per share in EUR)</i>	<i>(unaudited)</i>		<i>(audited)</i>	
Revenue	5,574	7,226	14,427	14,241
Cost of sales	(4,437)	(5,413)	(10,853)	(10,558)
Gross profit	1,138	1,813	3,574	3,683
Research and development expenses	(387)	(444)	(849)	(847)
Selling expenses	(419)	(502)	(976)	(1,004)
Administration expenses	(245)	(273)	(557)	(487)
Other income	25	51	80	87
Other expenses	(335)	(162)	(482)	(78)
Earnings before financial result and income taxes (EBIT)	(223)	483	790	1,354
Financial income	20	23	57	45
Financial expenses	(110)	(104)	(194)	(199)
Financial result	(90)	(81)	(137)	(155)
Income from equity-accounted investees	(14)	(7)	(17)	(4)
Earnings before income taxes	(327)	395	636	1,195
Income taxes	(24)	(116)	(196)	(300)
Net income	(351)	279	440	895
Attributable to shareholders of the parent company	(353)	273	428	881
Attributable to non-controlling interests	1	6	12	14
Earnings per common share (basic / diluted)	(0.53)	0,41	0.64	1.32
Earnings per common non-voting share (basic /diluted)	(0.52)	0,42	0.65	1.33

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

Consolidated Statements of Financial Position

	As of		
	June 30, 2020	December 31, 2019	December 31, 2018 ⁽¹⁾
<i>(amounts in EUR million)</i>	<i>(unaudited)</i>	<i>(audited)</i>	
ASSETS			
Intangible assets	472	728	627
Right-of-use assets under leases	195	193	-
Property, plant and equipment	5,068	5,355	5,318
Investments in equity-accounted investees	130	144	160
Contract assets	3	6	11
Other financial assets	94	126	106
Other assets	106	122	85
Deferred tax assets	827	713	520
Total non-current assets	6,894	7,387	6,827
Inventories	2,229	2,132	2,183
Contract assets	41	66	45
Trade receivables	1,713	2,130	2,003
Other financial assets	148	120	131
Other assets	283	273	267
Income tax receivables	64	89	102
Cash and cash equivalents	919	668	801
Assets held for sale	10	5	2
Total current assets	5,407	5,483	5,534
Total assets	12,301	12,870	12,362
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	666	666	666
Capital reserves	2,348	2,348	2,348
Other reserves	284	931	866
Accumulated other comprehensive income (loss)	(1,507)	(1,124)	(907)
Equity attributable to shareholders of the parent company	1,791	2,822	2,973
Non-controlling interests	91	95	87
Total shareholders' equity	1,883	2,917	3,060
Provisions for pensions and similar obligations	2,956	2,637	2,173
Provisions	174	168	172
Financial debt	3,521	3,026	3,188
Contract liabilities	6	7	2
Income tax payables	98	103	103
Other financial liabilities	21	36	8
Lease liabilities	147	144	0
Other liabilities	15	15	3
Deferred tax liabilities	130	137	131
Total non-current liabilities	7,067	6,273	5,780
Provisions	319	462	244
Financial debt	400	168	160
Contract liabilities	74	60	45
Trade payables	1,358	1,732	1,967

	As of		
	June 30, 2020	December 31, 2019	December 31, 2018 ⁽¹⁾
<i>(amounts in EUR million)</i>	<i>(unaudited)</i>	<i>(audited)</i>	
Income tax payables	73	101	69
Other financial liabilities	518	545	481
Lease liabilities	51	50	0
Refund liabilities	161	232	236
Other liabilities	395	329	320
Liabilities held for sale	2	0	0
Total current liabilities	3,351	3,680	3,521
Total shareholders' equity and liabilities	12,301	12,870	12,362

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

Consolidated Statements of Cash Flows

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million)</i>	<i>(unaudited)</i>		<i>(audited)</i>	
Operating activities				
EBIT	(223)	483	790	1,354
Interest paid	(62)	(73)	(95)	(94)
Interest received	6	10	17	15
Income tax paid	(93)	(110)	(222)	(355)
Depreciation, amortization and impairment losses	735	479	980	821
(Gains) losses on disposal of assets	(3)	(9)	(8)	(3)
Changes in				
<i>Inventories</i>	(152)	(141)	77	(166)
<i>Trade receivables</i>	331	(264)	(156)	135
<i>Trade payables</i>	(332)	(55)	(145)	63
<i>Provisions for pensions and similar obligations</i>	10	0	5	(29)
<i>Other assets, liabilities and provisions</i>	(21)	64	337	(135)
Cash flows from operating activities	197	384	1,578	1,606
Investing activities				
Proceeds from disposals of property, plant and equipment	11	16	25	14
Capital expenditures on intangible assets	(13)	(9)	(22)	(14)
Capital expenditures on property, plant and equipment	(287)	(585)	(1,023)	(1,218)
Acquisition of subsidiaries and interests in joint ventures	0	(65)	(105)	(163)
Proceeds from disposal of subsidiaries and interest in joint ventures	0	4	4	0
Other investing activities	(28)	(6)	(26)	(3)
Cash used in investing activities	(316)	(645)	(1,147)	(1,384)
Financing activities				
Dividends paid to shareholders and non-controlling interests	(295)	(364)	(364)	(363)
Receipts from loans	907	2,472	2,424	404
Repayments of loans	(181)	(2,066)	(2,572)	(153)
Principal repayments on lease liabilities	(29)	(29)	(60)	0

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million)</i>	<i>(unaudited)</i>		<i>(audited)</i>	
Cash used in financing activities	403	12	(572)	(111)
Net increase (decrease) in cash and cash equivalents	284	(249)	(140)	110
Effects of foreign exchange rate changes on cash and cash equivalents	(33)	7	8	(8)
Cash and cash equivalents at the beginning of period	668	801	801	698
Cash and cash equivalents at the end of period	919	559	668	801

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

Performance Indicators

The information on the Schaeffler Group's earnings, net assets, and financial position is based on the requirements of International Financial Reporting Standards (IFRS) and, where applicable, German commercial law and German Accounting Standards (GAS).

In addition to the disclosures required by these standards, the Schaeffler Group also discloses certain performance indicators that are not defined in the relevant financial reporting standards (the "**Performance Indicators**"). These Performance Indicators include revenue growth excluding the impact of foreign currency, EBIT, EBITDA, EBIT before special items, EBIT Margin, EBITDA before special items, net financial debt, the net financial debt to EBITDA ratio, net financial debt to EBITDA before special items ratio, as well as free cash flow, free cash flow before M&A activities and the FCF conversion ratio.

Schaeffler Group presents these measures in accordance with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority, ESMA. Therefore, these indicators should be considered supplementary information. They are designed to provide comparability over time and across sectors and are calculated by making certain adjustments to, or calculating ratios between, line items contained in the income statement, statement of financial position, or statement of cash flows prepared in accordance with applicable financial reporting standards. The Performance Indicators must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS and, where applicable, German commercial law and German Accounting Standards (GAS) included elsewhere in the Base Prospectus. Investors are cautioned not to place undue reliance on these Performance Indicators and are also advised to review them in conjunction with the financial statements of the Issuer and related notes.

In addition to presenting special items, the company also aims to make the evaluation of the company's results of operations as transparent as possible by presenting its revenue figures excluding the impact of currency translation. Revenue figures at constant currency, i.e. excluding the impact of currency translation, are calculated by translating functional currency revenue using the same exchange rate for both the current and the prior year or comparison reporting period.

Adjustments for special items

In order to make the evaluation of the Issuer's results of operations as transparent as possible, the Schaeffler Group reports the indicators described above before special items (adjusted). Special items are items which the Board of Managing Directors considers rendering the financial indicators less meaningful for evaluating the sustainability of the Schaeffler Group's profitability due to their nature, frequency and/or size.

Special items are categorized as legal cases, restructuring, and other.

EBIT, EBIT margin and EBIT before special items

"**EBIT**" is defined as earnings before financial result, income (loss) from equity-accounted investees and income taxes. The "**EBIT margin**" represents EBIT as a percentage of revenue. "**EBIT before special items**" is defined as "EBIT" adjusted for special items, such as legal cases and restructuring expenses.

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million, EBIT margin in percent)</i>	<i>(unaudited)</i>		<i>(audited)</i>	
EBIT	(223)	483	790	1,354
/ Revenues	5,574	7,226	14,427	14,241
EBIT margin	(4,0)	6,7	5.5	9.5
EBIT	(223)	483	790	1,354
Special items	288	73	372	27
<i>Legal cases</i>	0	(13)	(13)	(21)
<i>Restructuring</i>	39	86	384	48
<i>Other</i>	249	0	0	0
EBIT before special items	65	556	1,161	1,381

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

EBITDA, EBITDA before special items, Net Financial Debt, Net Financial Debt to EBITDA ratio and Net financial debt to EBITDA before special items ratio

In addition to EBIT, the company calculates "EBITDA", which represents EBIT before amortization of intangible assets, depreciation of property, plant and equipment, and impairment losses. "EBITDA before special items" is defined as "EBITDA" adjusted for special items such as legal cases and restructuring expenses. EBITDA is primarily used to calculate the "Net Financial Debt to EBITDA ratio". This ratio is used to evaluate the financing structure and is the ratio of Net Financial Debt to EBITDA, where "Net Financial Debt" is defined as the sum of current and non-current financial debt net of cash and cash equivalents. EBITDA before special items is used to calculate the "Net financial debt to EBITDA before special items ratio".

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million, EBITDA ratios in percent)</i>	<i>(unaudited)</i>		<i>(unaudited, unless otherwise specified)</i>	
EBIT*	(223)	483	790	1,354
Depreciation, amortization and impairment losses*	735	479	980	821
EBITDA	513	962	1,769	2,175
Special items	39	61	347	27
<i>Legal cases</i>	0	(13)	(13)	(21)
<i>Restructuring</i>	39	74	360	48
<i>Other</i>	0	0	0	0
EBITDA before special items	551	1,023	2,116	2,202
Bonds	2,783	2,779	2,781	2,019
Schuldschein Loan	505	0	0	0
Facility Agreement	96	728	48	1,146
Capital Investment Loan	237	218	249	183
Commercial Paper	297	0	115	0
Other Financial Debt	4	0	1	0
Total Financial Debt	3,921	3,725	3,194	3,348
Cash and Cash Equivalents	919	559	668	801
Net Financial Debt	3,002	3,167	2,526	2,547
/ EBITDA ⁽²⁾	1,320	1,966	1,769	2,175
Net Financial Debt to EBITDA ratio	2.3	1.6	1.4	1.2

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million, EBITDA ratios in percent)</i>	<i>(unaudited)</i>		<i>(unaudited, unless otherwise specified)</i>	
Net Financial Debt	3,002	3,167	2,526	2,547
/ EBITDA before special items ⁽³⁾	1,644	2,034	2,116	2,202
Net Financial Debt to EBITDA before special items ratio	1.8	1.6	1.2	1.2

* Audited for financial years 2019 and 2018.

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

(2) EBITDA is based on the last twelve months. EBITDA for the twelve-month period ended 30 June 2020, 2019 respectively, included EBITDA for the six-months period ended June 30, 2020, 2019 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2020, 2019 respectively, plus EBITDA included in the audited consolidated financial statements for the fiscal year ended December 31, 2019, 2018 respectively, less EBITDA for the six-months period ended June 30, 2019, 2018 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2019, 2018 respectively.

(3) EBITDA before special items is based on the last twelve months. EBITDA before special items for the twelve-month period ended June 30, 2020, 2019 respectively, included EBITDA before special items for the six-months period ended June 30, 2020, 2019 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2020, 2019 respectively, plus EBITDA before special items included in the audited consolidated financial statements for the fiscal year ended December 31, 2019, 2018 respectively, less EBITDA before special items for the six-months period ended June 30, 2019, 2018 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2019, 2018 respectively.

Free Cash Flow before M&A activities and FCF conversion ratio

Free cash flow ("**FCF**") refers to the free funds available to the company, is calculated as the sum of cash flows from operating activities and cash flows from investing activities as well as principal repayments on lease liabilities.

As performance indicator for cash flow, the Schaeffler Group calculates free cash flow before cash in- and outflows for M&A activities ("**Free Cash Flow before M&A activities**").

To facilitate evaluation of the cash conversion cycle, the company further determines the "**FCF conversion ratio**". This ratio is adjusted by subtracting cash inflow resulting from disposals and by adding cash outflows resulting from acquisitions. FCF conversion ratio represents the ratio of Free Cash Flow before M&A activities to EBITDA before special items.

	Six-month-period ended June 30,		Fiscal year ended December 31,	
	2020	2019	2019	2018 ⁽¹⁾
<i>(amounts in EUR million, FCF conversion ratio in percent)</i>	<i>(unaudited)</i>		<i>(unaudited, unless otherwise specified)</i>	
Cash flows from operating activities*	197	384	1,578	1,606
Cash used in investing activities*	(316)	(645)	(1,147)	(1,384)
Principal repayments on lease liabilities	(29)	(29)	(60)	0
Free Cash Flow (FCF)*	(148)	(290)	372	222
Acquisitions of subsidiaries	0	(65)	(105)	(163)
Proceeds from disposals of subsidiaries	0	4	4	0
Free Cash Flow before cash in- and outflows for M&A activities	(148)	(229)	473	384
Free Cash Flow before cash in- and outflows for M&A activities ⁽²⁾	555	229	473	384
/ EBITDA before special items ⁽³⁾	1,644	2,034	2,116	2,202
FCF conversion ratio	33.7	11.3	22.4	17.4

* Audited for financial years 2019 and 2018.

(1) The Schaeffler Group has initially applied the new standards IFRS 16 effective January 1, 2019, using the modified retrospective approach to transition to the new requirements. Under this approach, prior year amounts are not adjusted.

(2) Free Cash Flow (FCF) before cash in- and outflows for M&A activities is based on the last twelve months. FCF before cash in- and outflows for M&A activities for the twelve-month period ended June 30, 2020, 2019 respectively, included FCF before cash in- and outflows for M&A activities for the six-months period ended June 30, 2020, 2019 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2020, 2019 respectively, plus FCF before cash in- and outflows for M&A activities included in the audited consolidated financial statements for the fiscal year ended December 31, 2019, 2018 respectively, less FCF before cash in- and outflows for M&A activities for the six-months period ended June 30, 2019, 2018 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2019, 2018 respectively.

(3) EBITDA before special items is based on the last twelve months. EBITDA before special items for the twelve-month period ended June 30, 2020, 2019 respectively, included EBITDA before special items for the six-months period ended June 30, 2020, 2019 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2020, 2019 respectively, plus EBITDA before special items included in the audited consolidated financial statements for the fiscal year ended December 31, 2019, 2018 respectively, less EBITDA before special items for the six-months period ended June 30, 2019, 2018 respectively, included in the unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2019, 2018 respectively.

USE OF PROCEEDS

The net proceeds from each issue of Notes by the Issuer will generally be used for general corporate and financing purposes of the Schaeffler Group. These general corporate and financing purposes may include, among other things, the refinancing of existing indebtedness, acquisitions, the underpinning of pension obligations and general working capital or capital expenditure requirements.

If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. If specified in the relevant Final Terms, the proceeds of any Tranche of Notes issued under the Programme may be used to finance and/or refinance specified Eligible Green Projects in accordance with certain prescribed eligibility criteria set out in Schaeffler Group Green Finance Framework. Additional information on the Schaeffler Group Green Finance Framework is available on the website of the Issuer (<https://www.schaeffler.com>). The Schaeffler Group Green Finance Framework is not incorporated by reference and does not form part of this Base Prospectus.

TAXATION WARNING

The tax legislation of the state of residence of a prospective purchaser of Notes and the Issuer's country of incorporation may have an impact on the income received from the Notes.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes.

SUBSCRIPTION AND SALE

Underwriting

The Notes may be issued on a continuous basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of public offers to qualified investors pursuant to the Prospectus Regulation and/or non-qualified investors, as specified in the relevant Final Terms, or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche of Notes will be stated in the relevant Final Terms.

The Issuer and the Dealers have entered into a dealer agreement dated October 1, 2020 (the "**Dealer Agreement**") which sets out, *inter alia*, the arrangements under which Notes, issued under the Programme, may from time to time be agreed to be purchased by any one or more Dealers from the Issuer. Any such agreement will, *inter alia*, contain provisions dealing with the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer(s) and the commissions or any other agreed deductibles payable or allowable by the Issuer in respect of such purchase.

Further, the Dealer Agreement provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. A subscription agreement prepared in relation to a particular Tranche of Notes will typically be dated on or about the date of the relevant Final Terms applicable to such Tranche of Notes.

Method for determining the issue price and the process for its disclosure

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Selling Restrictions

General

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefore.

United States of America (the "United States")

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specify the "*Prohibition of Sales to Retail Investors in the European Economic Area and the United Kingdom*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area and the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to Retail Investors in the European Economic Area and the United Kingdom*" as "*Not Applicable*", in relation to each Member State of the EEA and the UK (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State ("**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom of Great Britain and Northern Ireland ("United Kingdom")

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not nor will be circulated or distributed, nor have the Notes, nor will they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA; (2) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA, or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

GENERAL INFORMATION

Supplements to this Base Prospectus

The Issuer has undertaken, unless it is not intended to issue Notes under the Programme for the time being, that if at any time during the duration of the Programme, if there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any investment in the Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, to prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a replacement Base Prospectus for use in connection with any subsequent offering of Notes.

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus.

If the Terms and Conditions (as set out in the Base Prospectus) are modified or amended in a manner which would make the Base Prospectus, supplemented, inaccurate or misleading, a new prospectus will be prepared to the extent required by law.

Interests of the Dealers

Certain of the Dealers and their affiliates may be customers of, borrowers from or creditors of the Schaeffler Group and its affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Schaeffler Group and its affiliates in the ordinary course of business. Furthermore, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers 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 Dealers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Interests of persons involved in a specific issue of Notes under the Programme will be set out in the relevant Final Terms.

Authorization

The establishment of the Programme was authorised by a resolution of the management board (*Vorstand*) of Schaeffler AG dated August 27, 2018 and a resolution of the supervisory board (*Aufsichtsrat*) of Schaeffler AG passed on August 28, 2018.

The update of the Programme was authorised by a resolution of the management board (*Vorstand*) of Schaeffler AG passed on August 31, 2020.

The dates of the respective resolutions by the governing bodies of Schaeffler AG regarding the issuance of a series of Notes are set out in each Final Terms.

Clearing Systems

The Notes have been accepted for clearance through the Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ("**Euroclear**") and Clearstream Banking S.A., 42 Avenue JF Kennedy L-1855, Luxembourg ("**Clearstream, Luxembourg**") and Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream, Frankfurt**"). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

Notes potentially eligible as collateral for the Eurosystem monetary policy and intraday credit operations may be (i) deposited with either Clearstream, Frankfurt or (ii) issued in a form compliant with the new global note structure for international bearer debt securities and will be kept in safe custody with a common safekeeper ("**CSK**") to Euroclear and Clearstream, Luxembourg, the International Central Securities Depositories (the "**ICSDs**").

If Notes will be issued in the new global note structure this will be set out in the relevant Final Terms.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 549300Q7E782X7GC1P43.

Consent to the use of the Prospectus

Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Base Prospectus in Luxembourg, Germany and/or The Netherlands for the subsequent resale or final placement of the relevant Notes during the respective offer period (all as specified in the applicable Final Terms) during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Base Prospectus is still valid in accordance with Article 12(1) of the Prospectus Regulation.

The Base Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Base Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). When using the Base Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a Dealer and/or a further financial intermediary the Dealer and/or the further financial intermediary, shall provide information to investors on the terms and conditions of the Notes at the time of that offer.

Any Dealer and/or a further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.

Documents Available

For a period of ten years from the date of this Base Prospectus or as long as any Notes issued under this Programme are outstanding, electronic versions of the following documents are available on the website of the Schaeffler Group:

- (i) the articles of incorporation of the Issuer (accessed by using the hyperlink: "https://www.schaeffler.com/remotemedien/media/_shared_media/09_investor_relations/dokumente/publikationen/2015_4/articles_of_association_schaeffler_ag_en.pdf"); and
- (ii) the documents incorporated by reference into this Base Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Base Prospectus, any document incorporated by reference and any supplement to this Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, electronic versions of the contracts relating to a joint representative of the Noteholders of a Series of Notes pursuant to § 14 of the Terms and Conditions, where applicable, will be made available on the Issuer's website.

Third Party Information

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Dealer has independently verified any such information and neither the Issuer nor any Dealer accepts any responsibility for the accuracy thereof.

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Base Prospectus and which have been filed with the CSSF, are incorporated by reference into this Base Prospectus:

- (1) extract from the H1 Interim Financial Report as at June 30, 2020 of the Schaeffler Group (the "**H1 Interim Financial Report 2020**"), containing the English language translation of the respective German language unaudited and reviewed consolidated financial statements of Schaeffler AG as of and for the six-month period ended June 30, 2020 and the German language independent auditor's review report (*Bericht der prüferischen Durchsicht*) in respect thereof;
- (2) Annual Report 2019 of the Schaeffler Group (the "**Annual Report 2019**"), containing the English language translation of the respective German language audited consolidated financial statements of Schaeffler AG as of and for the year ended December 31, 2019 and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof; and
- (3) Annual Report 2018 of the Schaeffler Group (the "**Annual Report 2018**"), containing the English language translation of the respective German language audited consolidated financial statements of Schaeffler AG as of and for the year ended December 31, 2018 and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof.

The non-incorporated parts of such documents, i.e. the pages not listed in the tables below, are either not relevant for the investor or covered elsewhere in the Base Prospectus.

(1) Extracted from: Schaeffler Group – H1 Interim Financial Report 2020

Consolidated Income Statement.....	page 30
Consolidated Statement of Comprehensive Income.....	page 31
Consolidated Statement of Financial Position.....	pages 32-33
Consolidated Statement of Cash Flows.....	page 34
Consolidated Statement of Changes in Equity	page 35
Consolidated segment information.....	Page 36
Condensed Notes to the Consolidated Interim Financial Statement.....	pages 37 - 44
Review Report ⁷⁵	page 45

(2) Extracted from: Schaeffler Group – Annual Report 2019

Consolidated Income Statement.....	page 101
Consolidated Statement of Comprehensive Income.....	page 102
Consolidated Statement of Financial Position.....	page 103
Consolidated Statement of Cash Flow	page 104
Consolidated Statement of Changes in Equity	page 105
Notes to the Consolidated Financial Statement.....	pages 108 - 170
Independent Auditor's Report ⁷⁶	pages 171 - 175

⁷⁵ The review report (*Bericht der prüferischen Durchsicht*) for the unaudited consolidated financial statements refers to the condensed interim consolidated financial statements together with the interim group management report. The interim group management report is not incorporated by reference in this Base Prospectus.

⁷⁶ The independent auditor's reports (*Bestätigungsvermerke*) for the audited consolidated financial statements, prepared in accordance with Section 322 of the German Commercial Code (*Handelsgesetzbuch*), refer to the respective consolidated financial statements together with the group management report. The group management reports are not incorporated by reference in this Base Prospectus.

(3) Extracted from: Schaeffler Group – Annual Report 2018

Consolidated Income Statement.....	page 123
Consolidated Statement of Comprehensive Income.....	page 124
Consolidated Statement of Financial Position.....	page 125
Consolidated Statement of Cash Flows.....	page 126
Consolidated Statement of Changes in Equity	page 127
Notes to the Consolidated Financial Statement.....	pages 131 – 191
Independent Auditor's Report ⁷³	pages 192 - 196

All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu).

Electronic versions of the documents incorporated by reference are also available on the website of the Issuer (<https://www.schaeffler.com>) and can be accessed by using the following hyperlinks:

1. Schaeffler Group – H1 Interim Financial Report 2020

https://www.schaeffler.com/remotemedien/media/_shared_media_rwd/08_investor_relations/reports/2020_h1_schaeffler_interim_financial_report_en_qni5e1.pdf

2. Schaeffler Group – Annual Report 2019:

https://www.schaeffler.com/remotemedien/media/_shared_media_rwd/08_investor_relations/reports/2019_ar/2019_schaeffler_annual_report_en_ukt45b.pdf

3. Schaeffler Group – Annual Report 2018:

https://www.schaeffler.com/remotemedien/media/_shared_media_rwd/08_investor_relations/reports/2018_ar/2018_schaeffler_annual_report_en.pdf

ISSUER

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Commerzbank Aktiengesellschaft

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Ciudad Grupo Santander
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Edificio Encinar
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Madrid
Spain

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75009 Paris
France

Citigroup Global Markets Europe AG

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Germany

Commerzbank Aktiengesellschaft

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Germany

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United Kingdom

MUFG Securities (Europe) N.V.

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