



BayWa Aktiengesellschaft

Up to €300,000,000 Undated Resettable Fixed Rate Subordinated Notes

Issue Price: [●]%

BayWa Aktiengesellschaft, incorporated as a stock corporation (*Aktiengesellschaft*) in the Federal Republic of Germany, (the “**Issuer**” or the “**Company**”) will issue on October 11, 2017 (the “**Issue Date**”) Undated Resettable Fixed Rate Subordinated Notes (the “**Notes**”) in an aggregate principal amount of up to €300,000,000 (the “**Aggregate Principal Amount**”). The Notes will be issued in bearer form in denominations of €1,000 (the “**Specified Denomination**”). The Notes will be governed by the laws of the Federal Republic of Germany (“**Germany**”).

The Notes will bear interest on their aggregate principal amount from and including October 11, 2017 (the “**Interest Commencement Date**”) to, but excluding, October 11, 2022 (the “**First Call Date**”) at a fixed rate of [●]% per annum. Thereafter, and unless previously redeemed, the applicable Rate of Interest for each Interest Period (each as defined in the Terms and Conditions) for the period from (and including) the First Call Date to (but excluding) the date on which the Issuer redeems the Notes in accordance with the Terms and Conditions shall be the applicable annual swap rate for Euro swap transactions with a term of 5 years for the relevant Interest Period plus the Margin (as defined in the Terms and Conditions). Interest shall be scheduled to be paid annually in arrears on October 11 in each year (each an “**Interest Payment Date**”) commencing on October 11, 2018.

The Issuer is entitled to defer interest payments under certain circumstances (as set out in § 5 of the Terms and Conditions) (such payment the “**Deferred Interest Payments**”). The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 5 of the Terms and Conditions) and it shall pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 5 of the Terms and Conditions). Such Deferred Interest Payments will not bear interest themselves.

The Notes do not have a maturity date. The Notes are redeemable by the Issuer at its discretion on the First Call Date or on any Interest Payment Date thereafter and, in each case as described in the Terms and Condition of the Notes. Additionally, if either a Gross-Up Event, an Accounting Event, a Tax Event or a Change of Control Event (each as defined in the Terms and Conditions) shall have occurred, the Issuer may call the Notes for redemption (in whole but not in part) at any time. If the Notes are called by the Issuer upon the occurrence of a Gross-up Event or a Change of Control Event, the Notes will be redeemed at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Notes to (but excluding) the Redemption Date and the Change of Control Effective Date (each as defined in the Terms and Conditions), respectively, but yet unpaid and any Arrears of Interest. If the Notes are called upon the occurrence of an Accounting Event or a Tax Event or in the event that the Issuer has purchased Notes equal to or in excess of 85% of the Aggregate Principal Amount of the Notes initially issued, the Notes will be redeemed (i) at an amount per Note equal to 101% of the Specified Denomination, plus any interest accrued on the Notes to (but excluding) the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to the Terms and Conditions on the specified Redemption Date if such redemption occurs prior to the First Call Date, or (ii) at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to (but excluding) the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to the Terms and Conditions on the specified Redemption Date if such redemption occurs on or after the First Call Date.

The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be exchangeable in whole or in part for a Permanent Global Note without interest coupons, not earlier than 40 days after the Interest Commencement Date, upon certification as to non-U.S. beneficial ownership.

The Issue Price, the aggregate principal amount of Notes to be issued, the interest rate, the margin, the issue proceeds and the yield of the issue to the First Call Date will be set out in the Pricing Notice (as described under “*Offer, Subscription and Sale*”) which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date (which is expected to be on or about October 4, 2017) and prior to the Issue Date.

This prospectus (the “**Prospectus**”) constitutes a prospectus within the meaning of Article 5 (3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the “**Prospectus Directive**”) This Prospectus will be published in electronic form, together with any supplement thereto, with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (the “**Regulated Market of the Luxembourg Stock Exchange**”), which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Sole Global Coordinator

UniCredit Bank

Joint Bookrunners

M.M.Warburg

UniCredit Bank

Co-Lead Managers

BayernLB

DZ BANK AG

The date of this Prospectus is September 29, 2017.

NOTICE

This Prospectus should be read and construed with any supplement thereto and the Pricing Notice and with the documents incorporated by reference herein.

The Issuer has confirmed to the Managers (as defined herein in “*Offer, Subscription and Sale*”) that this Prospectus is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer (hereinafter also referred to as “**BayWa AG**”) or BayWa Group (with BayWa Aktiengesellschaft as the ultimate parent company and, together with its consolidated subsidiaries, the “**Group**” or the “**BayWa Group**”) or the Notes, the omission of which would make this Prospectus as a whole or any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

The Issuer has undertaken with the Managers to prepare a supplement to this Prospectus in the event that any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Notes, arises or is noted after the date of this Prospectus.

No person has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Managers or any individual Manager.

No representation or warranty is made or implied by the Managers or any of their respective affiliates, and neither the Managers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in this Prospectus.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date upon which this Prospectus has been published or most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see “*Offer, Subscription and Sale—Selling Restrictions*”.

The distribution of this Prospectus as well as the offering, sale, and delivery of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see “*Offer, Subscription and Sale—Selling Restrictions*”.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase Notes and should not be considered as a recommendation by the Issuer or any Manager that any recipient of this Prospectus should subscribe for or purchase Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

IN CONNECTION WITH THE ISSUE OF THE NOTES, UNICREDIT BANK AG (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This Prospectus contains assessments of market data and information derived therefrom which could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of BayWa Group or future statistics by independent sources. As regards the market positions of BayWa Group, BayWa Group's own estimations are mainly based on company data which either is derived from information by competitors or from data provided by independent research companies.

The language of this Prospectus is English. The German text of the Terms and Conditions is controlling and binding; the respective English language text constitutes a translation. In respect of the documents incorporated by reference, the German language version is controlling and binding in relation to the documents listed in the table of documents incorporated by reference in the section “*Documents Incorporated by Reference*”.

FORWARD-LOOKING STATEMENTS

This Prospectus contains various forward-looking statements that reflect management's current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology or subjective assessments, including the words "aims", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue" or "should" or, in each case, their negative or similar terms and phrases, including references and assumptions. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places throughout this Prospectus, including, without limitation, in the sections entitled "*Summary*", "*Risk Factors*" and "*Business*", and include, among other things, statements relating to BayWa Group's:

- strategy, outlook and growth prospects;
- expectations as to future growth in demand for products and services;
- the impact of weather conditions and governmental regulations; and
- the competitive environment.

Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others:

- changes in economic, geopolitical or other events;
- weather conditions, disease, government programs, competition, and various other factors affecting the availability and prices of the agricultural commodities and agricultural commodity products the BayWa Group procures, stores, transports and merchandises;
- unfavorable weather conditions or natural calamities that reduce agricultural production adversely affecting BayWa Group's business;
- BayWa Group's operating results being adversely affected by changes in government policies, mandates and regulations specifically affecting the agricultural sector and related industries;
- changing worldwide demand for food and different forms of bio-energy on the price of farm commodities and, consequently, the demand for certain agricultural equipment;
- the cyclicity and seasonality and downturns in the construction industry;
- competition in the markets in which BayWa Group operates;
- compliance with numerous laws and regulations in multiple jurisdictions;
- dependence on BayWa Group's compliance and risk management systems;
- exposure to volatility and changes in foreign currency exchange rates arising from international operations;
- exposure to credit risk through financing of trading partners and commercial customers;
- international operations giving rise to complex tax matters; and
- risks from legal proceedings and investigations.

These forward-looking statements speak only as of the date of this Prospectus. The Issuer expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

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SUMMARY

*Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This summary (the “**Summary**”) contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the Summary with the mention of “not applicable”.*

Section A – Introduction and Warnings

A.1 Warnings.

This Summary should be read as an introduction to this prospectus (the “**Prospectus**”). Any decision to invest in the securities should be based on consideration of the Prospectus as a whole.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area (the “**Member States**”), have to bear the costs of translating the Prospectus, before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

A.2 Information regarding the subsequent use of the Prospectus.

The Issuer consents to the use of the Prospectus by the Managers and all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus.

The subsequent resale or final placement of Notes by the Managers and/or by any financial intermediary can be made during the offer period which will commence on September 29, 2017 and will be open until October 11, 2017 being the date of issuance of the Notes.

The Managers and/or the financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Austria and Germany.

Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.

In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Section B – Issuer

B.1 Legal and commercial name.

The legal and commercial name of the Issuer is BayWa Aktiengesellschaft.

B.2	Domicile, legal form, legislation under which the issuer operates, country of incorporation.	BayWa Aktiengesellschaft has its registered seat in Munich, Germany, and is registered with the commercial register (<i>Handelsregister</i>) maintained by the local court (<i>Amtsgericht</i>) of Munich, Germany, under HRB 4921. The Company is a German stock corporation (<i>Aktiengesellschaft</i>) incorporated under and governed by the laws of the Federal Republic of Germany.
B.4b	Known trends affecting the Issuer and the industries in which it operates.	The following external factors exert a significant influence on the course of BayWa Group's business: • economic and geopolitical events; • crop disease; • changes in government policies, mandates and regulations; • changing worldwide demand for food and different forms of bio-energy; • unfavorable weather conditions or natural calamities; • governmental incentives for renewable energy sources; • cyclicity and seasonality of the construction industry; and • volatility and changes in foreign currency exchange rates.
B.5	Description of the group and the issuer's position within the group.	BayWa Aktiengesellschaft is the parent company of the BayWa Group, which as per June 30, 2017 included approximately 300 fully consolidated subsidiaries.
B.9	Profit forecast or estimate.	Not applicable. The Company has not published any profit forecasts or estimates.
B.10	Qualifications in the audit report on the historical financial information.	Not applicable. The audit opinions with respect to the audited consolidated financial statements of BayWa Aktiengesellschaft for the financial years ended December 31, 2015 and December 31, 2016 do not include any qualifications.
B.12	Selected historical key financial information regarding BayWa Group.	The financial information contained in the following tables is taken from the audited consolidated financial statements of the BayWa Group as of and for the financial year ended December 31, 2016 (the "Audited Consolidated Financial Statements") and the unaudited and unreviewed condensed consolidated interim financial statements of the BayWa Group as of and for the six months ended June 30, 2017 (the "Unaudited and Unreviewed Condensed Consolidated Interim Financial Statements"). The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") and the additional information required by section 315a para.1 German Commercial Code and the Unaudited and Unreviewed Condensed Consolidated Interim Financial Statements have been prepared in accordance with IFRS as applicable to interim financial reporting (International Accounting Standard (IAS) 34 (Interim Financial Reporting)). The Audited Consolidated Financial Statements have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, who issued an unqualified audit opinion thereon.

Selected Consolidated Statement of Income Data

	Year ended December 31,		Six months ended June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Revenues	14,928.129	15,409.882	7,456.420	8,044.006
Gross profit	1,601.223	1,626.617	790.359	863.115
Result of operating activities	150.572	122.875	51.718	69.965
Financial result	- 62.519	- 53.268	- 32.492	- 33.127
Result of ordinary activities	88.053	69.607	19.226	36.838
Consolidated net income / Net result for the period	61.603	52.715	14.714	27.439
EBIT	158.147	144.690	55.251	72.763
EBITDA	288.308	272.568	116.635	138.569
Basic earnings per share (in €)	1.39	0.90	0.01	0.43
Diluted earnings in share (in €)	1.39	0.90	0.01	0.43

Selected Consolidated Balance Sheet Data

	As of December 31,		As of June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Assets				
Non-current assets	2,287.177	2,355.738	2,282.773	2,399.447
Current assets	3,739.684	4,094.188	4,266.166	4,277.525
Non-current assets held for sale/disposal groups	9.796	24.931	32.325	21.681
Total assets	6,036.657	6,474.857	6,581.264	6,698.653
Shareholders' equity and liabilities				
Equity	1,075.901	1,098.345	1,068.712	1,111.561
Non-current liabilities	2,191.492	2,292.165	2,242.694	2,181.888
Current liabilities	2,769.264	3,084.347	3,255.889	3,405.204
Liabilities from non-current assets held for sale/disposal groups	-	-	13.969	-
Total shareholders' equity and liabilities	6,036.657	6,474.857	6,581.264	6,698.653

No material adverse change / There has been no material adverse change in the prospects significant changes in financial or of the Issuer and the Group since December 31, 2016. trading position

Not applicable. There have been no significant changes in the financial or trading position of the Issuer and its subsidiaries taken as a whole since June 30, 2017.

B.13 Recent developments.

Not applicable. There are no recent events particular to BayWa Aktiengesellschaft which are to a material extent relevant to the evaluation of its solvency.

B.14 Statement of dependency upon other entities within the Group.

Please see Element B.5 for information on the description of the Group.

Not applicable. BayWa Aktiengesellschaft is not dependent upon other entities in the Group.

B.15 Principal activities.

The BayWa Group, with BayWa Aktiengesellschaft as the ultimate parent company is a group of trading and services companies with its core activities in the following three operating segments: Agriculture, Energy and Building Materials. The new Innovation & Digitalisation development segment was established in the second half of 2016. The Agriculture segment comprises four business units: BayWa Agri Supply & Trade (BAST), BayWa Agricultural Sales (BAV), Fruit and Agricultural Equipment. BAST encompasses the BayWa Group's national and international trading, distribution and logistics activities involving grain, oilseed and additional products. The collection business and trade in operating resources and feedstuff have been pooled in the BAV business unit. The Fruit business sector combines all activities of the Group in the business of fruit and vegetable growing and trading these products. The full range of agricultural equipment and services is offered in the Agricultural Equipment business sector. The Energy operating segment is divided into the Renewable Energies business unit and the Conventional Energy business unit. Under the umbrella of BayWa r.e. renewable energy GmbH, the Group covers the entire value chain in the renewable energies business, including the development, realisation and sale of operation-ready plants plus system support, in addition to trading in photovoltaic systems and components, as well as electricity, gas and heat from renewable energy sources. The Conventional Energy business unit comprises an extensive network, which ensures the supply of heating oil, fuels, lubricants and wood pellets to commercial and private customers. The Building Materials segment comprises building materials sales activities, as well as the operation of do-it-yourself (DIY) and garden centers of the Austrian Group companies. The newly founded Innovation & Digitalisation segment, which evolved from the former Digital Farming unit and the Group's e-commerce business activities, provides software solutions and integrated services for process-controlled operations management in agriculture (smart farming).

B.16 Major shareholders.

According to voting right notifications received and the knowledge of the Issuer, the following entities hold an interest in the Issuer as of the date of this Prospectus:

Bayerische Raiffeisen-Beteiligungs-AG	34.99%
Raiffeisen Agrar Invest GmbH	25.09%
Freefloat	39.92%
Total	100.0%

B.17 Credit ratings of the Issuer or its debt securities.

Not applicable. Neither the Issuer nor the Notes nor any of the Issuer's outstanding debt securities have been assigned a rating by external rating agencies.

Section C – Securities

C.1 Type and the class of the securities being offered and/or admitted to

The Issuer is issuing unsecured notes (the "Notes").

trading.

Security identification number.

The security identification numbers of the Notes are:

ISIN: XS1695284114

Common Code: 169528411

German Securities Identification Number (WKN):
A2GSM1.

C.2 Currency.

The Notes are issued in Euro (“EUR”).

C.5 A description of any restrictions on the free transferability of the securities.

Not applicable. The Notes are freely transferable.

C.8 Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes.

Rights attached to the Notes:

The Notes entitle the Holders, in particular, to the interest payments described in Element C.9.

Ranking of the Notes:

The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves, *pari passu* with all Parity Obligations and senior only to the Junior Obligations, and in the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations and Junior Obligations), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that rank senior to the Notes have been satisfied in full.

“**Parity Obligations**” means any present or future obligation which (i) is assumed by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer’s obligations under the Notes, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Notes.

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

“**Subsidiary**” means any directly or indirectly majority-owned subsidiary of the Issuer that must be consolidated by the Issuer for the purposes of preparing annual consolidated

financial statements of the Issuer under IFRS from time to time.

Limitation of the rights attached to the Notes:

Except for (i) the possibility of the Issuer (x) to defer interest payments and (y) to call the Notes for redemption or to repurchase and cancel Notes prior to the day on which the Notes become due for redemption in accordance with the Terms and Conditions (the “**Redemption Date**”) and (ii) the prohibition of set-off, there are no limitations to the rights attached to the Notes.

Prohibition of set-off

No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of its obligations under the Notes.

Early redemption at the option of the Issuer

The Notes have no final maturity date and the Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days’ notice. In the case such call notice is given, the Issuer shall redeem the Notes at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date (as specified in the notice) but yet unpaid and any Arrears of Interest payable on such Redemption Date.

Early redemption at the option of the Issuer upon occurrence of a special event

After the occurrence of a Gross-up Event, a Tax Event, an Accounting Event or in case that the Issuer and/or any Subsidiary has purchased Notes equal to or in excess of 85% of the Aggregate Principal Amount of the Notes initially issued, the Issuer may at any time, upon giving not less than 30 and not more than 60 days’ prior notice to the Holders, call the Notes for redemption (in whole but not in part).

In the case such call notice is given following a Gross-up Event, the Issuer shall redeem the remaining Notes at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable on the specified Redemption Date.

In the case such call notice is given following an Accounting Event or a Tax Event or in case of minimal outstanding aggregate principal amount, the Issuer shall redeem the remaining Notes (x) at an amount per Note equal to 101% of the Specified Denomination plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable on the specified Redemption Date if such redemption occurs prior to the First Call Date, or (y) at an amount per Note equal to the Specified Denomination plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any

Arrears of Interest payable on the specified Redemption Date if such redemption occurs on or after the First Call Date.

An “**Accounting Event**” shall have occurred if a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the funds raised through the issuance of the Notes may not or may no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

A “**Gross-up Event**” shall have occurred if the Issuer has or will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority of or in the Federal Republic of Germany, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

A “**Tax Event**” shall have occurred if (x) an opinion of a recognized independent tax counsel has been delivered to the Issuer, stating that on or after the Issue Date, as a result of (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority of any or in any of the foregoing which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date; payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for corporate income tax purposes; and (y) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

Issuer Call Right and Redemption due to a Change of Control

If a Change of Control Event shall have occurred, (i) the Issuer will specify the Change of Control Effective Date and give notice of the occurrence Change of Control Event and the Change of Control Effective Date without undue delay

(the “**Change of Control Notice**”), and (ii) the Issuer may call the Notes for redemption (in whole but not in part) at any time with effect as of the Change of Control Effective Date upon giving of not more than 45 days’ notice after publication of the Change of Control Notice. In the case such call notice is given, the Issuer shall redeem the Notes on the Change of Control Effective Date at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Change of Control Effective Date but yet unpaid and any Arrears of Interest payable on the Change of Control Effective Date.

A “**Change of Control Event**” shall be deemed to have occurred in the event that, after the Issue Date, a Change of Control occurs.

A “**Change of Control**” shall be deemed to occur if any person (or a group of persons acting in concert) directly or indirectly acquires such number of shares in the capital of the Issuer granting more than 30 per cent. of the voting rights exercisable at general meetings of the Issuer.

“**Change of Control Effective Date**” means the date specified by the Issuer in the Change of Control Notice, which: (i) must be a Business Day; and (ii) must fall not less than 45 and not more than 60 days after publication of the Change of Control Notice.

Events of Default, Cross Default and Negative pledge

The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.

Resolutions of Holders

In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, “*SchVG*”) the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the cast.

C.9 Interest and Redemption Payments, Yield, Name of holders’ representative.

See C.8.

Interest shall be scheduled to be paid annually in arrear on October 11 of each year, commencing on October 11, 2018 (each such date, an “**Interest Payment Date**”).

The Notes will bear interest on their Aggregate Principal Amount from and including October 11, 2017 (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.

For the period from and including the Interest Commencement Date to but excluding October 11, 2022 (the “**First Call Date**”) the Notes will bear interest at a fixed rate of [●] % *per annum*.

For the period from and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole the Notes will bear interest at the applicable Reset Rate of Interest for the relevant Interest Period.

“**Interest Determination Date**” means, in respect of the Reset Reference Rate to be determined in relation to the period from and including a Reset Date to but excluding the next following Reset Date, the second TARGET Business Day preceding the Reset Date on which such period commences.

“**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.

“**Margin**” means [●] % *per annum*.¹

“**Reset Date**” means the First Call Date and each fifth anniversary of the First Call Date.

“**Reset Period**” means each period from and including the First Call Date to but excluding the first Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

“**Reset Rate of Interest**” means the Reset Reference Rate for the Reset Period in which the relevant Interest Period falls plus the Margin.

The “**Reset Reference Rate**” for the relevant Reset Period will be determined by the Calculation Agent on the Interest Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the “**Reference Reset Date**”) and will be the annual swap rate for Euro swap transactions with a term of 5 years commencing on the Reference Reset Date.

“**TARGET Business Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) is open.

If a Change of Control Event occurs and the Issuer does not redeem the Notes in whole, the applicable Rate of Interest will be increased by 5.00% *per annum* from the Change of Control Effective Date.

Optional Interest Deferral

The Issuer may elect to defer the payment of interest which will be due and payable (*fällig*) on the relevant Interest Payment Date, by giving notice to the Holders not less than

¹ Margin to reflect an interest rate step-up of 5.00% per annum over the initial credit spread from the First Call Date.

10 Business Days prior to the relevant Interest Payment Date to defer the relevant payment of interest (in whole but not in part).

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

Interest not due and payable will constitute arrears of interest ("**Arrears of Interest**").

Arrears of Interest will not bear interest.

Optional Settlement of Arrears of Interest

The Issuer may pay outstanding arrears of Interest (in whole but not in part) at any time by giving notice to the Holders not less than 10 Business Days prior to such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

Mandatory Payment of Arrears of Interest

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following dates (each a "**Mandatory Settlement Date**"):

- (i) the tenth Business Day following the occurrence of a Mandatory Payment Event; or
- (ii) the date on which the Notes are redeemed; or
- (iii) the date on which the relevant general meeting of shareholders resolves the voluntary winding-up of the Issuer or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer (as applicable)).

A "**Mandatory Payment Event**" will occur upon any of the following events:

- (i) the calendar day on which a dividend, other distribution or other payment was paid or otherwise made in respect of Junior Obligations or Parity Obligations, in each case, however, other than a dividend, distribution or payment which is solely made in the form of ordinary shares of the Issuer to the shareholders of the Issuer;
- (ii) the calendar day on which the Issuer or a Subsidiary of the Issuer has redeemed, repurchased or otherwise acquired Junior Obligations or Parity Obligations prior to the respective maturity date as stipulated under the terms and conditions of such Junior Obligations or Parity Obligations at the time of their issuance or assumption (as applicable), in each case, however, other than (x) in connection with any

employee benefit plan or similar arrangements with or for the benefit of employees, officers or directors, (y) as a result of the exchange or conversion of one class of Junior Obligations for another class of Junior Obligations or the exchange or conversion of one class of Parity Obligations for another class of Parity Obligations or Junior Obligations, or (z) in the case the Issuer or the relevant Subsidiary receives Junior Obligations or Parity Obligations as consideration for a sale of assets to third parties;

(iii) the next Interest Payment Date in relation to which the Issuer elects to pay interest on the Notes scheduled to be paid on such Interest Payment Date;

provided that

(x) in the cases (i) and (ii) above, no Mandatory Payment Event will occur if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Obligations or Parity Obligations or by mandatory operation of law to make such payment, such redemption, such repurchase or such other acquisition; and

(y) in the case (ii) above, no Mandatory Payment Event will occur if the Issuer or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Obligation (as applicable) below its par value.

Underlying on which interest rate is based

Not applicable for the interest rate applicable in respect of the period from and including the Interest Commencement Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the Reference Rate (as defined above).

Maturity date including repayment procedures

The Notes have no final maturity date. Unless the Notes are previously redeemed or repurchased and cancelled, the Notes will be redeemed at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date (as specified in the notice) but yet unpaid and any Arrears of Interest payable on such Redemption Date. Payment shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Indication of yield

The yield of the Notes from October 11, 2017 to the First Call Date will be determined on the pricing date which is expected to be on or about October 4, 2017 and will be published in a Pricing Notice on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after October 4, 2017 and prior to the Issue Date of the Notes. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.

C.10 Derivative component in interest payment.

See C.9.

Not applicable. The Notes do not have a derivative component.

C.11 Admission to trading of securities on

Application has been made for the Notes to be admitted to

a regulated market.

trading on the regulated market of the Luxembourg Stock Exchange.

Section D – Risks

D.2 Key information on the key risks that are specific to the Issuer or its industry.

Risks Related to the Markets and Business of the Group

- Economic, geopolitical or other events could adversely affect the BayWa Group.
- The availability and prices of the agricultural commodities and agricultural commodity products the BayWa Group procures, stores, transports and merchandises can be affected by weather conditions, disease, government programs, competition, and various other factors beyond the Group's control.
- Changes in government policies, mandates and regulations specifically affecting the agricultural sector and related industries could adversely affect the BayWa Group's operating results.
- Changing worldwide demand for food and different forms of bio-energy could have an effect on the price of farm commodities and, consequently, the demand for certain agricultural equipment.
- BayWa Group's business may be adversely affected by unfavorable weather conditions or natural calamities that reduce agricultural production.
- The business operations of BayWa Group in the field of renewable energies depend on governmental incentives for renewable energy sources.
- The construction industry is cyclical in nature and subject to seasonality, and downturns in the construction industry adversely impact BayWa Group's Building Materials segment.
- BayWa Group operates in competitive markets and its competitive position may deteriorate.
- BayWa Group is required to comply with numerous laws and regulations in multiple jurisdictions.
- BayWa Group is dependent on its compliance and risk management systems. There can be no assurances that the Group's compliance and risk management systems are adequate to address all applicable risks in every jurisdiction.
- BayWa Group is dependent on information technology and the integrity of its information and data.
- BayWa Group is exposed to volatility and changes in foreign currency exchange rates arising from its international operations.
- BayWa Group is exposed to interest rate risks through its various financing arrangements.
- BayWa Group is exposed to the credit risk and potential default of its financing of trading partners and commercial customers.
- BayWa Group is exposed to liquidity risks. It may be unable to meet payment obligations because it has insufficient cash funds at its disposal.
- BayWa Group may not be able to integrate acquired businesses effectively or successfully.
- BayWa Group's international operations give rise to complex tax matters.

- The success of BayWa Group's business relies on certain key personnel, and BayWa Group's ability to attract and retain key personnel, other qualified management personnel and skilled workers.
- BayWa Group is dependent on good relationships with its employees and unions. BayWa Group's success is highly dependent on its employees.
- BayWa Group is subject to risks from legal proceedings and investigations.
- BayWa Group has significant pension obligations to current and past employees, which could increase due to factors beyond the Group's control.
- BayWa Group's insurance coverage may not be sufficient or its insurance premiums may increase.

D.3 Key risks specific to the securities

Risks Related to the Notes

- Notes may not be a suitable investment for all investors.
- The Notes have no scheduled maturity.
- Interest payments under the Notes may be deferred at the option of the Issuer.
- At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions of the Notes after the occurrence of a Gross-up Event, an Accounting Event, a Tax Event, or if 85 per cent. or more in principal amount of the Notes initially issued have been purchased. Furthermore, the Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice to the Holders. In such case, the Holders might suffer a lower than expected yield.
- The Notes are non-voting. Consequently, the Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Arrears of Interests or any other decisions.
- Due to future money depreciation (inflation), the real yield of an investment may be reduced.
- Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments on the Notes.
- The obligations of the Issuer under the Notes are unsecured subordinated obligations of the Issuer.
- The Terms and Conditions do not contain any express provisions setting out events of default or a cross default.
- There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes.
- Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market. However, there can be no assurance that a liquid secondary market for the Notes will develop.
- During the period to but excluding the First Call Date, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest

rate), as the market interest rate fluctuates.

- After the First Call Date, investors should be aware that the interest rate will be determined with effect as of each Reset Date at the 5-year swap rate for the relevant Reset Period plus a margin. The performance of the 5-year swap rate and the interest income on the Notes cannot be determined. In addition, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.
- The market value of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons.
- The Euro-denominated Notes could represent a currency risk for a Holder if the Euro represents a foreign currency to such Holder; in addition governments and competent authorities could impose exchange controls in the future.
- The income under the Notes may be reduced by taxes.
- Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.
- No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the Interest Commencement Date.
- The interest rate for the Notes which will be determined on each Reset Date at the 5-year swap rate for the relevant Reset Period plus a margin, from and including the First Call Date, could be affected if the date on which the interest rate for the Notes is determined, falls in times of high volatility due to a sovereign debt crisis or for other reasons.
- If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of the Foreign Account Tax Compliance Act (“**FATCA**”), neither the Issuer, nor any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.
- The EU respectively (certain) EU Member States might impose a Financial Transaction Tax and the implications are not fully foreseeable at the moment.
- Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.
- A holder is subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the case that the holders agree to amendments of the Terms and Conditions of the Notes by majority vote according to the SchVG. In the case of an appointment of a joint representative for all holders by majority resolution of the holders, a particular holder may be deprived of its individual right to

pursue and enforce his rights against the Issuer regardless of other holders.

Section E – Offer

E.2b Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.

The net proceeds will be used for general corporate purposes, including the refinancing of certain existing indebtedness.

E.3 Description of the terms and conditions of the offer.

The Notes will be offered in Luxembourg, Germany and Austria during an offer period which will commence on September 29, 2017 and which will be open until the expiry of October 11, 2017 being the date of issuance of the Notes (the “**Issue Date**”), subject to a shortening or extension of the offer period.

The Issue Price, the aggregate principal amount of the Notes to be issued, the interest rate, the margin, the issue proceeds and the yield to the First Call Date will be included in the Pricing Notice which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date of the Notes.

There are no conditions to which the offer is subject. Investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes.

Delivery and payment of the Notes will be made on October 11, 2017 and the confirmation of the allotment to investors will be made by electronic mail, fax or through commonly used information systems. The Notes will be delivered via book-entry through Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. (each a “**Clearing System**” and together, the “**Clearing Systems**”) and their depository banks against payment of the Issue Price.

E.4 Interests material to the issue/offer including conflicting interests.

Not applicable. There are no interests of natural and legal persons other than the Issuer involved in the issue of the Notes, including any conflicting interests that are material to the issue of the Notes.

E.7 Estimated expenses charged to the investor by the issuer.

Not applicable. The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Each investor has however to inform itself about taxes or expenses it may be subject to in its respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

GERMAN TRANSLATION OF THE SUMMARY

*Zusammenfassungen bestehen aus Informationsblöcken, die als "Angaben" bezeichnet werden. Diese Angaben sind in den Abschnitten A – E (A.1 – E.7) nummeriert. Diese Zusammenfassung (die "**Zusammenfassung**") enthält alle Angaben, die für eine Zusammenfassung für diese Art von Wertpapier und diese Emittentin erforderlich sind. Da einige Angaben nicht aufgenommen werden müssen, kann die Nummerierung Lücken enthalten. Auch wenn eine Angabe für diese Art von Wertpapier und diese Emittentin in diese Zusammenfassung aufgenommen werden muss, kann es sein, dass keine relevanten Informationen zur Verfügung stehen. In diesem Fall wird eine kurze Beschreibung der geforderten Angabe mit dem Hinweis "entfällt" in die Zusammenfassung aufgenommen.*

Abschnitt A – Einleitung und Warnhinweise

A.1 Warnhinweise.

Die Zusammenfassung sollte als Einleitung zu diesem Prospekt (der "**Prospekt**") verstanden werden. Ein Anleger sollte sich bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen.

Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss möglicherweise nach den nationalen Rechtsvorschriften der Mitgliedstaaten des Europäischen Wirtschaftsraums (die "**Mitgliedsstaaten**") für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.

Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.

A.2 Zustimmung zur späteren Verwendung des Prospekts.

Die Emittentin stimmt der Verwendung des Prospekts durch die Manager und alle Finanzintermediäre zu (generelle Zustimmung) und übernimmt die Verantwortung für den Inhalt des Prospekts auch im Hinblick für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch einen Finanzintermediär, der die Zustimmung zur Verwendung des Prospekts erhalten hat.

Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch die Manager und/oder einen Finanzintermediär kann während der Angebotsfrist erfolgen. Der Beginn der Angebotsfrist ist am 29. September 2017, und die Angebotsfrist endet am 11. Oktober 2017, dem Tag der Begebung der Schuldverschreibungen.

Die Manager und/oder die Finanzintermediäre können diesen Prospekt für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen in Luxemburg, Deutschland und Österreich verwenden.

Jeder Finanzintermediär, der diesen Prospekt verwendet, muss auf seiner Internetseite bestätigen, dass er diesen Prospekt in Übereinstimmung mit der Zustimmung und den ihr beigefügten Bedingungen verwendet.

Falls ein Angebot durch einen Finanzintermediär erfolgt, wird dieser Finanzintermediär den Anlegern

Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung stellen.

Abschnitt B – Emittent

B.1	Gesetzliche und kommerzielle Bezeichnung der Emittentin.	Die gesetzliche und kommerzielle Bezeichnung der Emittentin ist BayWa Aktiengesellschaft.
B.2	Sitz, Rechtsform, geltendes Recht, Land der Gründung.	Die BayWa Aktiengesellschaft hat ihren Sitz in München, Deutschland, und ist im Handelsregister des Amtsgerichts München, Deutschland, unter HRB 4921 eingetragen. Die Gesellschaft ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in der Bundesrepublik Deutschland.
B.4b	Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.	Folgende externe Faktoren wirken auf den Geschäftsverlauf der BayWa-Gruppe in erheblichem Umfang ein: • wirtschaftliche und geopolitische Ereignisse; • Pflanzenkrankheiten; • Änderungen der Regierungspolitik, der Mandate sowie –Vorschriften; • sich wandelnde weltweite Nachfrage nach Nahrungsmitteln und verschiedenen Arten der Bioenergie; • ungünstige Wetterbedingungen oder Naturkatastrophen; • staatliche Förderung zur Energieerzeugung aus regenerativen Energieträgern; • Konjunktur- und Saisonabhängigkeit der Bauwirtschaft; und • Wechselkursschwankungen.
B.5	Beschreibung der Gruppe und der Stellung der Emittenten innerhalb dieser Gruppe.	Die BayWa Aktiengesellschaft ist die Muttergesellschaft der BayWa-Gruppe, die zum 30. Juni 2017 etwa 300 vollkonsolidierte Tochtergesellschaften umfasst.
B.9	Gewinnprognosen oder -schätzungen.	Entfällt. Die Gesellschaft hat keine Gewinnprognosen oder -schätzungen veröffentlicht.
B.10	Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.	Entfällt. Die Bestätigungsvermerke für die geprüften Konzernabschlüsse der BayWa Aktiengesellschaft für die zum 31. Dezember 2015 bzw. 31. Dezember 2016 endenden Geschäftsjahre enthalten keine Einschränkungen.
B.12	Ausgewählte wesentliche historische Finanzinformationen zur BayWa-Gruppe.	Die den folgenden Tabellen zu entnehmenden Finanzaufstellungen stammen aus dem geprüften Konzernabschluss der BayWa-Gruppe für das zum 31. Dezember 2016 endende Geschäftsjahr (der „geprüfte Konzernabschluss“) und dem ungeprüften und nicht prüferisch durchgesehenen verkürzten Konzernzwischenabschluss der BayWa-Gruppe für das zum 30. Juni 2017 endende Halbjahr (der „ungeprüfte und nicht prüferisch durchgesehene verkürzte Konzernzwischenabschluss“). Der geprüfte Konzernabschluss ist gemäß den <i>International Financial Reporting Standards</i> („IFRS“), wie sie von der Europäischen Union übernommen wurden, und den ergänzend nach §315a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften erstellt worden und der ungeprüfte und nicht prüferisch durchgesehene verkürzte Konzernzwischenabschluss ist nach den IFRS zur Erstellung von Zwischenberichten (IAS 34 – Zwischenberichterstattung) erstellt worden. Der geprüfte Konzernabschluss wurde von Deloitte GmbH Wirtschaftsprüfungsgesellschaft, München, Deutschland, geprüft, die diesen mit einem uneingeschränkten Bestätigungsvermerk versehen hat.

Ausgewählte Daten der Konzern-Gewinn- und Verlustrechnung

	Geschäftsjahr zum 31. Dezember		Sechs Monate zum 30. Juni	
	2015	2016	2016	2017
	<i>in Millionen €</i>			
	(geprüft)		(ungeprüft)	
Umsatzerlöse.....	14.928,129	15.409,882	7.456,420	8.044,006
Rohergebnis	1.601,223	1.626,617	790,359	863,115
Ergebnis der betrieblichen Geschäftstätigkeit.....	150,572	122,875	51,718	69,965
Finanzergebnis	- 62,519	- 53,268	- 32,492	- 33,127
Ergebnis der gewöhnlichen Geschäftstätigkeit.....	88,053	69,607	19,226	36,838
Konzernjahresüberschuss/Konz ernhalbjahresüberschuss.....	61,603	52,715	14,714	27,439
EBIT	158,147	144,690	55,251	72,763
EBITDA.....	288,308	272,568	116,635	138,569
Unverwässertes Ergebnis je Aktie (in €).....	1,39	0,90	0,01	0,43
Verwässertes Ergebnis je Aktie (in €).....	1,39	0,90	0,01	0,43

Ausgewählte Daten der Konzernbilanz

	Zum 31. Dezember		Zum 30. Juni	
	2015	2016	2016	2017
	<i>in Millionen €</i>			
	(geprüft)		(ungeprüft)	
Aktiva.....				
Langfristige Vermögenswerte.....	2.287,177	2.355,738	2.282,773	2.399,447
Kurzfristige Vermögenswerte.....	3.739,684	4.094,188	4.266,166	4.277,525
Zur Veräußerung gehaltene langfristige Vermögenswerte /Veräußerungsgruppen.....	9,796	24,931	32,325	21,681
Summe Aktiva	6.036,657	6.474,857	6.581,264	6.698,653
Passiva.....				
Eigenkapital	1.075,901	1.098,345	1.068,712	1.111,561
Langfristige Schulden	2.191,492	2.292,165	2.242,694	2.181,888
Kurzfristige Schulden	2.769,264	3.084,347	3.255,889	3.405,204
Schulden aus zur Veräußerung gehaltenen langfristigen Vermögenswerten/ Veräußerungsgruppen	-	-	13,969	-
Summe Passiva	6.036,657	6.474,857	6.581,264	6.698,653

Keine wesentliche Verschlechterung der Aussichten / Wesentliche Veränderungen bei Finanzlage oder Handelsposition

Seit dem 31. Dezember 2016 haben sich die Aussichten der Emittentin und der Gruppe nicht wesentlich verschlechtert.

Entfällt. Seit dem 30. Juni 2017 sind keine wesentlichen Veränderungen bei Finanzlage oder Handelsposition der Emittentin und ihrer Tochtergesellschaften insgesamt eingetreten.

B.13 Jüngste Entwicklungen.

Entfällt. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BayWa Aktiengesellschaft, die für die

Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.

B.14 Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe.

Bitte Punkt B.5 lesen hinsichtlich Informationen bezüglich der Beschreibung der BayWa-Gruppe.

Entfällt. BayWa Aktiengesellschaft ist nicht von anderen Unternehmen innerhalb der BayWa-Gruppe abhängig.

B.15 Haupttätigkeiten.

Die BayWa-Gruppe mit der BayWa AG als oberster Muttergesellschaft ist eine Gruppe von Handels- und Dienstleistungsunternehmen mit Schwerpunkten in den folgenden drei Geschäftsbereichen: Agrar, Energie und Bau. Das neu geschaffene Entwicklungssegment Innovation & Digitalisierung wurde im zweiten Halbjahr 2016 gegründet. Der Agrar Geschäftsbereich setzt sich aus vier Geschäftseinheiten zusammen: BayWa Agri Supply & Trade (BAST), BayWa Agricultural Sales (BAV), Obst und Technik. BAST umfasst die nationalen und internationalen Handels-, Distributions- und Logistiktätigkeiten der BayWa-Gruppe für Getreide, Ölsaaten und Zusatzprodukte. Im Geschäftsfeld BAV wurden das Erfassungsgeschäft und der Handel mit Betriebsmitteln sowie Futtermitteln gebündelt. Das Geschäftsfeld Obst fasst sämtliche Aktivitäten der Gruppe im Bereich Obst- und Gemüseanbau und den Handel mit diesen Produkten zusammen. Das gesamte Agrartechnikangebot und der Service werden im Geschäftsfeld Technik abgebildet. Die Geschäftsaktivitäten des Energiesegments unterteilen sich in das Geschäftsfeld Regenerative Energien und in den klassischen Energiebereich. Unter dem Dach der BayWa r.e. renewable energy GmbH deckt der Konzern die gesamte Wertschöpfungskette bei den erneuerbaren Energien ab: Entwicklung, Realisierung und Veräußerung betriebsfertiger Anlagen sowie Anlagenbetreuung, zudem noch Handel mit Photovoltaiksystemen und –komponenten sowie Energiehandel mit Strom, Gas und Wärme aus erneuerbarer Erzeugung. Das Geschäftsfeld klassische Energie beinhaltet die flächendeckende Versorgung gewerblicher und privater Kunden mit Heizöl, Kraftstoffen, Schmierstoffen und Holzpellets. Im Segment Bau sind die Aktivitäten des Vertriebs von Baustoffen sowie der Betrieb von Bau- und Gartenmärkten der österreichischen Konzerngesellschaften zusammengefasst. Das neu gegründete Segment Innovation & Digitalisierung, das aus dem früheren Geschäftsfeld Digital Farming und den E-Commerce-Aktivitäten der Gruppe hervorgegangen ist, bietet Softwarelösungen und integrierte Dienstleistungen für die prozessgesteuerte Betriebsführung in der Landwirtschaft (smart farming) an.

B.16 Hauptanteilseigner.

Gemäß den erhaltenen Stimmrechtsbenachrichtigungen und nach Kenntnis der Emittentin halten zum Zeitpunkt dieses Prospektes folgende Personen Anteile an der Emittentin:

Bayerische Raiffeisen-Beteiligungs-AG	34.99%
Raiffeisen Agrar Invest GmbH	25.09%
Freefloat	39.92%
Total	100.0%

B.17 Kreditratings der Emittentin oder ihrer Schuldtitel.

Entfällt. Weder die Emittentin noch die Schuldverschreibungen, noch sonstige von der Emittentin begebene, umlaufende Schuldtitel sind mit einem Rating von externen Ratingagenturen versehen.

Abschnitt C – Wertpapiere

- C.1 Art und Gattung der angebotenen und/oder zum Handel zugelassenen Wertpapiere.** Die Emittentin begibt unbesicherte Schuldverschreibungen (die **“Schuldverschreibungen”**).
- Wertpapierkennung.** Die Wertpapierkennnummern der Schuldverschreibungen sind:
ISIN: XS1695284114
Common Code: 169528411
WKN: A2GSM1.
- C.2 Währung.** Die Schuldverschreibungen werden in Euro (**“EUR”**) begeben.
- C.5 Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.** Entfällt. Es bestehen keine Einschränkungen der Übertragbarkeit der Schuldverschreibungen.
- C.8 Rechte, die mit den Schuldverschreibungen verbunden sind, Rangordnung, Beschränkung der Rechte.** *Mit den Schuldverschreibungen verbundene Rechte:*
Die Schuldverschreibungen berechtigen die Anleihegläubiger insbesondere zu den in Punkt C.9 beschriebenen Zinszahlungen.

Rang der Schuldverschreibungen:

Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit jeder Gleichrangigen Verbindlichkeit gleichrangig sind und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen; im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin gehen die Verbindlichkeiten aus den Schuldverschreibungen allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin (mit Ausnahme der Gleichrangigen Verbindlichkeiten und der Nachrangigen Verbindlichkeiten), ob nachrangig oder nicht nachrangig, vollständig nach, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments nicht ausdrücklich etwas anderes vorsehen, so dass die Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche, die den Schuldverschreibungen im Rang vorgehen, nicht vollständig befriedigt sind.

“Gleichrangige Verbindlichkeiten” bezeichnet jede bestehende und zukünftige Verbindlichkeit (i) der Emittentin, die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen ist oder ausdrücklich als gleichrangig vereinbart ist oder (ii) die von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Emittentin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen als gleichrangig vereinbart sind.

“Nachrangige Verbindlichkeiten” bezeichnet (i) die Stammaktien und etwaige Vorzugsaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der

Emittentin mit den Stammaktien oder etwaigen Vorzugsaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einem Tochterunternehmen der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

“**Tochterunternehmen**” bezeichnet jedes direkte oder mittelbare, mehrheitlich der Emittentin gehörende Tochterunternehmen, das im betreffenden Zeitpunkt für die Zwecke der Erstellung des konsolidierten Jahresabschlusses der Emittentin nach IFRS von der Emittentin konsolidiert werden muss.

Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte:

Die mit den Schuldverschreibungen verbundenen Rechte unterliegen keinen Beschränkungen, mit Ausnahme (i) der Möglichkeit der Emittentin (x) Zinszahlungen aufzuschieben und (y) die Schuldverschreibungen an dem Tag, an dem die Schuldverschreibungen nach Maßgabe der Anleihebedingungen zur Rückzahlung fällig werden (der “**Rückzahlungstermin**”), zu kündigen oder zurückzukaufen und zu entwerten und (ii) einem Aufrechnungsverbot.

Aufrechnungsverbot

Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Gläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

Vorzeitige Rückzahlung nach Wahl der Emittentin

Die Schuldverschreibungen haben keinen Endfälligkeitstag und die Emittentin ist berechtigt, unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Rückzahlungstermin oder danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zu diesem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintreten eines speziellen Ereignisses

Die Emittentin ist berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) nach Eintritt eines

Quellensteuer-Ereignisses, eines Steuerereignisses, eines Rechnungslegungsereignisses oder falls die Emittentin und/oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 85% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, durch eine Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu kündigen.

Im Falle einer solchen Kündigung nach Eintritt eines Quellensteuer-Ereignisses hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Im Falle einer solchen Kündigung nach Eintritt eines Rechnungslegungsereignisses oder eines Steuerereignisses oder bei geringem ausstehenden Gesamtnennbetrag hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (x) zu einem Betrag je Schuldverschreibung in Höhe von 101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen, sofern die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, oder (y) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen, sofern die Rückzahlung am oder nach dem Ersten Rückzahlungstermin erfolgt.

Ein **“Rechnungslegungsereignis”** liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin einen Brief oder einen Bericht übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Anwendung) seit dem Ausgabetag die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Eigenkapital" gemäß IFRS bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihres konsolidierten Jahresabschlusses anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

Ein **“Quellensteuer-Ereignis”** liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher

Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabetag wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

Ein „**Steuerereignis**“ liegt vor, wenn (x) der Emittentin ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge (i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer jeweiligen Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird, (ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird, oder (iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht, Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zu leisten sind, von der Emittentin nicht mehr für die Zwecke der Körperschaftssteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und (y) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

Kündigungsrecht und Rückzahlung bei einem Kontrollwechselereignis

Bei Eintritt eines Kontrollwechselereignisses (i) hat die Emittentin unverzüglich den Kontrollwechselstichtag zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag anzuzeigen (die „**Kontrollwechselmitteilung**“) und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) mit Wirkung zum Kontrollwechsel-Stichtag durch Bekanntmachung unter Einhaltung einer Frist von nicht mehr als 45 Tagen nach Bekanntmachung der Kontrollwechselmitteilung zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein „**Kontrollwechselereignis**“ gilt als eingetreten, wenn nach dem Ausgabetag ein Kontrollwechsel eintritt.

Ein „**Kontrollwechsel**“ gilt als eingetreten, wenn eine Person

(oder eine Gruppe von gemeinsam handelnden Personen) mittelbar oder unmittelbar eine solche Anzahl von Aktien der Emittentin, auf die mehr als 30 % der bei Hauptversammlungen der Emittentin ausübenden Stimmrechte entfallen, erwirbt.

“**Kontrollwechsel-Stichtag**” bezeichnet den von der Emittentin in der Kontrollwechselmitteilung festgelegten Tag, der: (i) ein Geschäftstag sein muss; und (ii) nicht weniger als 45 und nicht mehr als 60 Tage nach Bekanntmachung der Kontrollwechselmitteilung liegen darf.

Kündigungsgründe (Events of Default), Drittverzug (Cross Default) und Negativverpflichtungen

Die Anleihebedingungen enthalten keine Regelungen zu Kündigungsgründen (Events of Default), Drittverzug (Cross Default) und Negativverpflichtungen.

Gläubigerbeschlüsse

Entsprechend den Vorgaben des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (“**SchVG**”) sehen die Anleihebedingungen vor, dass die Gläubiger durch Beschluss Änderungen an den Anleihebedingungen vereinbaren (mit der Zustimmung der Emittentin) sowie über bestimmte andere anleihebezogene Angelegenheiten bestimmen können. Durch Abstimmung ohne Versammlung gemäß den Vorgaben der Anleihebedingungen ordnungsgemäß gefasste Gläubigerbeschlüsse sind für alle Gläubiger gleichermaßen verbindlich. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von nicht weniger als 75% der abgegeben Stimmen. Alle übrigen Beschlüsse können mit einer einfachen Mehrheit der abgegebenen Stimmen gefasst werden.

C.9 Zinssatz und Fälligkeitstermine, Rendite, Name des Gläubigervertreeters.

Siehe C.8.

Zinsen werden nachträglich am 11. Oktober eines jeden Jahres gezahlt, erstmals am 11. Oktober 2018 (jeweils ein “**Zinszahlungstag**”).

Die Schuldverschreibungen werden bezogen auf ihren Gesamtnennbetrag ab dem 11. Oktober 2017 (der “**Verzinsungsbeginn**”) (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst.

Für den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum 11. Oktober 2022 (der “**Erste Rückzahlungstermin**”) (ausschließlich) werden die Schuldverschreibungen zu einem festen Zinssatz in Höhe von [●]% *per annum* verzinst.

Für den Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum Kalendertag, an dem die Emittentin die Schuldverschreibungen vollständig zurückzahlt werden (ausschließlich), die Schuldverschreibungen zum anwendbaren Reset-Zinssatz für die relevante Zinsperiode verzinst.

“**Zinsfestlegungstag**” bezeichnet in Bezug auf den Reset-Referenzsatz, der für den Zeitraum von einem Reset-Termin (einschließlich) bis zum nächstfolgenden Reset-Termin

(ausschließlich) festzustellen ist, den zweiten TARGET Geschäftstag vor dem Reset-Termin, an dem dieser Zeitraum beginnt.

“**Zinsperiode**” bezeichnet den jeweiligen Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

“**Marge**” bedeutet [$\bullet$] % *per annum*.²

“**Reset-Termin**” bezeichnet den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.

“**Reset-Zeitraum**” bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

“**Reset-Zinssatz**” bezeichnet den Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der Marge.

Der “**Reset-Referenzsatz**” für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle an dem Zinsfestlegungstag vor dem jeweiligen Reset-Termin, an dem der jeweilige Reset-Zeitraum beginnt, bestimmt (der “**Referenzanpassungstermin**”) und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren beginnend mit dem Referenzanpassungstermin.

“**TARGET-Geschäftstag**” bezeichnet jeden Tag, an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet ist.

Wenn ein Kontrollwechselereignis eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag um 5,00% *per annum*.

Möglichkeit eines Zinszahlungsaufschubes

Die Emittentin ist berechtigt, durch eine Bekanntmachung an die Gläubiger innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag zu entscheiden, eine Zinszahlung, die an dem betreffenden Zinszahlungstag fällig wird, (insgesamt, jedoch nicht teilweise) auszusetzen.

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

² Die Marge beinhaltet eine Erhöhung des Zinses von 5,00% *per annum* zuzüglich zu dem anfänglichen credit spread ab dem Ersten Rückzahlungstermin.

Nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen (**„Aufgeschobene Zinszahlungen“**).

Aufgeschobene Zinszahlungen werden nicht verzinst.

Freiwillige Zahlung von Aufgeschobenen Zinszahlungen

Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Gläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung zu zahlen, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen

Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein **„Pflichtnachzahlungstermin“**):

(i) am zehnten Geschäftstag nach Eintreten eines Pflichtnachzahlungsereignisses; oder

(ii) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt werden; oder

(iii) am Kalendertag, an dem die betreffende Hauptversammlung die freiwillige Auflösung der Emittentin beschließt oder an dem ein Beschluss zur Auflösung, Abwicklung oder Liquidation der Emittentin ergangen ist (in jedem Fall aber nur, wenn dies nicht für die Zwecke oder als Folge einer Sanierung oder eines Insolvenzplanverfahrens oder eines Zusammenschlusses oder einer Umstrukturierung geschieht und die Emittentin noch zahlungsfähig ist und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

Ein **„Pflichtnachzahlungsereignis“** liegt bei Eintreten eines jeden der folgenden Ereignisse vor:

(i) der Kalendertag, an dem eine Dividende, andere Ausschüttung oder andere Zahlung auf die Nachrangigen Verbindlichkeiten oder die Gleichrangigen Verbindlichkeiten gezahlt oder anderweitig gemacht wurde (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung, die allein in Form von Stammaktien der Emittentin an die Gesellschafter der Emittentin vorgenommen wird);

(ii) der Kalendertag, an dem die Emittentin oder ein Tochterunternehmen der Emittentin Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten vor deren jeweiligem Fälligkeitstag - wie in den Bedingungen dieser Nachrangigen Verbindlichkeiten oder Gleichrangigen Verbindlichkeiten zum Zeitpunkt ihrer Begebung bzw. Übernahme bestimmt - zurückgekauft, zurückgezahlt oder anderweitig erworben hat, ausgenommen (x) in Verbindung mit einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen

Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten oder Führungskräften, (y) als Ergebnis eines Umtauschs oder einer Wandlung einer Gattung der Nachrangigen Verbindlichkeiten in eine andere Gattung Nachrangiger Verbindlichkeiten oder eines Umtauschs oder einer Wandlung einer Gattung der Gleichrangigen Verbindlichkeiten in eine andere Gattung Gleichrangiger Verbindlichkeiten oder Nachrangiger Verbindlichkeiten oder (z) falls die Emittentin oder das betreffende Tochterunternehmen Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten als Gegenleistung für einen Verkauf von Vermögenswerten an Dritte erhält;

(iii) der nächste Zinszahlungstag, bezüglich dessen die Emittentin von ihrem Wahlrecht, die Zahlung von Zinsen vorzunehmen, die an diesem Zinszahlungstag auf die Schuldverschreibungen zu zahlen sind, Gebrauch macht;

mit der Maßgabe, dass

(x) in den vorgenannten Fällen (i) und (ii) kein Pflichtnachzahlungsereignis vorliegt, wenn die Emittentin, oder das betreffende Tochterunternehmen nach Maßgabe der Bedingungen der betreffenden Nachrangigen Verbindlichkeit oder Gleichrangigen Verbindlichkeit oder kraft zwingenden Rechts zu der Zahlung, der Rückzahlung, dem Rückkauf oder dem anderweitigen Erwerb verpflichtet ist; und

(y) im vorgenannten Fall (ii) kein Pflichtnachzahlungsereignis vorliegt, wenn die Emittentin oder das betreffende Tochterunternehmen Gleichrangige Verbindlichkeiten nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot ganz oder teilweise zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.

Basiswert für die Zinsberechnung

Entfällt für den Zinssatz anwendbar auf den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum Ersten Rückzahlungstermin (ausschließlich). Dieser Zinssatz basiert nicht auf einem Basiswert. Der Zinssatz für die Reset-Zeiträume ab dem Ersten Rückzahlungstag (einschließlich) basiert auf dem Referenzsatz (wie vorstehend definiert).

Fälligkeitstag einschließlich Rückzahlungsverfahren

Die Schuldverschreibungen haben keinen Endfälligkeitstag. Sofern die Schuldverschreibungen nicht zuvor zurückgezahlt bzw. zurückgekauft und gekündigt wurden, hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zu diesem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen. Zahlungen erfolgen an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Rendite

Die Rendite der Schuldverschreibungen vom 11. Oktober 2017 bis zum Ersten Rückzahlungstermin wird am Tag der Preisfestsetzung, voraussichtlich um den 4. Oktober 2017, bestimmt und in einer Preismitteilung auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) am oder nach

dem Tag der Preisfestsetzung und vor dem Ausgabetag der Schuldverschreibungen veröffentlicht. Die Rendite der Schuldverschreibungen für die nachfolgenden Reset-Zeiträume kann zum Datum des Prospekts noch nicht bestimmt werden.

C.10 Derivate Komponente bei Zinszahlung

Siehe C.9.

Entfällt. Die Schuldverschreibungen haben keine derivative Komponente.

C.11 Einführung in einen regulierten Markt

Die Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse wurde beantragt.

Abschnitt D – Risiken

D.2 Zentrale Angaben zu den zentralen Risiken, die der Emittentin oder ihrer Branche eigen sind.

Markt- und geschäftsbezogene Risiken

- Wirtschaftliche, geopolitische oder sonstige andere Ereignisse könnten nachteilige Auswirkungen auf die BayWa-Gruppe haben.
- Wetterbedingungen, Krankheiten, staatliche Maßnahmen, Wettbewerb sowie andere externe, von der Gruppe nicht zu beeinflussende Umstände könnten sich auf die Verfügbarkeit und Preise der landwirtschaftlichen Rohstoffe und Erzeugnisse auswirken, die von der BayWa-Gruppe beschafft, gelagert, transportiert oder vermarktet werden.
- Änderungen der Regierungspolitik, -Mandate und – Vorschriften, die spezifisch den Landwirtschaftssektor oder damit zusammenhängende Wirtschaftszweige betreffen, könnten sich nachteilig auf die Geschäftsergebnisse der BayWa-Gruppe auswirken.
- Eine sich wandelnde weltweite Nachfrage nach Nahrungsmitteln und verschiedenen Arten der Bioenergie könnte den Preis für Agrarrohstoffe, und folglich die Nachfrage nach bestimmten landwirtschaftlichen Geräten beeinflussen.
- Ungünstige Wetterbedingungen oder Naturkatastrophen, die die landwirtschaftliche Produktivität verringern, könnten sich nachteilig auf das Geschäft der BayWa-Gruppe auswirken.
- Der Geschäftsbetrieb der BayWa-Gruppe im Bereich der regenerativen Energien ist abhängig von staatlicher Förderung zur Energieerzeugung aus regenerativen Energieträgern.
- Die Bauwirtschaft ist konjunkturanhängig und unterliegt saisonalen Schwankungen. Ein Abschwung in dieser Industrie könnte nachteilige Folgen für BayWa-Gruppe's Bausegment haben.
- Die BayWa-Gruppe betreibt ihr Geschäft in kompetitiven Märkten, und die Wettbewerbsposition der BayWa-Gruppe könnte sich verschlechtern.
- Die BayWa-Gruppe unterliegt zahlreichen gesetzlichen und sonstigen regulatorischen Verpflichtungen in verschiedenen Jurisdiktionen.
- Die BayWa-Gruppe ist auf ihre Compliance- und Risikomanagementsysteme angewiesen. Es ist nicht sicher, dass die Compliance- und Risikomanagementsysteme geeignet sind, alle

- möglichen Risiken in jeder Jurisdiktion abzudecken.
- Die BayWa-Gruppe ist auf die Nutzung von Informationstechnologie und die Sicherheit ihrer Informationen und Daten angewiesen.
- Aufgrund ihres internationalen Geschäfts ist die BayWa-Gruppe Risiken aus Wechselkursschwankungen ausgesetzt.
- Aufgrund ihrer verschiedenen Finanzierungen ist die BayWa-Gruppe Zinsrisiken ausgesetzt.
- Die BayWa-Gruppe ist Kreditrisiken sowie Ausfallrisiken aus Geschäftsbeziehungen zu einzelnen Handelspartnern und Geschäftskunden ausgesetzt.
- Die BayWa-Gruppe ist Liquiditätsrisiken ausgesetzt. Sie könnte aufgrund unzureichender Barmittel nicht in der Lage sein, ihren Zahlungsverpflichtungen nachzukommen.
- Die effektive und erfolgreiche Integration von durch die BayWa-Gruppe übernommenen Unternehmen könnte nicht gelingen.
- Das internationale Geschäft der BayWa-Gruppe führt zu komplexen Besteuerungsfragen.
- Der Erfolg des Geschäfts der BayWa-Gruppe hängt von bestimmten Mitarbeitern in Schlüsselpositionen ab, und der Fähigkeit der BayWa-Gruppe Mitarbeiter in Schlüsselpositionen, qualifizierte Führungskräfte sowie Fachkräfte zu gewinnen und zu halten.
- Die BayWa-Gruppe ist auf ihre guten Beziehungen zu Mitarbeitern und Gewerkschaften angewiesen. Der Erfolg der BayWa-Gruppe hängt maßgeblich von ihren Mitarbeitern ab.
- Die BayWa-Gruppe ist Risiken aus Rechtsstreitigkeiten ausgesetzt.
- Bei der BayWa-Gruppe bestehen erhebliche Verbindlichkeiten aus Pensionsplänen gegenüber derzeitigen und ehemaligen Arbeitnehmern, die sich aufgrund von der Gruppe nicht zu beeinflussender Umstände vergrößern könnten.
- Der Versicherungsschutz der BayWa-Gruppe könnte unzureichend sein. Auch könnten die von der Gruppe zu entrichtenden Versicherungsbeiträge in Zukunft steigen.

D.3 Zentrale Angaben zu den zentralen Risiken, die den Schuldverschreibungen eigen sind.

Risiken bezüglich der Schuldverschreibungen

- Die Schuldverschreibungen sind möglicherweise keine für alle Anleger geeignete Anlage.
- Die Schuldverschreibungen haben keine festgelegte Laufzeit.
- Nach Wahl der Emittentin können die Schuldverschreibungen nach Eintritt eines Quellensteuer-Ereignisses, eines Rechnungslegungsereignisses, eines Steuerereignisses oder wenn 85% oder mehr des ursprünglich begebenen Gesamtnennbetrags der Schuldverschreibungen erworben wurden, zurückgezahlt werden. Die Emittentin ist außerdem berechtigt, durch Bekanntmachung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und

nicht nur teilweise) erstmals mit Wirkung zum Ersten Rückzahlungstermin oder danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen. In diesem Fall können die Anleihegläubiger möglicherweise nur eine niedrigere Rendite erzielen als erwartet.

- Die Schuldverschreibungen verleihen keine Stimmrechte. Dementsprechend können die Anleihegläubiger Entscheidungen der Emittentin, Zinszahlungen aufzuschieben oder zu leisten oder andere Entscheidungen der Emittentin nicht beeinflussen.
- Aufgrund der Inflationsrate könnte die tatsächliche Rendite einer Investition verringert werden.
- Die Anleihegläubiger tragen das Risiko, dass Zinszahlungen und/oder die Zahlung des Rückzahlungsbetrags durch die Emittentin ganz oder teilweise ausfallen.
- Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen stellen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin dar.
- Die Anleihebedingungen enthalten keine expliziten Kündigungsrechte noch eine Drittverzugsklausel.
- Es besteht keine Beschränkung hinsichtlich der Ausgabe von Schuldtiteln durch die Emittentin, die den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im Rang gleichstehen oder gegenüber ihnen vorrangig sind.
- Bei der Luxemburger Wertpapierbörse wurde die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse beantragt. Es kann jedoch keine Zusicherung abgegeben werden, dass sich ein liquider Sekundärmarkt für die Schuldverschreibungen entwickeln wird.
- In dem Zeitraum bis zum Ersten Rückzahlungstermin (ausschließlich) kann nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.
- Ab dem Ersten Rückzahlungstermin sollten Anleihegläubiger berücksichtigen, dass der Zinssatz mit Wirkung ab jedem Reset-Termin mit Bezug auf den 5-Jahres Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgesetzt wird. Die Entwicklung des 5-Jahres Swapsatzes und die Verzinsung der Schuldverschreibungen können nicht antizipiert werden, und eine Rendite kann nicht berechnet werden. Zusätzlich kann in jedem Reset-Zeitraum nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.
- Der Marktwert der Schuldverschreibungen könnte sinken, falls sich die Kreditwürdigkeit der Gruppe verschlechtert.
- Die auf Euro lautenden Schuldverschreibungen könnten ein Währungsrisiko für einen Anleihegläubiger darstellen, wenn der Euro für den betreffenden Anleihegläubiger eine Fremdwährung

ist; außerdem könnten Regierungen und zuständige Behörden künftig Devisenkontrollen verhängen.

- Die aus den Schuldverschreibungen erzielten Einkünfte können durch Besteuerung geringer ausfallen.
- Nebenkosten insbesondere in Verbindung mit dem Kauf und Verkauf der Schuldverschreibungen können einen erheblichen Einfluss auf das Ertragspotential der Schuldverschreibungen haben.
- Es kann keine Gewähr hinsichtlich der Auswirkungen möglicher Gerichtsentscheidungen oder einer Änderung gesetzlicher Vorschriften oder der Verwaltungspraxis nach dem Verzinsungsbeginn gegeben werden.
- Der Zinssatz der Schuldverschreibungen, welcher für den Zeitraum vom Ersten Rückzahlungstermin jeweils am Reset-Termin zum 5-Jahres EUR-Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgelegt wird, kann dann beeinflusst werden, wenn der Tag, an dem der Zinssatz festgelegt wird, in einen Zeitraum hoher Volatilität aufgrund der Staatsschuldenkrise bzw. aus anderen Gründen fällt.
- Falls ein Betrag aufgrund von FATCA für U.S. Steuerzwecke von Kapital- oder Zinszahlungen oder anderen Zahlungen auf die Schuldverschreibungen abgezogen oder einbehalten werden müsste, wären weder die Emittentin, noch eine Zahlstelle oder irgendeine andere Person nach den Anleihebedingungen verpflichtet, zusätzliche Beträge wegen eines solchen Abzugs oder Einbehalts zu leisten. Im Ergebnis könnten daher Anleger weniger Zins- oder Kapitalzahlungen erhalten als erwartet.
- Die EU bzw. (bestimmte) EU Mitgliedstaaten könnten eine Finanztransaktionssteuer einführen. Die Tragweite solcher Regelungen ist im Moment nicht vollständig vorhersehbar.
- Da die Globalurkunden von oder für Euroclear und Clearstream, Luxemburg gehalten werden, müssen sich Anleihegläubiger auf deren Verfahren zur Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen.
- Für einen Anleihegläubiger besteht das Risiko, dass er überstimmt wird und gegen seinen Willen Rechte gegenüber der Emittentin verliert, falls Anleihegläubiger mit einer Stimmenmehrheit gemäß dem SchVG ihre Zustimmung zu Änderungen der Anleihebedingungen erteilen. Im Falle der Ernennung eines gemeinsamen Vertreters aller Anleihegläubiger durch Mehrheitsbeschluss der Anleihegläubiger besteht das Risiko, dass ein einzelner Anleihegläubiger ganz oder teilweise sein individuelles Recht verliert, seine Rechte gegenüber der Emittentin unabhängig von den anderen Anleihegläubigern zu verfolgen und durchzusetzen.

Abschnitt E – Angebot

E.2b Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und / oder der Absicherung bestimmter Risiken

Die Nettoerlöse werden für allgemeine Unternehmenszwecke verwendet, einschließlich der Refinanzierung von bestimmten bestehenden Verbindlichkeiten.

liegen.

E.3 Beschreibung der Angebotskonditionen.

Die Schuldverschreibungen werden in Luxemburg, Deutschland und Österreich innerhalb eines Angebotszeitraums angeboten, dessen Beginn am 29. September 2017 ist und der mit Ablauf des 11. Oktober 2017 endet, dem Tag der Begebung der Schuldverschreibungen (der **“Ausgabetag”**), dauern wird, vorausgesetzt, es findet keine Verkürzung oder Verlängerung des Angebotszeitraumes statt.

Der Emissionspreis, der maximale Gesamtnennbetrag der zu begebenden Schuldverschreibungen, der Zinssatz, die Marge, der Emissionserlös, die Rendite zum jeweiligen Ersten Rückzahlungstag werden in der Preismitteilung enthalten sein, die am oder nach dem Tag der Preisfestsetzung und vor dem Ausgabetag der Schuldverschreibungen auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) veröffentlicht wird.

Das Angebot unterliegt keinen Bedingungen. Anleger können Angebote zum Kauf der Schuldverschreibungen durch Nutzung des Informationssystems Bloomberg oder eines anderen üblicherweise verwendeten Informationssystems übermitteln. Jeder Anleger, der ein Angebot bezüglich der Schuldverschreibungen abgegeben hat und dessen Angebot angenommen wurde, erhält bezüglich der Zuteilung der Schuldverschreibungen eine Bestätigung per E-Mail, Fax oder über ein anderes üblicherweise verwendetes Informationssystem.

Lieferung und Zahlung der Schuldverschreibungen erfolgen am 11. Oktober 2017, und die Bestätigung der Zuteilung an die Anleger erfolgt per E-Mail, Fax oder über üblicherweise verwendete Informationssysteme. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über Euroclear Bank S.A./N.V. und Clearstream Banking, S.A. (jeweils ein **“Clearingsystem”** und zusammen die **“Clearingsysteme”**), und deren Depotbanken gegen Zahlung des Emissionspreises.

E.4 Beschreibung aller für die Emission / das Angebot wesentlichen, auch kollidierenden Interessen.

Entfällt. Außer den Interessen der Emittentin bestehen keinerlei Interessen von natürlichen oder juristischen Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch stehen und wesentlich für die Begebung wären.

E.7 Schätzungen der Ausgaben, die dem Anleger von der Emittentin in Rechnung gestellt werden.

Entfällt. Die Emittentin wird den Anleihegläubigern in Verbindung mit den Schuldverschreibungen keine Kosten, Ausgaben oder Steuern direkt in Rechnung stellen. Jeder Anleihegläubiger hat sich jedoch über etwaige Steuern oder Ausgaben in Verbindung mit den Schuldverschreibungen zu informieren, die generell in ihrem jeweiligen Herkunftsstaat anfallen, einschließlich etwaiger Gebühren, die ihre eigenen Depotbanken für den Erwerb oder das Halten von Wertpapieren berechnen.

RISK FACTORS

Prospective investors should carefully consider each of the risks described below and all of the other information in this Prospectus before deciding to invest in the Notes. BayWa Group's business, financial condition, results of operations or general affairs could be materially adversely affected by any of these risks. The risks described below are not the only risks BayWa Group faces. Additional risks that are not currently known to BayWa Group, or that BayWa Group currently considers to be immaterial, could, individually or cumulatively, may also materially adversely affect BayWa Group's business, financial condition or results of operations. In any such case, BayWa Group may not be able to pay interest or principal on Notes when due and prospective investors may lose all or part of their investment in the Notes. The order in which these risks are presented is not intended to provide an indication of the likelihood of occurrence or of their severity or significance.

This Prospectus contains forward-looking statements that are based on assumptions and estimates, which are subject to risks and uncertainties. Actual results and future developments could differ materially from what is expressed or implied by such forward-looking statements, as a result of many factors, including but not limited to the risks as described below and elsewhere in this Prospectus.

Risks Related to the Markets and Business of the Group

Economic, geopolitical or other events could adversely affect the BayWa Group.

With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis or other significant event in one area of the world can have an immediate and devastating impact on markets around the world.

Given recent political events, future global economic developments are currently subject to a significant degree of additional uncertainty with respect to potential barriers that could affect global trade. The new administration following the election in the United States in November 2016, the United Kingdom's planned exit from membership in the European Union following the June 2016 referendum ("**Brexit**") and potential election results in favor of anti-globalization parties in the European Union in the coming years could result in higher tariff and non-tariff barriers to trade. Such changes could lead to additional expenses, as well as restrictions on the import and export of goods and products, and as an international business with operations and supply chains that span important trading regions, these changes could adversely impact the composition of the Group's logistics, procurement and services operations.

Europe, and particularly the eurozone, is still in the process of addressing a range of structural problems, such as those apparent in Greece, the Italian banking system and the refugee crisis, each of which could pose a threat to European integration and hopes of further expanding, or at least maintaining, a single economic and monetary area. Economic and financial conditions, including currency exchange rates, in Europe and the United Kingdom have also been affected, and may be further adversely affected, by Brexit. A process of negotiation will determine the future terms of the United Kingdom's relationship with the European Union, including whether the United Kingdom will be able to continue to benefit from the European Union's free trade and similar agreements. Depending on the terms of Brexit, economic conditions in the United Kingdom, the European Union and global markets may be adversely affected by reduced growth and increased volatility. Uncertainty during and after the period of negotiation is also expected to have a negative economic impact, particularly on consumer spending and capital investments, and increase market volatility, particularly in Europe.

The Group maintains operations in various markets which could be affected by volatile economic or political environments and, in some business activities, is pursuing growth opportunities in a number of emerging markets. These investments may expose the Group to heightened risks of economic, geopolitical, or other events, including governmental takeover (nationalization) of assets, restrictive currency exchange or import controls, disruption of business operations as a result of systemic political or economic instability, outbreak of war or expansion of hostilities, and acts of terrorism.

If any of these risks were to materialize this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

The availability and prices of the agricultural commodities and agricultural commodity products the BayWa Group procures, stores, transports and merchandises can be affected by weather conditions, disease, government programs, competition, and various other factors beyond the Group's control.

The availability and prices of agricultural commodities are subject to wide fluctuations due to changes in weather conditions, crop disease, plantings, government programs and policies, competition, changes in global

demand, changes in standards of living, and global production of similar and competitive crops. The BayWa Group uses a global network of procurement, processing and transportation assets, as well as robust communications between global commodity trade teams, to continually assess price and basis opportunities. Additionally, the Group depends on agricultural producers globally to ensure an adequate supply of the agricultural commodities required by the Group for supply and trade operations is maintained. These factors have historically caused volatility in the availability and prices of agricultural commodities and, consequently, in the Group's working capital requirements. Reduced supply of agricultural commodities due to seasonal and weather factors, which can vary unpredictably, could adversely affect the Group's profitability by increasing the cost of raw materials and/or limiting its ability to procure, transport, store and merchandise agricultural commodities in an efficient manner. Conversely, if supplies are abundant and crop production globally outpaces demand for more than one or two crop cycles, price volatility could be somewhat diminished and result in reduced operating results due to reduced market spread and basis opportunities. Furthermore, advances in technology, such as seed and crop protection technology, farming techniques, or speed of information flow, may reduce the significance of dislocations and arbitrage opportunities in the agricultural global markets. If any of these risks were to materialize, this could have a material adverse effect on the Group's business, net assets, financial condition or results of operations.

Changes in government policies, mandates and regulations specifically affecting the agricultural sector and related industries could adversely affect the BayWa Group's operating results.

Agricultural production and trade flows are subject to government policies, mandates and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives and import and export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, traceability standards, product safety and labeling, renewable fuels and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, industry profitability and, in turn, the viability and volume of production of certain of the Group's products.

For example, changes in government policies or regulations, including international trade regulations, can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Furthermore, the imposition of sanctions or import restrictions, such as the recent sanctions imposed against Russia by the European Union, may lead to additional risks and costs. As a result, future government policies and regulations, or changes to existing policies and regulations, may adversely affect the supply of, demand for, and prices of the BayWa Group's products and services and, in turn, have a material adverse effect on the Group's business, particularly in its Agriculture segment, financial condition or results of operation.

Changing worldwide demand for food and different forms of bio-energy could have an effect on the price of farm commodities and, consequently, the demand for certain agricultural equipment.

Changing worldwide demand for farm outputs to meet the world's increasing food and bio-energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which directly affect sales of agricultural equipment. Lower farm commodity prices directly affect farm incomes, which could negatively affect sales of agricultural equipment, particularly if farm level incomes remained depressed for a prolonged period of time. Furthermore, changing bio-fuel demands may cause farmers to change the types or quantities of the crops they raise, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for diesel-fueled equipment, any of which changes or risks could have an adverse effect on the Group's business, particularly in its Agriculture segment, financial condition or results of operations.

BayWa Group's business may be adversely affected by unfavorable weather conditions or natural calamities that reduce agricultural production.

Poor weather conditions, particularly during the planting and early growing season, can significantly affect agricultural production and yields. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges, such as unusually warm or cold temperatures, can also cause crop failure or decreased yields, and may also affect disease incidence. Temperature affects the rate of growth, crop maturity and crop quality. Natural calamities, such as regional floods, hurricanes or other storms, and droughts can have significant negative effects on agricultural and livestock production. If any of these risks were to materialize, this could have an adverse effect on the Group's business, net assets, financial condition or results of operations.

The business operations of BayWa Group in the field of renewable energies depend on governmental incentives for renewable energy sources.

The economic success of BayWa Group's renewable energy business is, to a significant extent, based on the level of governmental or statutory subsidization of renewable energy production. Until more recently, regenerative electricity generation has generally not been competitive with conventional forms of electricity generation due to higher production costs. In Germany, for example, energy generation from renewable sources is promoted by the German Renewable Energy Sources Act (EEG). For the current and future business activities and profitability of BayWa Group, it is essential that financial incentives for electricity produced from solar energy and wind facilities continue to be provided in the future. However, there is no guarantee that BayWa Group will continue to benefit from financial incentives, including tax incentives, for the energy produced in its existing solar and wind parks and that such incentives will not be reduced or even cancelled in the future or that the period of eligibility will not be shortened. A change in governmental incentives during the construction phase of a solar and wind park may also lead to a delay in the sale or transfer of parks to potential investors as well as to a decrease in power generating earnings.

Furthermore, existing incentive systems in certain countries, particularly in Europe, are increasingly subject to public and political discussions. For example, incentives for the generation of renewable energy in Germany have been reduced in recent years with respect to both the amount of tariffs and the duration of eligibility, and this trend may continue and tariffs and support may be further reduced or even cancelled. In the future, BayWa Group cannot ensure that governments or parliaments of those countries in which BayWa Group operates will not decide to further reduce or cancel public incentives for renewable energy or that they will not shift the share of support in favor of renewable energy sources other than solar and wind power.

The materialization of any of these risks could have a material adverse effect on BayWa Group's business, financial condition, cash flows and results of operations.

The construction industry is cyclical in nature and subject to seasonality, and downturns in the construction industry adversely impact BayWa Group's Building Materials segment.

The building materials industry in any geographic market is dependent on the level of activity in the construction sector of that geographic market. The construction industry and, in particular, the level of new construction, tends to be cyclical and is dependent on the level of construction-related expenditures in the residential and non-residential sectors, public investments and public and private spending on infrastructure projects. The construction industry is particularly sensitive to several factors, such as GDP growth, interest rates and costs as well as availability of mortgage financing for residential and non-residential construction, inflation, capital expenditures, consumer confidence as well as other macroeconomic factors. Political instability or changes in government policies or legislation, such as the introduction of rent control legislation for residential housing, may also negatively affect the construction industry. Moreover, demand in the construction industry may be affected by demographic trends, such as aging and declining populations in mature markets, such as Germany and other countries in the European Union, changes in the average number of persons living in one household or migration trends.

The construction industry can also be significantly impacted by weather conditions and is subject to seasonality. Lower demand for building materials occurs in periods of cold weather and may be aggravated by particularly harsh weather conditions. These effects and other unfavorable weather conditions could also lead to a volatile development of the Group's quarterly financial results, particularly the results of the Building Materials segment. Historically, revenue in the Building Materials segment have been significantly higher in the second and third quarters than in the other quarters of the year, particularly the first quarter. As a result, the Group's Building Materials segment, in particular, is subject to strong seasonal effects. Results of a single financial quarter might therefore not be a reliable basis for the expectations of a full financial year and may not be comparable with the results in the other financial quarters.

BayWa Group operates in competitive markets and its competitive position may deteriorate.

BayWa Group operates in a number of competitive global and regional markets and industries. It competes worldwide with a variety of other trading, services and logistics companies. Increasing competition, unanticipated actions by competitors, aggressive pricing or other strategies pursued by competitors as well as the emergence of new competitors could lead to a decline in the Group's market share in a particular market or region, and its competitive position may deteriorate, which could adversely affect its business, financial conditions or results of operations.

BayWa Group is required to comply with numerous laws and regulations in multiple jurisdictions.

Compliance with laws is a basic prerequisite for the success of BayWa Group. Current laws provide the binding framework for the Group's various business activities around the world. The international scale of operations of the Group, the complexity of the business world and a broad set of complex legal, environmental, compliance and other regulations potentially applicable to the Group's business increase the risk of laws not being adhered to, simply because they are not known, fully understood or are subject to varying interpretations. In particular, changes in the regulatory environment in which the Group operates, such as through government intervention in the general framework conditions for the agricultural industry and renewable energies business as well as other environmental and technical regulations, could have an adverse impact on the Group due to the necessary adjustment, reduction or termination of funding measures.

The Group has established a compliance organization aimed at ensuring that its representative bodies, managers and staff act in a lawful manner at all times. Nevertheless, there remains a risk that the Group's employees may not act in compliance with applicable statutory provisions or the Group's compliance systems (including with respect to antitrust, anti-corruption or export controls) or that the Group's internal controls and compliance systems are not adequate to maintain compliance with applicable laws and that, as a result, penalties, liabilities or additional compliance costs could be imposed on the Group. The Group may also be subject to investigations and other proceedings initiated by government agencies. Any of these matters could, among other outcomes, have an adverse impact on the Group's reputation.

When known and quantifiable, the Group seeks to recognize appropriate levels of provisions for lawsuits in accordance with applicable accounting standards. It cannot be ruled out that losses from damages could arise which are either not covered or not fully covered by provisions. Some risks cannot be assessed in full or cannot be provided for in the Group's accounts, and new legal risks, as yet unidentified, could also materialize. If any of these risks were to materialize, this could have a material adverse effect on the Group's business, net assets, financial condition or results of operations.

BayWa Group is dependent on its compliance and risk management systems.

In connection with the Group's worldwide business operations, it must comply with a broad range of legal and regulatory requirements in a number of jurisdictions. Moreover, the Group has continued to expand its worldwide operations in recent years, thereby increasing the scope of applicable regulations and operational practices. The Group has compliance and risk management systems that support its operational business processes, help to monitor certain risk metrics and ensure compliance with applicable statutory provisions and, where necessary, initiate appropriate countermeasures. There can be no assurances that the Group's compliance and risk management systems are adequate to address all applicable risks in every jurisdiction.

Members of the Group's governing bodies, employees, authorized representatives or agents may intentionally or unintentionally violate applicable laws and internal standards and procedures. The Group may not be able to identify such violations, evaluate them correctly or take appropriate countermeasures. Furthermore, the Group's compliance and risk management systems may not be appropriate given its size, complexity and geographical diversification and may fail for various reasons.

The occurrence of these risks may result in reputational loss and adverse legal consequences, such as the imposition of fines, sanctions and penalties on the Group or the members of the Group's governing bodies or employees and could lead to the assertion of damages claims by third parties or to other detrimental legal consequences, including civil and criminal penalties.

If any of these risks were to materialize, this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

BayWa Group is dependent on information technology and the integrity of its information and data.

The importance of electronically processed data continues to increase, with information technology (IT) playing an increasingly crucial role in all key aspects of BayWa Group's business. The Group could suffer adverse consequences if the confidentiality, integrity or availability of its sensitive information and data is not maintained.

The Group is dependent on the efficient and uninterrupted functionality of its servers and data processing systems, particularly with respect to its trading operations for which having work processes supported electronically is imperative. Moreover, in a centralized and standardized IT environment, excessive dependence on a single system or a single data center could lead to serious consequences for the Group in the event of a system failure. Also, the demands placed on IT facilities, both externally and internally, are changing at a rapid pace in the face of technological developments. As a result of the increasing complexity of electronic

information and communication technology, the Group is exposed to various risks in this context, ranging from the loss or theft of data to stoppages and interruptions of the Group's IT systems. Indirectly, BayWa Group could also be exposed to reputational risks, which are difficult to quantify.

If any of these risks were to materialize, this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

BayWa Group is exposed to volatility and changes in foreign currency exchange rates arising from its international operations.

As an internationally operating enterprise, BayWa Group conducts business in a variety of currencies, thus giving rise to currency risks. Although the Group's business activities are largely located in the eurozone, fluctuations in exchange rates can have a negative impact on the Group's earnings. In addition, the Group is also exposed to currency translation risk, as the financial statements of foreign consolidated subsidiaries prepared in a foreign currency are translated into Euro, with income and expenses translated at the average exchange rate and assets and liabilities translated at the closing rate for the relevant period. Currency risks related to payment obligations or receivables denominated in a foreign currency are hedged at the time they arise. Nevertheless, if any of these risks were to materialize, this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

BayWa Group is exposed to interest rate risks through its various financing arrangements.

Interest rate risks relate to potential losses caused by changes in market interest rates and arise principally from the issuing of commercial paper, short-term loans and floating rate bonded loans (*Schuldscheindarlehen*). Interest rate risks are managed by raising refinancing funds with matching maturities and by employing interest rate derivatives in the form of futures, interest rate caps and swaps. The BayWa Group monitors and manages these exposures as an integral part of its overall risk management program, which recognizes the unpredictability of markets and seeks to reduce potentially adverse effects on its business. Nevertheless, if any of these risks were to materialize, this could have an adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

BayWa Group is exposed to the credit risk and potential default of its financing of its trading partners and commercial customers.

Credit and counterparty default risk arises if a contractual partner (*e.g.*, a customer or trading partner) either becomes unable or is only partially able to fulfil its contractual obligations, such that lower income is generated or losses are incurred. BayWa Group serves an important function as a source of financing for its agricultural trading partners. In the context of so-called cultivation contracts, the Group is exposed to a financing risk arising from the advance financing of agricultural resources and equipment, the repayment of which is made through acquiring and selling the harvest. Moreover, the Group grants financing to commercial customers, particularly in the construction sector in the form of payment terms of a considerable scope. In addition, there are the customary default risks inherent in trade receivables.

BayWa Group uses debt monitoring system across all business units, with defined credit limits, document approval processes and ongoing monitoring, but there can be no assurances that such systems will be effective in all circumstances or that contractual parties will maintain sufficient creditworthiness. If the Group experiences a high or unexpected increase in the level of credit losses or counterparty defaults, it could materially adversely affect its business, net assets, financial condition or results of operations.

BayWa Group is exposed to liquidity risks.

BayWa Group is exposed to liquidity risks in that it may be unable to meet payment obligations because it has insufficient cash funds at its disposal. BayWa Group manages the risk by planning all liquidity requirements for the short, medium and long term in terms of cash outflows and inflows. These requirements are mainly covered by, on the one hand, operating cash flow and, on the other, available refinancing options, like credit facilities, commercial paper programme, asset backed securitization and bonded loans (*Schuldscheindarlehen*). The inability to ensure sufficient liquidity could have a material adverse effect on BayWa Group's business, financial position, results of operations and the ability of the Issuer and/or BayWa Group to fulfill the obligations under the Notes.

BayWa Group may not be able to integrate acquired businesses effectively or successfully.

To complement or expand BayWa Group's business, BayWa Group has made a number of acquisitions in the past and it may continue to make acquisitions (or enter into joint ventures) in the future. The integration of acquired businesses requires time, focus and resources of management as well as employees. When combining

previously independent businesses, marketing systems and corporate cultures, problems and risks may arise, including, among others:

- BayWa Group may not be able to successfully integrate the acquired business and its different business models;
- BayWa Group may not be able to integrate the acquired technologies or products with current technologies;
- BayWa Group may not be able to retain key personnel of the acquired business;
- BayWa Group may assume unknown liabilities and contingent liabilities of acquired companies, including legal, tax, intellectual property, environmental and other significant liabilities that may not be detected by its due diligence process; and
- BayWa Group may have difficulty implementing or maintaining internal controls, procedures, and policies.

In addition, acquired businesses may not perform as anticipated, resulting in charges for the impairment of goodwill and other intangible assets. Such charges may have a negative effect on operating margins and income. BayWa Group may not be successful in overcoming these risks and may, therefore, not benefit as anticipated from acquisitions, which could adversely affect BayWa Group's business, financial condition and results of operations.

There is also a risk that not all material risks in connection with the acquisition of a company or the establishment of a joint venture will be identified in the due diligence process and either are not, or could not be, sufficiently taken into account in the decision to acquire a business and in the purchase agreement (or the decision to enter into a joint venture and the joint venture agreement).

BayWa Group's international operations give rise to complex tax matters.

BayWa Group is subject to regular tax and customs audits. Ongoing or future tax audits may lead to demands for back taxes, tax penalties, interest and similar payments. Such payments may arise, for example, from the full or partial non-recognition of intra-group transfer prices. In countries where there are no limitation periods for tax payments, BayWa Group may also face demands for back taxes relating to any earlier period. As a result, the Group's provisions for tax and related risks may be insufficient to cover any actual settlement amount. Risks may also arise due to changes in tax or customs laws or accounting principles, including the implementation of new accounting standards. If any of these risks were to materialize, this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

The success of BayWa Group's business relies on certain key personnel and BayWa Group's ability to attract and retain key personnel, other qualified management personnel and skilled workers.

The success of BayWa Group's business relies, to a considerable extent, on the efforts, abilities and reputation of BayWa Group's board of management and senior management team. The loss of members of BayWa Group's board of management or other key personnel could significantly disrupt BayWa Group's business and have an adverse effect on its business and results of operations. Further, if BayWa Group lost any of its key personnel, there can be no assurances that BayWa Group will be able to successfully find a suitable replacement in a timely manner, or at all.

In addition, the success of BayWa Group's business depends on BayWa Group's ability to attract and retain qualified management personnel and skilled workers in the long-term. BayWa Group competes with a large number of other companies when recruiting qualified employees. If BayWa Group is unable to continue to attract and/or train qualified employees sufficiently and to retain those employees within its Group, this could have a material adverse effect on BayWa Group's business, financial condition and results of operations.

BayWa Group is dependent on good relationships with its employees and unions.

BayWa Group's success is highly dependent on its employees. Competition for highly qualified managers as well as skilled and motivated staff is intense in the industries and the regions in which the Group operates. The Group's future success also depends on the extent to which it succeeds over the long term in recruiting, integrating and retaining executives, managers, industry specialists and other highly qualified personnel. High employee fluctuation and failure to attract a sufficient number of qualified young talent may have a detrimental

effect on the Group's performance in the future. Further, personnel expenses are a significant expense for the Group. Employees at the Group's German locations and at a number of foreign subsidiaries are covered by collective bargaining agreements that are customary for the industry or are members of labor unions. BayWa Group's relationships with its employees and their labor unions could deteriorate in the future and BayWa Group might experience strikes, unionization efforts or other types of conflicts with labor unions or its employees. If any of these risks were to materialize, this could have an adverse effect on BayWa Group's business, financial condition or results of operations.

BayWa Group is subject to risks from legal proceedings and investigations.

BayWa Group is involved, from time to time, in legal proceedings and investigations in the ordinary course of business and could become involved in additional proceedings and investigations in the future which may involve substantial claims for damages or other payments, including damages claims by customers or partners related to payment disputes or for products and services which are not up to standard, among others. For example, in 2015, antitrust investigations were conducted at various agricultural companies in Germany, including BayWa AG, with regard to crop protection wholesale operations. In 2016, additional antitrust investigations were conducted at various companies in Germany, including BayWa AG, due to suspicions of agreements aimed at restricting competition in the sale of agricultural equipment. These investigations are still ongoing and the outcome of currently pending or potential future proceedings and investigations is difficult to predict with any certainty. In the event of a negative outcome of any material legal or arbitration proceeding or investigation, whether based on a judgment, award, settlement or otherwise, BayWa Group could be obligated to make substantial payments. In addition, even in the event of a positive outcome in such proceedings, the cost related to litigation and arbitration proceedings may be significant. If any of these risks were to materialize, this could have a material adverse effect on BayWa Group's business, net assets, financial condition or results of operations.

BayWa Group has significant pension obligations to current and past employees, which could increase due to factors beyond the Group's control.

BayWa Group's pension obligations to employees resulting from defined benefit plans are measured on the basis of actuarial reports. Future pension payments are discounted by reference to market yields on investment grade corporate bonds. These yields are subject to market fluctuation and therefore influence the level of pension obligations. Changes in other parameters, such as extended periods of low interest rates, increases in inflation and longer life expectancy, also impact pension obligations and payments. Any such changes, include changes in any factors beyond the Group's control, could lead to funding shortfalls relating to pension obligations, which could have a material adverse effect on the Group's financial condition.

BayWa Group's insurance coverage may not be sufficient or its insurance premiums may increase.

BayWa Group maintains insurance coverage in relation to a number of risks associated with its business activities that are subject to standard exclusions, such as willful misconduct. However, the Group may suffer losses or claimants may bring claims against the Group that exceed the type and scope of its existing insurance coverage. Significant losses could lead to higher insurance premium payments. In addition, there are certain risks for which insurance is not available for which the Group does not maintain coverage based on the Group's cost-benefit analysis, and it therefore has no insurance against these events. If the Group sustains damage for which there is no insurance coverage or insufficient insurance coverage, or if it has to pay higher insurance premiums or encounters restrictions on insurance coverage, this could materially adversely affect its business, net assets, financial condition or results of operations.

Risks Related to the Notes

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

Notes may not be a suitable investment for all investors.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

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

The Notes have no scheduled maturity

The Notes have no scheduled maturity and may run for an indefinite period. Accordingly, the Issuer is under no obligation to repay all or any part of the nominal amount of the Notes at a certain point in time and Holders have no right to require redemption of the Notes. The Terms and Conditions of the Notes only provide for call and redemption rights of the Issuer. Therefore, Holders should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

Interest payments under the Notes may be deferred at the option of the Issuer.

Holders of the Notes should be aware that the Issuer may elect in its discretion to defer the payment of interest and that interest may not be due and payable (*fällig*) on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. Holders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Arrears of Interest will not bear interest. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes.

As a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest payments are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition. Investors should be aware that any deferral of interest payments may have an adverse effect on the market price of the Notes.

Risk of Early Redemption

At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions of the Notes after the occurrence of a Gross-up Event, an Accounting Event, a Tax Event, or if 85 per cent. or more in principal amount of the Notes initially issued have been purchased. Furthermore, the Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice to the Holders. In the event that the Issuer exercises the option to call and redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

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

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

No voting rights

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

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

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

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

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

Subordination

The Terms and Conditions provide that the Notes constitute subordinated obligations of the Issuer, ranking *pari passu* among themselves, *pari passu* with all Parity Obligations of the Issuer and senior only to the Junior Obligations of the Issuer. In the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations of the Issuer and Junior Obligations of the Issuer), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that rank senior to the Notes have been satisfied in full. In any such event, Holders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's senior ranking claims have first been satisfied in full. Holders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer, holders of subordinated debt, such as the Notes, will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*) pursuant to the German Insolvency Code.

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

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

Holders must accept that, in the circumstances described above, (i) the Issuer will make payments in respect of the Notes only in accordance with the subordination described above, and (ii) the rights of the Holders under the Notes will be subject to the provisions of the insolvency laws applicable to the Issuer from time to time.

If the Issuer's financial condition were to deteriorate, the Holders could suffer direct and materially adverse consequences. There is a significant risk that Holders of Notes will lose all or some of its investment should the Issuer become insolvent.

No express Events of Default or a cross default

The Holders of the Notes should be aware that the Terms and Conditions of the Notes do not contain any express event of default provisions. There will also not be any cross default under the Notes.

No limitation on issuing further debt

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

Liquidity risk

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

Fixed Interest Rate Notes

The Notes bear interest at a fixed rate from and including the Interest Commencement Date to but excluding the First Call Date, which will be reset from and including the First Call Date for subsequent periods of five years.

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

Reset of Interest Rate linked to the 5-year swap rate

From and including the First Call Date, each Note bears interest at a rate per annum equal to the applicable Reset Rate of Interest. The Reset Rate of Interest (i) equals the annual swap rate for Euro swap transactions with a term of 5 years plus a constant margin, (ii) is applicable for a five year period (or for a shorter period in case the Notes are redeemed), and (iii) is re-calculated every five years. Investors should be aware that the future performance of the annual swap rate for Euro swap transactions with a term of 5 years and hence the interest income on the Notes cannot be anticipated. Due to varying interest income, investors may not be able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments without resetting nominal interest rates. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

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

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

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

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

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

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

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

Currency Risk

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

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

The income under the Notes may be reduced by taxes.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax discussions contained in this Prospectus but to ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional, domestic or foreign, parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

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

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

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

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. Increased government spending, high levels of national debt and loss of trust of market participants in the ability to repay these debts have led to the Sovereign Debt Crisis, affecting the rating of various European States and the yield for sovereign bonds and leading to high volatility in the markets. From and including the First Call Date the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year Euro swap rate for the relevant Reset Period plus a margin. Should a date on which the interest rate for the Notes is determined fall into times of such high volatility due to the Sovereign Debt Crisis or for other reasons, this could have an effect on the interest rate then determined.

There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be able to sell its Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Holder.

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

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

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

Financial Transaction Tax

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

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

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

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

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

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

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

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

Pursuant to the Terms and Conditions of the Notes, the Holders may agree with the Issuer by majority resolution to amendments of the Terms and Conditions of the Notes in accordance with and subject to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – “SchVG”*). Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of such Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate nominal amount of the Notes participate in the vote and agree to amend the Terms and Conditions of the Notes or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions of the Notes and the SchVG. As such majority resolution is binding on all Holders of the Notes, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

In addition, the Holders’ rights to convene a Holders’ meeting and to solicit a Holders’ resolution are limited as, pursuant to section 9 paragraph 1 of the SchVG, a holders’ meeting will only be convened if Holders jointly holding at least 5% of the outstanding Notes request such convocation in writing stating their particular interest in convening such a meeting.

In case of an appointment of a joint representative (*gemeinsamer Vertreter*) for all Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all the Holders.

RESPONSIBILITY STATEMENT

The Issuer is solely responsible for the information contained in this Prospectus. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

§ 1

Definitionen und Auslegung

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

"5-Jahres-Swapsatz-Angebotssätze" hat die in § 4(3) festgelegte Bedeutung.

"Aufgeschobene Zinszahlungen" hat die in § 5(1)(a) festgelegte Bedeutung.

"Ausgabetag" hat die in § 2(1) festgelegte Bedeutung.

"Austauschtag" hat die in § 2(3)(b) festgelegte Bedeutung.

"Berechnungsstelle" hat die in § 10(2) festgelegte Bedeutung.

"CBL" hat die in § 2(4) festgelegte Bedeutung.

"Clearing System" hat die in § 2(4) festgelegte Bedeutung.

"Dauerglobalurkunde" hat die in § 2(3)(a) festgelegte Bedeutung.

"Depotbank" hat die in § 15(3) festgelegte Bedeutung.

"Emittentin" hat die in § 2(1) festgelegte Bedeutung.

"Erster Rückzahlungstermin" hat die in § 4(2)(i) festgelegte Bedeutung.

"Euroclear" hat die in § 2(4) festgelegte Bedeutung.

"Festgelegte Stückelung" hat die in § 2(1) festgelegte Bedeutung.

"Festgelegte Währung" hat die in § 2(1) festgelegte Bedeutung.

TERMS AND CONDITIONS

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

§ 1

Definitions and Interpretation

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

"5 year Swap Rate Quotations" has the meaning specified in § 4(3).

"Arrears of Interest" has the meaning specified in § 5(1)(a).

"Issue Date" has the meaning specified in § 2(1).

"Exchange Date" has the meaning specified in § 2(3)(b).

"Calculation Agent" has the meaning specified in § 10(2).

"CBL" has the meaning specified in § 2(4).

"Clearing System" has the meaning specified in § 2(4).

"Permanent Global Note" has the meaning specified in § 2(3)(a).

"Depository Bank" has the meaning specified in § 15(3).

"Issuer" has the meaning specified in § 2(1).

"First Call Date" has the meaning specified in § 4(2)(i).

"Euroclear" has the meaning specified in § 2(4).

"Specified Denomination" has the meaning specified in § 2(1).

"Specified Currency" has the meaning specified in § 2(1).

"Feststellungsperiode" hat die in § 4(8) festgelegte Bedeutung.

"Feststellungstermin" hat die in § 4(8) festgelegte Bedeutung.

"Gemeinsamer Vertreter" hat die in § 14(6) festgelegte Bedeutung.

"Gesamtnennbetrag" hat die in § 2(1) festgelegte Bedeutung.

"Geschäftstag" hat die in § 5(1)(a) festgelegte Bedeutung.

"Gläubiger" hat die in § 2(5) festgelegte Bedeutung.

"Gleichrangige Verbindlichkeiten" hat die in § 3(1) festgelegte Bedeutung.

"Globalurkunde" hat die in § 2(3)(a) festgelegte Bedeutung.

"Hauptzahlstelle" hat die in § 10(1) festgelegte Bedeutung.

"ICSD" hat die in § 2(4) festgelegte Bedeutung.

"ICSs" hat die in § 2(4) festgelegte Bedeutung.

"IFRS" bezeichnet die internationalen Rechnungslegungsstandards im Sinne der Verordnung (EG) Nr. 1606/2002 des Europäischen Parlaments und des Rates vom 19. Juli 2002 betreffend die Anwendung internationaler Rechnungslegungsstandards in der jeweils geltenden Fassung.

"Internal Revenue Code" hat die in § 8(1)(h) festgelegte Bedeutung.

"Kontrollwechsel" hat die in § 6(6) festgelegte Bedeutung.

"Kontrollwechselereignis" hat die in § 6(6) festgelegte Bedeutung.

"Kontrollwechselmitteilung" hat die in § 6(6) festgelegte Bedeutung.

"Kontrollwechsel-Stichtag" hat die in § 6(6) festgelegte Bedeutung.

"Marge" hat die in § 4(3) festgelegte Bedeutung.

"Nachrangige Verbindlichkeiten" hat die in § 3(1) festgelegte Bedeutung.

"Neue Anleiheschuldnerin" hat die in § 13(1)

"Determination Period" has the meaning specified in § 4(8).

"Determination Date" has the meaning specified in § 4(8).

"Holders' Representative" has the meaning specified in § 14(6).

"Aggregate Principal Amount" has the meaning specified in § 2(1).

"Business Day" has the meaning specified in § 5(1)(a).

"Holder" has the meaning specified in § 2(5).

"Parity Obligations" has the meaning specified in § 3(1).

"Global Note" has the meaning specified in § 2(3)(a).

"Principal Paying Agent" has the meaning specified in § 10(1).

"ICSD" has the meaning specified in § 2(4).

"ICSs" has the meaning specified in § 2(4).

"IFRS" means international accounting standards within the meaning of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended from time to time.

"Internal Revenue Code" has the meaning specified in § 8(1)(h).

"Change of Control" has the meaning specified in § 6(6).

"Change of Control Event" has the meaning specified in § 6(6).

"Change of Control Notice" has the meaning specified in § 6(6).

"Change of Control Effective Date" has the meaning specified in § 6(6).

"Margin" has the meaning specified in § 4(3).

"Junior Obligations" has the meaning specified in § 3(1).

"New Debtor" has the meaning specified in § 13(1).

festgelegte Bedeutung.

"Person" hat die in § 6(6) festgelegte Bedeutung.

"Pflichtnachzahlungsereignis" hat die in § 5(3) festgelegte Bedeutung.

"Pflichtnachzahlungstermin" hat die in § 5(3) festgelegte Bedeutung.

"Quellensteuer-Ereignis" hat die in § 6(4) festgelegte Bedeutung.

"Rechnungslegungsereignis" hat die in § 6(4) festgelegte Bedeutung.

"Rechtsstreitigkeiten" hat die in § 15(2) festgelegte Bedeutung.

"Referenzanpassungstermin" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Bildschirmseite" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Referenzbanken" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Referenzbankensatz" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Referenzsatz" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Termin" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Zeitraum" hat die in § 4(3) festgelegte Bedeutung.

"Reset-Zinssatz" hat die in § 4(3) festgelegte Bedeutung.

"Rückzahlungstermin" bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.

"Schuldverschreibungen" hat die in § 2(1) festgelegte Bedeutung.

"SchVG" hat die in § 14(1) festgelegte Bedeutung.

"Steuerereignis" hat die in § 6(4) festgelegte Bedeutung.

"TARGET-Geschäftstag" hat die in § 4(3) festgelegte Bedeutung.

"Tochterunternehmen" hat die in § 3(1) festgelegte Bedeutung.

"Person" has the meaning specified in § 6(6).

"Mandatory Payment Event" has the meaning specified in § 5(3).

"Mandatory Settlement Date" has the meaning specified in § 5(3).

"Gross-up Event" has the meaning specified in § 6(4).

"Accounting Event" has the meaning specified in § 6(4).

"Proceedings" has the meaning specified in § 15(2).

"Reference Reset Date" has the meaning specified in § 4(3).

"Reset Screen Page" has the meaning specified in § 4(3).

"Reset Reference Banks" has the meaning specified in § 4(3).

"Reset Reference Bank Rate" has the meaning specified in § 4(3).

"Reset Reference Rate" has the meaning specified in § 4(3).

"Reset Date" has the meaning specified in § 4(3).

"Reset Period" has the meaning specified in § 4(3).

"Reset Rate of Interest" has the meaning specified in § 4(3).

"Redemption Date" means the day on which the Notes become due for redemption in accordance with these Terms and Conditions.

"Notes" has the meaning specified in § 2(1).

"SchVG" has the meaning specified in § 14(1).

"Tax Event" has the meaning specified in § 6(4).

"TARGET Business Day" has the meaning specified in § 4(3).

"Subsidiary" has the meaning specified in § 3(1).

"**Vereinigte Staaten**" hat die in § 2(3)(b) festgelegte Bedeutung.

"**Verzinsungsbeginn**" hat die in § 4(1)(a) festgelegte Bedeutung.

"**Vorläufige Globalurkunde**" hat die in § 2(3)(a) festgelegte Bedeutung.

"**Zahlstelle**" hat die in § 10(5) festgelegte Bedeutung.

"**Zahlstellen**" hat die in § 10(5) festgelegte Bedeutung.

"**Zinsberechnungszeitraum**" hat die in § 4(8) festgelegte Bedeutung.

"**Zinsbetrag**" hat die in § 4(5) festgelegte Bedeutung.

"**Zinsfestlegungstag**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinsperiode**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinssatz**" hat die in § 4(2) festgelegte Bedeutung.

"**Zinstagequotient**" hat die in § 4(8) festgelegte Bedeutung.

"**Zinszahlungstag**" hat die in § 4(1)(b) festgelegte Bedeutung.

"**Zusätzliche Beträge**" hat die in § 8(1) festgelegte Bedeutung.

"**United States**" has the meaning specified in § 2(3)(b).

"**Interest Commencement Date**" has the meaning specified in § 4(1)(a).

"**Temporary Global Note**" has the meaning specified in § 2(3)(a).

"**Paying Agent**" has the meaning specified in § 10(5).

"**Paying Agents**" has the meaning specified in § 10(5).

"**Calculation Period**" has the meaning specified in § 4(8).

"**Interest Amount**" has the meaning specified in § 4(5).

"**Interest Determination Date**" has the meaning specified in § 4(3).

"**Interest Period**" has the meaning specified in § 4(3).

"**Rate of Interest**" has the meaning specified in § 4(2).

"**Day Count Fraction**" has the meaning specified in § 4(8).

"**Interest Payment Date**" has the meaning specified in § 4(1)(b).

"**Additional Amounts**" has the meaning specified in § 8(1).

§ 2

Währung, Gesamtnennbetrag, Stückelung, Form und Clearing System

(1) *Währung, Gesamtnennbetrag, Stückelung, Übertragung.* Diese Emission von nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der BayWa AG (die "**Emittentin**") wird am 11. Oktober 2017 (der "**Ausgabetag**") in Euro (die "**Festgelegte Währung**") im Gesamtnennbetrag von bis zu € 300.000.000 (in Worten: Euro dreihundert Millionen) (der "**Gesamtnennbetrag**") in einer Stückelung von € 1.000 (die "**Festgelegte Stückelung**") begeben.

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

§ 2

Currency, Aggregate Principal Amount, Denomination, Form, Clearing System

(1) *Currency, Aggregate Principal Amount, Denomination, Transfer.* This issue of subordinated notes (the "**Notes**") of BayWa AG (the "**Issuer**") is being issued in Euro (the "**Specified Currency**") on October 11, 2017 (the "**Issue Date**") in the aggregate principal amount of up to € 300,000,000 (in words: Euro three hundred million) (the "**Aggregate Principal Amount**") in a denomination of € 1,000 (the "**Specified Denomination**").

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

(3) *Vorläufige Globalurkunde – Austausch.*

- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils die "**Globalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelkunden und Zinsscheine werden nicht ausgegeben.
- (b) Die Vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die

(3) *Temporary Global Note – Exchange.*

- (a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchanged for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**") and together with the Temporary Global Note, the "**Global Note**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchangeable for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary

am oder nach dem 40. Tag nach dem Tag der Ausgabe der Vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß § 2(3)(b) auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern.

Für die Zwecke von § 2(3) und § 7(1), bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

- (4) *Clearing System.* Jede die Schuldverschreibungen verbrieftende Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" meint Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg ("**CBL**"), Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**"), (CBL und Euroclear jeweils "**ICSD**" und zusammen die "**ICSDs**") sowie jeden Funktionsnachfolger. Die Schuldverschreibungen werden als klassische Globalurkunde (classical global note) begeben und werden von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.
- (5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen wirtschaftlichen Interesses oder Rechts an den Schuldverschreibungen.

§ 3

Status der Schuldverschreibungen, Aufrechnungsverbot

- (1) *Status der Schuldverschreibungen.* Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die

Global Note pursuant to § 2(3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

For purposes of § 2(3) and § 7(1), "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (4) *Clearing System.* Each Global Note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**"), Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**"), (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity. The Notes will be issued in classical global note form and will be kept in custody by a common depositary on behalf of both ICSDs.

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

§ 3

Status of the Notes, Prohibition of Set-Off

- (1) *Status of the Notes.* The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* among

untereinander und mit jeder Gleichrangigen Verbindlichkeit gleichrangig sind und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen; im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin gehen die Verbindlichkeiten aus den Schuldverschreibungen allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin (mit Ausnahme der Gleichrangigen Verbindlichkeiten und der Nachrangigen Verbindlichkeiten), ob nachrangig oder nicht nachrangig, vollständig nach, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments nicht ausdrücklich etwas anderes vorsehen, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche, die nach diesem § 3(1) den Schuldverschreibungen im Rang vorgehen, nicht vollständig befriedigt sind.

Die Rechte der Gläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nicht besicherte und nachrangige Rechte, die im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleichstehen und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen.

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

Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden.

"Gleichrangige Verbindlichkeiten" bezeichnet jede bestehende und zukünftige Verbindlichkeit (i) der Emittentin, die

themselves, *pari passu* with all Parity Obligations and senior only to the Junior Obligations, and in the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations and Junior Obligations), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that pursuant to this § 3(1) rank senior to the Notes have been satisfied in full.

The rights of the Holders towards the Issuer under the Notes constitute direct, unsecured and subordinated claims, in the event of the liquidation or insolvency of the Issuer or any other proceedings for the avoidance of insolvency of the Issuer ranking *pari passu* among themselves, *pari passu* with all claims in respect of the Parity Obligations and senior only to the claims against the Issuer in respect of the Junior Obligations.

Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes also from other available assets of the Issuer.

No security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Holders under the Notes.

"Parity Obligations" means any present or future obligation which (i) is assumed by the Issuer and the obligations under which rank

gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen ist oder ausdrücklich als gleichrangig vereinbart ist oder (ii) die von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Emittentin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen als gleichrangig vereinbart sind.

"Nachrangige Verbindlichkeiten" bezeichnet (i) die Stammaktien und etwaige Vorzugsaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien oder etwaigen Vorzugsaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einem Tochterunternehmen der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

"Tochterunternehmen" bezeichnet jedes direkte oder mittelbare, mehrheitlich der Emittentin gehörende Tochterunternehmen, das im betreffenden Zeitpunkt für die Zwecke der Erstellung des konsolidierten Jahresabschlusses der Emittentin nach IFRS von der Emittentin konsolidiert werden muss.

- (2) **Aufrechnungsverbot.** Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Gläubigern gegen

or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations the Notes.

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

"Subsidiary" means any directly or indirectly majority-owned subsidiary of the Issuer that must be consolidated by the Issuer for the purposes of preparing annual consolidated financial statements of the Issuer under IFRS from time to time.

- (2) **Prohibition of set-off.** No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of

Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

its obligations under the Notes.

§ 4 Verzinsung

- (1) *Zinszahlungstage.*
- (a) Vorbehaltlich des Aufschubs der Zinszahlung nach § 5(1) werden die Schuldverschreibungen bezogen auf ihren Gesamtnennbetrag ab dem 11. Oktober 2017 (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst.
- (b) Zinsen werden nachträglich am 11. Oktober eines jeden Jahres (jeweils ein "**Zinszahlungstag**") bezahlt und werden nach Maßgabe von § 5(1) fällig. Der erste Zinszahlungstag ist der 11. Oktober 2018.
- (2) *Zinssatz.* Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird,
- (a) für den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum 11. Oktober 2022 (der "**Erste Rückzahlungstermin**") (ausschließlich) ein fester Zinssatz in Höhe von [●] % *per annum*, und
- (b) für den Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum Kalendertag, an dem die Emittentin die Schuldverschreibungen vollständig zurückzahlt (ausschließlich), der anwendbare Reset-Zinssatz für die relevante Zinsperiode.
- (3) *Bestimmte Definitionen.*
- "5-Jahres-Swapsatz-Angebotssätze"** bezeichnet das arithmetische Mittel der Geld- und Briefkurse für die jährliche Festzinsseite (berechnet auf der Grundlage eines Jahres

§ 4 Interest

- (1) *Interest Payment Dates.*
- (a) Subject to a deferral of interest pursuant to § 5(1), the Notes shall bear interest on their aggregate principal amount from and including October 11, 2017 (the "**Interest Commencement Date**") to but excluding the first Interest Payment Date, and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.
- (b) Interest shall be scheduled to be paid annually in arrear on October 11 in each year (each such date, an "**Interest Payment Date**") and will fall due in accordance with § 5(1). The first Interest Payment Date is October 11, 2018.
- (2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period will, except as otherwise provided below, be
- (a) for the period from and including the Interest Commencement Date to but excluding October 11, 2022 (the "**First Call Date**") a fixed rate of [●] % *per annum*, and
- (b) for the period from and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole the applicable Reset Rate of Interest for the relevant Interest Period.
- (3) *Certain Definitions.*
- "5 year Swap Rate Quotations"** means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the basis of a 360-day year of twelve 30-day

mit 360 Tagen und zwölf Monaten mit je 30 Tagen) einer Euro-Zinsswap-Transaktion fest gegen variabel (i) mit einer Laufzeit von 5 Jahren, die an dem betreffenden Referenzanpassungstermin beginnt, (ii) in einem Betrag, der für eine einzelne Transaktion in dem betreffenden Markt zum jeweiligen Zeitpunkt, die mit einem anerkannten Händler guter Bonität im Swap-Markt abgeschlossen wird, repräsentativ ist, und (iii) mit einer variablen Zinsseite, die auf dem 6-Monats-EURIBOR (berechnet auf der Grundlage der Anzahl der in einem Jahr mit 360 Tagen tatsächlich abgelaufenen Anzahl von Tagen) basiert.

"**Marge**" bedeutet [●] % *per annum*.³

"**Reset-Referenzbanken**" bedeutet fünf im Interbankenmarkt führende Swap Händler, wie von der Emittentin von Zeit zu Zeit festgelegt.

"**Reset-Referenzbankensatz**" bezeichnet den jährlichen Prozentsatz, der auf Basis der von den Reset-Referenzbanken am Zinsfestlegungstag um etwa 11:00 Uhr Frankfurter Zeit an die Berechnungsstelle übermittelten 5-Jahres-Swapsatz-Angebotssätze bestimmt wird. Die Berechnungsstelle wird bei der Hauptniederlassung der Reset-Referenzbanken (wie von der Emittentin ausgesucht) jeweils um einen Angebotssatz bitten. Falls zumindest drei Angebotssätze zur Verfügung gestellt werden, ist der Prozentsatz für den Zinsfestlegungstag das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze, bereinigt um den höchsten Angebotssatz (oder, falls mehrere Angebotssätze gleich hoch sind, einer der höchsten) und den niedrigsten Angebotssatz (oder, falls mehrere Angebotssätze gleich niedrig sind, einen der niedrigsten). Kann der Reset-Referenzbankensatz nicht gemäß der vorhergehenden Bestimmungen dieses Absatzes bestimmt werden, ist der Reset-Referenzbankensatz der letzte Swap-Satz für

months) of a fixed-for-floating Euro interest rate swap transaction which (i) has a term of 5 years commencing on the relevant Reference Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the 6-months EURIBOR rate (calculated on the basis of the actual number of days elapsed in a 360-day year).

"**Margin**" means [●] % *per annum*.⁴

"**Reset Reference Banks**" means five leading swap dealers in the interbank market, determined by the Issuer from time to time.

"**Reset Reference Bank Rate**" means the percentage rate, expressed as an annual rate, determined on the basis of the 5 year Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11.00 a.m. Frankfurt time on the Interest Determination Date. The Calculation Agent will request the principal office of each of the Reset Reference Banks (as selected by the Issuer) to provide a quotation of its rate. If at least three quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined pursuant to the foregoing provisions of this paragraph, the Reset Reference Bank Rate will be equal to the last available 5 year swap rate for Euro swap transactions, expressed as an annual rate, on

³ Die Marge beinhaltet eine Erhöhung des Zinses von 5,00% *per annum* zuzüglich zu dem anfänglichen credit spread ab dem Ersten Rückzahlungstermin.

⁴ Margin to reflect an interest rate step-up of 5.00% *per annum* over the initial credit spread from the First Call Date.

Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Reset-Bildschirmseite verfügbar ist.

Der "**Reset-Referenzsatz**" für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle an dem Zinsfestlegungstag vor dem Reset-Termin, an dem der jeweilige Reset-Zeitraum beginnt, bestimmt (der "**Referenzanpassungstermin**") und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren beginnend mit dem Referenzanpassungstermin, ausgedrückt als Prozentsatz, der am jeweiligen Zinsfestlegungstag um 11:00 Uhr Frankfurter Zeit auf der Reuters Bildschirmseite "ICESWAP2" (oder einer Nachfolgeside) unter der Überschrift "EURIBOR BASIS" (die "**Reset-Bildschirmseite**") angezeigt wird.

Falls der Reset-Referenzsatz am relevanten Zinsfestlegungstag nicht auf der Reset-Bildschirmseite erscheint, ist der Reset-Referenzsatz der Reset-Referenzbankensatz.

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

"**Reset-Zeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

"**Reset-Zinssatz**" bezeichnet den Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der Marge.

"**TARGET-Geschäftstag**" bezeichnet jeden Tag, an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet ist.

"**Zinsfestlegungstag**" bezeichnet in Bezug auf den Reset-Referenzsatz, der für den Zeitraum von einem Reset-Termin

the Reset Screen Page.

The "**Reset Reference Rate**" for the relevant Reset Period will be determined by the Calculation Agent on the Interest Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the "**Reference Reset Date**") and will be the annual swap rate for Euro swap transactions with a term of 5 years commencing on the Reference Reset Date, expressed as a percentage, as displayed on the Reuters Screen Page "ICESWAP2" (or any successor page) under the heading "EURIBOR BASIS" (the "**Reset Screen Page**") as of 11:00 a.m. Frankfurt time on the relevant Interest Determination Date.

If the Reset Reference Rate does not appear on the Reset Screen Page on the relevant Interest Determination Date, the Reset Reference Rate will be the Reset Reference Bank Rate.

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

"**Reset Period**" means each period from and including the First Call Date to but excluding the first Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

"**Reset Rate of Interest**" means the Reset Reference Rate for the Reset Period in which the relevant Interest Period falls plus the Margin.

"**TARGET Business Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) is open.

"**Interest Determination Date**" means, in respect of the Reset Reference Rate to be determined in relation to the period from and

(einschließlich) bis zum nächstfolgenden Reset-Termin (ausschließlich) festzustellen ist, den zweiten TARGET Geschäftstag vor dem Reset-Termin, an dem dieser Zeitraum beginnt.

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

- (4) *Verzinsung nach Eintritt eines Kontrollwechselereignisses.* Wenn ein Kontrollwechselereignis eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(6) zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag um 5,00% *per annum*.
- (5) *Zinsbetrag.* Unverzüglich nach Bestimmung des Reset-Referenzsatzes wird die Berechnungsstelle den anwendbaren Zinssatz bestimmen und den vorbehaltlich § 5(1) auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf die Festgelegte Stückelung (der **"Zinsbetrag"**) für die entsprechenden Zinsperioden bis zum nächsten Reset-Termin berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient auf die Festgelegte Stückelung angewendet werden. Der resultierende Betrag wird auf die kleinste Einheit der Festgelegten Währung auf- oder abgerundet, wobei 0,5 solcher Einheiten aufgerundet werden.
- (6) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz und der Zinsbetrag (unter dem Vorbehalt der Anwendung von § 5(1)) für die jeweilige Zinsperiode (i) der Emittentin, der Zahlstelle und den Gläubigern gemäß § 12 und (ii) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, in jedem Fall baldmöglichst mitgeteilt werden.

including a Reset Date to but excluding the next following Reset Date, the second TARGET Business Day preceding the Reset Date on which such period commences.

"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.

- (4) *Interest following the occurrence of a Change of Control Event.* If a Change of Control Event occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(6), the applicable Rate of Interest will be increased by 5.00% *per annum* from the Change of Control Effective Date.
- (5) *Interest Amount.* The Calculation Agent will, without undue delay after the determination of the Reset Reference Rate, determine the applicable Rate of Interest and calculate the amount of interest (the **"Interest Amount"**), subject to § 5(1), payable on the Notes in respect of the Specified Denomination for the relevant Interest Periods until the next Reset Date. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction to the Specified Denomination. The resulting figure will be rounded to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.
- (6) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest and the Interest Amount (subject to the application of § 5(1)) for the relevant Interest Period to be notified (i) to the Issuer, the Paying Agent and to the Holders in accordance with § 12 and (ii) if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, to such stock exchange, in each case as soon as possible.

(7) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Gläubiger bindend.

(8) *Zinstagequotient.* **"Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich) (der **"Zinsberechnungszeitraum"**),

(a) wenn der Zinsberechnungszeitraum der Feststellungsperiode, in die er fällt, entspricht oder kürzer als diese ist, die Anzahl der Tage in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl von Feststellungsperioden, die normalerweise in einem Jahr enden würden;

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

(i) der Anzahl der Tage in diesem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (x) der Anzahl der Tage in der diese Feststellungsperiode und (y) der Anzahl von Feststellungsperioden, die normalerweise in einem Jahr enden würden; und

(ii) der Anzahl der Tage in diesem Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen,

(7) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.

(8) *Day Count Fraction.* **"Day Count Fraction"** means, in respect of the calculation of an amount of interest on the Notes 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"**),

(a) 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 (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

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

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x)

dividiert durch das Produkt aus (x) der Anzahl der Tage in der diese Feststellungsperiode und (y) der Anzahl von Feststellungsperioden, die normalerweise in einem Jahr enden würden.

"**Feststellungstermin**" bezeichnet jeden 11. Oktober.

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

- (9) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird (falls die Schuldverschreibungen zurückgezahlt werden). Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, werden die Schuldverschreibungen bezogen auf ihren ausstehenden Gesamtnennbetrag vom Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) verzinst. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 4(1) bis (8) bestimmt.

§ 5

Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen

- (1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.*
- (a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Gläubiger gemäß § 12 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year.

"**Determination Date**" means each October 11.

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

- (9) *Cessation of interest accrual.* The Notes will cease to bear interest from the beginning of the day on which they become due for redemption (if the Notes are redeemed). If the Issuer fails to make the relevant redemption payment under the Notes when due, the Notes will bear interest on their outstanding Aggregate Principal Amount from and including the due date to but excluding the day of actual redemption of the Notes. In such case, the applicable rate of interest will be determined pursuant to § 4(1) through (8).

§ 5

Due Date for interest payments; Deferral of Interest Payments; Payment of Arrears of Interest

- (1) *Due Date for interest payments; optional interest deferral.*
- (a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Holders not less than 10 Business Days prior to the relevant Interest Payment Date in accordance with § 12, to defer the relevant payment of interest (in whole but not in part).

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

Nach Maßgabe dieses § 5(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie alle maßgeblichen Stellen des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet sind, um Zahlungen abzuwickeln.

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.

- (2) *Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Gläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung zu zahlen, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

- (3) *Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein "**Pflichtnachzahlungstermin**"):
 - (i) am zehnten Geschäftstag nach Eintreten eines Pflichtnachzahlungsereignisses; oder
 - (ii) am Kalendertag, an dem die

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

Interest not due and payable in accordance with this § 5(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

"**Business Day**" means a day (other than Saturday or Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are open to effect payments.

- (b) Arrears of Interest will not bear interest.

- (2) *Optional Settlement of Arrears of Interest.* The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Holders not less than 10 Business Days prior to such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

- (3) *Mandatory Payment of Arrears of Interest.* The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following dates (each a "**Mandatory Settlement Date**"):
 - (i) the tenth Business Day following the occurrence of a Mandatory Payment Event; or
 - (ii) the date on which the Notes are

Schuldverschreibungen gemäß § 6(2), § 6(4), § 6(5) oder § 6(6) zurückgezahlt werden; oder

- (iii) am Kalendertag, an dem die betreffende Hauptversammlung die freiwillige Auflösung der Emittentin beschließt oder an dem ein Beschluss zur Auflösung, Abwicklung oder Liquidation der Emittentin ergangen ist (in jedem Fall aber nur, wenn dies nicht für die Zwecke oder als Folge einer Sanierung oder eines Insolvenzplanverfahrens oder eines Zusammenschlusses oder einer Umstrukturierung geschieht und die Emittentin noch zahlungsfähig ist und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

Ein "**Pflichtnachzahlungsereignis**" liegt bei Eintreten eines jeden der folgenden Ereignisse vor:

- (i) der Kalendertag, an dem eine Dividende, andere Ausschüttung oder andere Zahlung auf die Nachrangigen Verbindlichkeiten oder die Gleichrangigen Verbindlichkeiten gezahlt oder anderweitig gemacht wurde (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung, die allein in Form von Stammaktien der Emittentin an die Gesellschafter der Emittentin vorgenommen wird);
- (ii) der Kalendertag, an dem die Emittentin oder ein Tochterunternehmen der Emittentin Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten vor deren jeweiligem Fälligkeitstag - wie in den Bedingungen dieser Nachrangigen Verbindlichkeiten oder Gleichrangigen Verbindlichkeiten zum Zeitpunkt ihrer Begebung bzw. Übernahme bestimmt - zurückgekauft, zurückgezahlt oder anderweitig erworben hat, ausgenommen (x) in Verbindung mit einem

redeemed in accordance with § 6(2), § 6(4), § 6(5) or § 6(6); or

- (iii) the date on which the relevant general meeting of shareholders resolves the voluntary winding-up of the Issuer or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer (as applicable)).

A "**Mandatory Payment Event**" will occur upon any of the following events:

- (i) the calendar day on which a dividend, other distribution or other payment was paid or otherwise made in respect of Junior Obligations or Parity Obligations, in each case, however, other than a dividend, distribution or payment which is solely made in the form of ordinary shares of the Issuer to the shareholders of the Issuer;
- (ii) the calendar day on which the Issuer or a Subsidiary of the Issuer has redeemed, repurchased or otherwise acquired Junior Obligations or Parity Obligations prior to the respective maturity date as stipulated under the terms and conditions of such Junior Obligations or Parity Obligations at the time of their issuance or assumption (as applicable), in each case, however, other than (x) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers

Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten oder Führungskräften, (y) als Ergebnis eines Umtauschs oder einer Wandlung einer Gattung der Nachrangigen Verbindlichkeiten in eine andere Gattung Nachrangiger Verbindlichkeiten oder eines Umtauschs oder einer Wandlung einer Gattung der Gleichrangigen Verbindlichkeiten in eine andere Gattung Gleichrangiger Verbindlichkeiten oder Nachrangiger Verbindlichkeiten oder (z) falls die Emittentin oder das betreffende Tochterunternehmen Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten als Gegenleistung für einen Verkauf von Vermögenswerten an Dritte erhält;

- (iii) der nächste Zinszahlungstag, bezüglich dessen die Emittentin von ihrem Wahlrecht, die Zahlung von Zinsen vorzunehmen, die an diesem Zinszahlungstag auf die Schuldverschreibungen zu zahlen sind, Gebrauch macht;

mit der Maßgabe, dass

- (x) in den vorgenannten Fällen (i) und (ii) kein Pflichtnachzahlungsereignis vorliegt, wenn die Emittentin, oder das betreffende Tochterunternehmen nach Maßgabe der Bedingungen der betreffenden Nachrangigen Verbindlichkeit oder Gleichrangigen Verbindlichkeit oder kraft zwingenden Rechts zu der Zahlung, der Rückzahlung, dem Rückkauf oder dem anderweitigen Erwerb verpflichtet ist; und
- (y) im vorgenannten Fall (ii) kein Pflichtnachzahlungsereignis vorliegt, wenn die Emittentin oder das betreffende Tochterunternehmen Gleichrangige Verbindlichkeiten nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot

or directors, (y) as a result of the exchange or conversion of one class of Junior Obligations for another class of Junior Obligations or the exchange or conversion of one class of Parity Obligations for another class of Parity Obligations or Junior Obligations, or (z) in the case the Issuer or the relevant Subsidiary receives Junior Obligations or Parity Obligations as consideration for a sale of assets to third parties;

- (iii) the next Interest Payment Date in relation to which the Issuer elects to pay interest on the Notes scheduled to be paid on such Interest Payment Date;

provided that

- (x) in the cases (i) and (ii) above, no Mandatory Payment Event will occur if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Obligations or Parity Obligations or by mandatory operation of law to make such payment, such redemption, such repurchase or such other acquisition; and
- (y) in the case (ii) above, no Mandatory Payment Event will occur if the Issuer or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations in whole or in part in a public tender offer or public exchange offer at a consideration per Parity

ganz oder teilweise zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.

§ 6

Rückzahlung und Rückkauf

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden außer nach Maßgabe dieses § 6 nicht zurückgezahlt.
- (2) *Kündigungsrecht und Rückzahlung nach Wahl der Emittentin am Ersten Rückzahlungstermin oder an jedem danach folgenden Zinszahlungstag.* Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Rückzahlungstermin oder danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zu diesem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.
- (3) *Rückkauf von Schuldverschreibungen.* Die Emittentin oder Tochterunternehmen können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.
- (4) *Kündigungsrecht und Rückzahlung bei einem Quellensteuer-Ereignis, einem Rechnungslegungsereignis oder einem Steuerereignis.*

Bei Eintritt eines Quellensteuer-Ereignisses,

Obligation (as applicable) below its par value.

§ 6

Redemption and Repurchase

- (1) *No final maturity.* The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 6.
- (2) *Issuer Call Right and Redemption at the Option of the Issuer on the First Call Date or on any Interest Payment Date thereafter.* The Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice in accordance with § 12. In the case such call notice is given, the Issuer shall redeem the Notes at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date (as specified in the notice) but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on such Redemption Date.
- (3) *Repurchase of Notes.* The Issuer or any Subsidiary may, subject to applicable laws, at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (4) *Issuer Call Right and Redemption due to a Gross-up Event, an Accounting Event or a Tax Event.*

If either a Gross-up Event, an Accounting

eines Rechnungslegungsereignisses oder eines Steuerereignisses ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von mindestens 30 und höchstens 60 Tagen zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin wie folgt zurückzuzahlen:

- (i) wenn die Kündigung aufgrund eines Quellensteuer-Ereignisses erfolgt, hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen; oder
- (ii) wenn die Kündigung aufgrund eines Rechnungslegungsereignisses oder eines Steuerereignisses erfolgt, hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (x) zu einem Betrag je Schuldverschreibung in Höhe von 101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen, sofern die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, oder (y) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die

Event or a Tax Event shall have occurred, the Issuer may call the Notes for redemption (in whole but not in part) at any time upon giving of not less than 30 and not more than 60 days' notice in accordance with § 12. In this case the Issuer shall redeem the Notes on the Redemption Date specified in the notice as follows:

- (i) if the Notes are called by the Issuer upon the occurrence of a Gross-up Event, the Notes will be redeemed at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date; or
- (ii) if the Notes are called upon the occurrence of an Accounting Event or a Tax Event the Notes will be redeemed (x) at an amount per Note equal to 101% of the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date if such redemption occurs prior to the First Call Date, or (y) at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date if such redemption occurs on or after the First Call Date.

Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen, sofern die Rückzahlung am oder nach dem Ersten Rückzahlungstermin erfolgt.

Die Bekanntmachung der Kündigung muss diejenigen Tatsachen enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung bestimmten Rückzahlungstermin angeben.

Ein "**Quellensteuer-Ereignis**" liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabetag wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

Ein "**Rechnungslegungsereignis**" liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin einen Brief oder einen Bericht übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Anwendung) seit dem Ausgabetag die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Eigenkapital" gemäß IFRS bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihres konsolidierten Jahresabschlusses anstelle der

The notice shall also set forth the underlying facts of the Issuer's right to redemption and specify the Redemption Date fixed for redemption.

A "**Gross-up Event**" shall have occurred if the Issuer has or will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority of or in the Federal Republic of Germany, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

An "**Accounting Event**" shall have occurred if a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the funds raised through the issuance of the Notes may not or may no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

IFRS anwenden kann, ausgewiesen werden dürfen.

Ein "**Steuerereignis**" liegt vor, wenn

- (x) der Emittentin ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge
 - (i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer jeweiligen Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird,
 - (ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird, oder
 - (iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht,

Zahlungen, die von der Emittentin in

A "**Tax Event**" shall have occurred if

- (x) an opinion of a recognized independent tax counsel has been delivered to the Issuer, stating that on or after the Issue Date, as a result of
 - (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority of any or in any of the foregoing which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date;

payments by the Issuer on the Notes

Bezug auf die Schuldverschreibungen zu leisten sind, von der Emittentin nicht mehr für die Zwecke der Körperschaftssteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und

- (y) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

- (5) *Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.* Falls die Emittentin und/oder ein Tochterunternehmen allein oder gemeinsam Schuldverschreibungen im Volumen von 85% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen und am festgelegten Rückzahlungstermin (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzahlen, sofern die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzahlen, sofern die Rückzahlung am oder nach dem Ersten Rückzahlungstermin erfolgt.

- (6) *Kündigungsrecht und Rückzahlung bei einem Kontrollwechselereignis.* Bei Eintritt eines Kontrollwechselereignisses (i) hat die Emittentin unverzüglich den

are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for corporate income tax purposes; and

- (y) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

- (5) *Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount.* In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 85% of the Aggregate Principal Amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) at any time upon giving not less than 30 and not more than 60 days' notice in accordance with § 12 (i) at an amount per Note equal to 101% of the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date if such redemption occurs prior to the First Call Date, or (ii) at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date if such redemption occurs on or after the First Call Date.

- (6) *Issuer Call Right and Redemption due to a Change of Control Event.* If a Change of Control Event shall have occurred, (i) the Issuer will specify the Change of Control

Kontrollwechsel-Stichtag zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag gemäß § 12 anzuzeigen (die "**Kontrollwechselmitteilung**") und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) mit Wirkung zum Kontrollwechsel-Stichtag durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht mehr als 45 Tagen nach Bekanntmachung der Kontrollwechselmitteilung zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein "**Kontrollwechselereignis**" gilt als eingetreten, wenn nach dem Ausgabetag ein Kontrollwechsel eintritt.

"**Kontrollwechsel-Stichtag**" bezeichnet den von der Emittentin in der Kontrollwechselmitteilung festgelegten Tag, der:

- (i) ein Geschäftstag sein muss; und
- (ii) nicht weniger als 45 und nicht mehr als 60 Tage nach Bekanntmachung der Kontrollwechselmitteilung liegen darf.

"**Person**" bezeichnet jede der folgenden Personen: natürliche Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigung, Aktiengesellschaften, Trusts, nicht rechtsfähige Vereinigungen, Gesellschaften mit beschränkter Haftung, staatliche Stellen (oder Behörden oder Gebietskörperschaften) oder sonstige Rechtsträger.

Ein "**Kontrollwechsel**" gilt als eingetreten, wenn eine Person (oder eine Gruppe von

Effective Date and give notice in accordance with § 12 of the occurrence Change of Control Event and the Change of Control Effective Date without undue delay (the "**Change of Control Notice**"), and (ii) the Issuer may call the Notes for redemption (in whole but not in part) at any time with effect as of the Change of Control Effective Date upon giving of not more than 45 days' notice after publication of the Change of Control Notice in accordance with § 12. In the case such call notice is given, the Issuer shall redeem the Notes on the Change of Control Effective Date at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Change of Control Effective Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the Change of Control Effective Date.

A "**Change of Control Event**" shall be deemed to have occurred in the event that, after the Issue Date, a Change of Control occurs.

"**Change of Control Effective Date**" means the date specified by the Issuer in the Change of Control Notice, which:

- (i) must be a Business Day; and
- (ii) must fall not less than 45 and not more than 60 days after publication of the Change of Control Notice.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government (or any agency or political subdivision thereof) or other entity.

A "**Change of Control**" shall be deemed to occur if any person (or a group of persons

gemeinsam handelnden Personen) mittelbar oder unmittelbar eine solche Anzahl von Aktien der Emittentin, auf die mehr als 30 % der bei Hauptversammlungen der Emittentin ausübenden Stimmrechte entfallen, erwirbt.

§ 7 Zahlungen

- (1) *Allgemein.*
- (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems außerhalb der Vereinigten Staaten.
- (b) *Zahlungen von Zinsen.* Zahlungen von Zinsen auf Schuldverschreibungen erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- Zahlungen von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 2(3)(b).
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.
- (3) *Erfüllung.* Die Emittentin werden durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Zahltag.* Fällt der Fälligkeitstag für eine Zahlung von Kapital und/oder Zinsen in Bezug auf eine Schuldverschreibung auf

acting in concert) directly or indirectly acquires such number of shares in the capital of the Issuer granting more than 30 per cent. of the voting rights exercisable at general meetings of the Issuer.

§ 7 Payments

- (1) *General.*
- (a) *Payment of Principal.* Payment of principal in respect of the Notes shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States.
- (b) *Payment of Interest.* Payment of interest on Notes shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- Payment of interest on Notes represented by the Temporary Global Note shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 2(3)(b).
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Payment Day.* If the due date for payment of any principal and/or interest in respect of any Note is not a Business Day then the Holders

einen Tag, der kein Geschäftstag ist, dann haben die Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Tag, der ein Geschäftstag ist, und sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Betrag, zu dem die Schuldverschreibungen gemäß § 6 zurückzuzahlen sind, jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren Zusätzlichen Beträge ein.

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

§ 8 Steuern

- (1) *Zusätzliche Beträge.* Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**Zusätzlichen**

shall not be entitled to payment until the next day which is a Business Day and shall not be entitled to further interest or other payment in respect of such delay.

- (5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable, the following amounts: the amount at which the Notes are redeemed pursuant to § 6, any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court in Munich amounts of interest or principal not claimed by the Holders within twelve months after the due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that such deposit is effected and the right of withdrawal is waived, the respective claims of such Holders shall cease.

§ 8 Taxation

- (1) *Additional Amounts.* All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless the Issuer is required by law to make such withholding or deduction. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such

Beträge") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers 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;
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind;
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind;
- (d) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer

withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

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

diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird;

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| <p>(e) durch die Erfüllung von gesetzlichen Anforderungen oder durch die Vorlage einer Nichtansässigkeitserklärung oder durch die sonstige Geltendmachung eines Anspruchs auf Befreiung gegenüber der betreffenden Steuerbehörde vermeidbar sind oder gewesen wären;</p> <p>(f) abgezogen oder einbehalten werden, weil der wirtschaftliche Eigentümer der Schuldverschreibungen nicht selbst rechtlicher Eigentümer (Gläubiger) der Schuldverschreibungen ist und der Abzug oder Einbehalt bei Zahlungen an den wirtschaftlichen Eigentümer nicht erfolgt wäre oder eine Zahlung Zusätzlicher Beträge bei einer Zahlung an den wirtschaftlichen Eigentümer nach Maßgabe der vorstehenden Regelungen hätte vermieden werden können, wenn dieser zugleich rechtlicher Eigentümer (Gläubiger) der Schuldverschreibungen gewesen wäre; oder</p> <p>(g) aufgrund der Vorschriften in Bezug auf Abschnitte 1471-1474 des US Bundessteuergesetzes von 1986 ("Internal Revenue Code"), einer in Abschnitt 1471(b) des Internal Revenue Code beschriebenen Vereinbarung oder anderweitig aufgrund eines Gesetzes zur Umsetzung zwischenstaatlicher Vertragswerke in Bezug auf diese abgezogen oder einbehalten werden.</p> <p>(2) <i>Andere Steuerrechtsordnung.</i> Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 8 auf die Rechtsordnung der Emittentin als Bezugnahmen auf die</p> | <p>(e) are avoidable or would have been avoidable through compliance with statutory requirements or through the submission of a declaration of non-residence or by otherwise enforcing a claim for exemption at the relevant tax authority;</p> <p>(f) are deducted or withheld because the beneficial owner of the Notes is not itself their legal owner (Holder) and no deduction or withholding would have been made from payments to the beneficial owner, or payment of any Additional Amounts could have been avoided by making payment to the beneficial owner in accordance with the above provisions if such beneficial owner had also been the legal owner (Holder) of the Notes; or</p> <p>(g) are deducted or withheld in respect of sections 1471-1474 of the US Internal Revenue Code of 1986 ("Internal Revenue Code"), any agreements described in Section 1471(b) of the Internal Revenue Code, or under any law implementing an intergovernmental approach to any of the foregoing.</p> <p>(2) <i>Other Tax Jurisdiction.</i> If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 8 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).</p> |
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Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

§ 9

Vorlegungsfrist

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

§ 10

Zahlstellen und Berechnungsstelle

- (1) *Hauptzahlstelle.* Die Hauptzahlstelle (die "**Hauptzahlstelle**") ist:

Deutsche Bank Aktiengesellschaft
Attn.: Trust and Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

- (2) *Berechnungsstelle.* Die Berechnungsstelle (die "**Berechnungsstelle**") ist:

Deutsche Bank Aktiengesellschaft
Attn.: Trust and Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

- (3) *Erfüllungsgehilfen der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Gläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

- (4) *Berechnungen der Berechnungsstelle.* Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Gläubiger und die Zahlstellen

§ 9

Term of Presentation

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

§ 10

Paying Agents and Calculation Agent

- (1) *Principal Paying Agent.* Principal paying agent (the "**Principal Paying Agent**") shall be:

Deutsche Bank Aktiengesellschaft
Attn.: Trust and Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

- (2) *Calculation Agent.* Calculation agent (the "**Calculation Agent**") shall be:

Deutsche Bank Aktiengesellschaft
Attn.: Trust and Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

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

- (4) *Calculations made by the Calculation Agent.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions of Issue by the Calculation Agent shall (in the absence of wilful misconduct or manifest error) be binding upon the Issuer, the Holders and the Paying Agents.

bindend.

- (5) *Ersetzung von Hauptzahlstelle und Berechnungsstelle.* Die Emittentin behält sich das Recht vor, jederzeit eine weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") oder eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu beenden und zusätzliche oder Nachfolge-Zahlstellen bzw. Berechnungsstellen zu ernennen. Den Gläubigern werden Änderungen in Bezug auf die Zahlstellen oder die Berechnungsstelle oder ihre jeweils angegebenen Geschäftsstellen unverzüglich gemäß § 12 mitgeteilt.

§ 11

Begebung weiterer Schuldverschreibungen, Entwertung

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabekurses) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.
- (2) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

Mitteilungen

- (1) *Bekanntmachungen.* Die Schuldverschreibungen betreffende Bekanntmachungen werden im Bundesanzeiger veröffentlicht; solange die Schuldverschreibungen auf der offiziellen Liste der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, erfolgen darüber hinaus mit Ausnahme der in § 14 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, alle die

- (5) *Replacement of Principal Paying Agent and Calculation Agent.* The Issuer reserves the right at any time to appoint an additional paying agent (together with the Principal Paying Agent, the "**Paying Agents**", and each a "**Paying Agent**") or to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent. Notice of any change in the Paying Agents or Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will be given without undue delay to the Holders in accordance with § 12.

§ 11

Further Issues, Cancellation

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further notes having the same terms and conditions as the Notes in all respects (except for the issue date, the interest commencement date and/or the issue price) so as to form a single series with the Notes.
- (2) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12

Notices

- (1) *Publication.* All notices concerning the Notes shall be published in the Federal Gazette (*Bundesanzeiger*) and in addition, for as long as Notes are listed on the official list of and admitted to trading on the regulated market of the Luxembourg Stock Exchange, all notices concerning the Notes, other than any notices stipulated in § 14 which shall be made exclusively pursuant to the provisions of the SchVG, shall be made by means of electronic publication on the website of the Luxembourg Stock Exchange

Schuldverschreibungen betreffenden Mitteilungen durch elektronische Publikation auf der Internetseite der Luxemburger Börse (www.bourse.lu). Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

- (2) *Mitteilungen an das Clearingsystem.* Solange die Schuldverschreibungen an der Luxemburger Börse notieren, gilt § 12(1). Soweit die Regeln der Luxemburger Börse es zulassen, kann die Emittentin die relevante Mitteilung betreffend die Schuldverschreibungen auch an das Clearingsystem zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt als den Gläubigern mitgeteilt, sobald diese Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger übermittelt wurde.
- (3) *Form der Mitteilung der Gläubiger.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit dem Nachweis seiner Inhaberschaft gemäß § 15(3) an die Zahlstelle geleitet werden. Eine solche Mitteilung kann von einem Gläubiger an die Zahlstelle über das Clearing System in der von der Zahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

§ 13 Ersetzung

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger ein Tochterunternehmen der Emittentin als neue Anleiheschuldnerin 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 Anleiheschuldnerin**"), sofern
 - (a) die Neue Anleiheschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;

(www.bourse.lu). Any such notice shall be deemed to have been given to the Holders on third day following the date of such publication (or, if published more than once, on the third day following the date of the first of such publications).

- (2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 12(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice concerning the Notes also to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders when such notice is sent to the Clearing Systems for publication to the Holders.
- (3) *Form of Notice of Holders.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered together with an evidence of the Holder's entitlement in accordance with § 15(3) to the Paying Agent. Such notice may be given through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

§ 13 Substitution

- (1) *Substitution.* The Issuer may at any time, without the consent of the Holders, substitute for the Issuer any Subsidiary of the Issuer as new debtor (the "**New Debtor**") 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:
 - (a) the New Debtor assumes all obligations of the Issuer in respect of the Notes;

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| <p>(b) die Neue Anleiheschuldnerin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen und Zustimmungen erhalten hat;</p> | <p>(b) the New Debtor has obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the;</p> |
| <p>(c) die Neue Anleiheschuldnerin berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der hierin Festgelegten Währung 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 Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;</p> | <p>(c) the New Debtor may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Debtor has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;</p> |
| <p>(d) die Neue Anleiheschuldnerin sich verpflichtet hat, die Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Gläubigern bezüglich der Ersetzung auferlegt werden;</p> | <p>(d) the New Debtor has agreed to indemnify the Holders against such taxes, duties or governmental charges as may be imposed on the Holders in connection with the substitution;</p> |
| <p>(e) die Emittentin unwiderruflich und unbedingt auf nachrangiger Basis gegenüber den Gläubigern die Zahlung aller von der Neuen Anleiheschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die die Gläubiger wirtschaftlich in eine Position versetzt, die zumindest der Position entspricht, die Gläubiger ohne Ersetzung innegehabt hätten;</p> | <p>(e) the Issuer irrevocably and unconditionally guarantees such obligations of the New Debtor under the Notes on a subordinated basis and otherwise on terms which ensure that each Holder 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;</p> |
| <p>(f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Anleiheschuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind;</p> | <p>(f) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the New Debtor, such Notes will continue to be listed on such stock exchange;</p> |
| <p>(g) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Neue</p> | <p>(g) no event would occur as a result of the substitution that would give rise to the</p> |

Anleiheschuldnerin dazu berechtigen würde, die Schuldverschreibungen gemäß § 6(4) zu kündigen und zurückzuzahlen; und

- (h) der Hauptzahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, das bestätigt, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (e) erfüllt wurden.

- (2) *Bezugnahmen.* Im Fall einer Schuldnerersetzung nach Maßgabe von § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Bundesrepublik Deutschland als eine solche auf den Staat, in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

- (3) *Mitteilung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 12 mitzuteilen. Mit der Mitteilung der Ersetzung wird die Ersetzung wirksam und die Emittentin (und im Falle einer wiederholten Anwendung dieses § 13 jede frühere Neue Anleiheschuldnerin) von ihren sämtlichen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen frei. Im Falle einer solchen Ersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.

§ 14

Änderung der Anleihebedingungen, Gemeinsamer Vertreter

- (1) *Änderung der Anleihebedingungen.* Die Gläubiger können entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("SchVG") durch einen Beschluss mit der in § 14(2) bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand eine Änderung der Anleihebedingungen mit der Emittentin vereinbaren. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger

right of the New Debtor to call the Notes for redemption pursuant to § 6(4); and

- (h) there shall have been delivered to the Principal Paying Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (e) above have been satisfied.

- (2) *References.* In the event of a substitution pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Debtor and any reference to the Federal Republic of Germany shall be a reference to the New Debtor's country of domicile for tax purposes.

- (3) *Notice and Effectiveness of Substitution.* Notice of any substitution of the Issuer shall be given by publication in accordance with § 12. Upon such publication, the substitution shall become effective, and the Issuer and, in the event of a repeated application of this § 13, any previous New Debtor shall be discharged from any and all obligations under or in connection with the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed will be notified.

§ 14

Amendments to the Terms and Conditions, Holders' Representative

- (1) *Amendment to the Terms and Conditions.* In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*), the Holders may agree with the Issuer on amendments to the Terms and Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in § 14(2). Majority resolutions of the Holders shall be binding on all Holders. A majority

gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

- (2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75% der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand des § 5(3), Nr. 1 bis Nr. 9 SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.
- (3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18(4) Satz 2 SchVG statt.
- (4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten Notar oder, falls der Gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom Gemeinsamen Vertreter geleitet.
- (5) *Stimmrecht.* An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil.
- (6) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter (der "**Gemeinsame Vertreter**") für alle Gläubiger bestellen. Der Gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind

resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75% of the votes cast. Resolutions relating to amendments of the Terms and Conditions which are not material and which do not relate to the matters listed in § 5(3), nos. 1 to 9 SchVG require a simple majority of the votes cast.
- (3) *Vote without a meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of §18(4) sentence 2 SchVG.
- (4) *Chair of the vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative has convened the vote, by the Holders' Representative.
- (5) *Voting rights.* Each Holder participating in any vote of the Holders shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.
- (6) *Holders' Representative.* The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**") to exercise the Holders' rights on behalf of each Holder. The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the

die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn, der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der Gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters gelten die Vorschriften des SchVG.

§ 15

Anwendbares Recht und Gerichtsstand

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.
- (2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main, Bundesrepublik Deutschland. Für Entscheidungen gemäß § 9(2), § 13(3) und § 18(2) SchVG ist gemäß § 9(3) Satz 1 1. Alt. SchVG das Amtsgericht Frankfurt am Main, Bundesrepublik Deutschland zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Gläubiger ist gemäß § 20(3) Satz 3 1. Alt. SchVG das Landgericht Frankfurt am Main, Bundesrepublik Deutschland ausschließlich zuständig.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen:
 - (i) indem er eine Bescheinigung der Depotbank beibringt, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers

Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall report to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.

§ 15

Governing Law and Place of Jurisdiction

- (1) *Applicable Law.* The Notes, with regard to both form and content, as well as all rights and obligations of the Holders and the Issuer shall in all respects be governed by the laws of the Federal Republic of Germany.
- (2) *Place of Jurisdiction.* The regional court (*Landgericht*) in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes. Pursuant to § 9(3) sentence 1 1st alternative SchVG, the local court (*Amtsgericht*) Frankfurt am Main, Federal Republic of Germany shall have jurisdiction to decide on any matters pursuant to § 9(2), § 13(3) and § 18(2) SchVG. Pursuant to § 20(3) sentence 3 1st alternative SchVG, the regional court (*Landgericht*) Frankfurt am Main, Federal Republic of Germany shall have exclusive jurisdiction to decide on the challenge of resolutions of the Holders.
- (3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which the Holder and the Issuer are parties, protect and enforce in its own name its rights arising under these Notes on the following basis:
 - (i) by submitting a certificate issued by its Depositary Bank with which he maintains a securities account, which (a) states the full name and address of the Holder, (b) specifies the aggregate principal amount of the Notes credited

enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und

- (ii) indem er eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vorlegt, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre.

Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land der Rechtsstreitigkeit prozessual zulässig ist.

§ 16 Sprache

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.

on the date of such certificate to such Holder's securities account and (c) confirms that the Depositary Bank has given a written notice to the Clearing System containing the information pursuant to (a) and (b); and

- (ii) by presenting a copy of the relevant Global Note certified by a duly authorized officer of the Clearing System or the depositary as being a true copy without any requirement to submit originals of the relevant Global Note.

For the purposes of the foregoing, "**Depositary Bank**" means any bank or other financial institution of recognized standing authorized to engage in securities deposit business with which the Holder maintains a securities account in respect of the Notes, and includes the Clearing System. Without prejudice to the foregoing, any Holder may also protect and enforce its rights arising under these Notes in any other way, which is admitted in the country of the Proceedings.

§ 16 Language

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

BUSINESS

Overview

The BayWa Group, with BayWa Aktiengesellschaft as the ultimate parent company, is a group of trading and services companies with its core activities in the following three operating segments: Agriculture, Energy and Building Materials. The new Innovation & Digitalisation development segment was established in the second half of 2016. The Agriculture segment comprises four business units: BayWa Agri Supply & Trade (BAST), BayWa Agricultural Sales (BAV), Fruit and Agricultural Equipment. BAST encompasses the BayWa Group's national and international trading, distribution and logistics activities involving grain, oilseed and additional products. The collection business and trade in operating resources and feedstuff have been pooled in the BAV business unit. The Fruit business sector combines all activities of the Group in the business of fruit and vegetable growing and trading these products. The full range of agricultural equipment and services is offered in the Agricultural Equipment business sector. The Energy operating segment is divided into the Renewable Energies business unit and the Conventional Energy business unit. Under the umbrella of BayWa r.e. renewable energy GmbH, the Group covers the entire value chain in the renewable energies business, including the development, realisation and sale of operation-ready plants plus system support, in addition to trading in photovoltaic systems and components, as well as electricity, gas and heat from renewable energy sources. The Conventional Energy business unit comprises an extensive network, which ensures the supply of heating oil, fuels, lubricants and wood pellets to commercial and private customers. The Building Materials segment comprises building materials sales activities in Germany and Austria, as well as the operation of do-it-yourself (DIY) and garden centers of the Austrian Group companies. The newly founded Innovation & Digitalisation segment, which evolved from the former Digital Farming unit and the Group's e-commerce business activities, provides software solutions and integrated services for process-controlled operations management in agriculture (smart farming).

BayWa Group's business focus is primarily on Europe, but BayWa Group has also established an international trade and procurement network by maintaining important activities in the United States and New Zealand and business relations from Asia to South America. The BayWa Group has registered places of business in approximately 40 countries, either through itself or through Group companies and approximately 17,000 employees.

In the financial year 2016, BayWa Group generated revenues of €15,409.9 million, which represents a year-on-year increase of 3.2% (2015: €14,928.1 million). The BayWa Group's operating result (EBIT) decreased by 8.5% to €144.7 million (2015: €158.1 million). The decline in earnings is due above all to the unfavorable market conditions in the Agriculture segment. Consolidated net income decreased by 14.4% to €52.7 million (2015: €61.6 million).

History, Formation, Company Name, Registered Office and Fiscal Year

BayWa AG is a listed stock corporation (*Aktiengesellschaft*) organized under the laws of Germany. BayWa AG was established in 1923. On January 17, 1923, the banking business was separated from the trading business of the Bayerische Zentral-Darlehenskasse (BZDK), leading to the creation of Bayerische Warenvermittlung landwirtschaftlicher Genossenschaften AG. The BZDK, which had been founded in the late 19th century, already had a few hundred warehouses to its name by 1920. Grain, chemical fertilizers, feedstuff and machinery formed the BZDK's core business focus. However, conditions were deteriorating with each passing day in the wake of WWI. The public sector's creditworthiness suffered as a result of the war's financing. With the situation worsening in 1923, those in charge at the BZDK were forced to act. They separated the banking business from the trading business to ensure the trading business was no longer subject to financial market risks. The trading organization was separated from the finance business at an extraordinary general meeting on January 17, 1923. The company was recorded in the commercial register on February 16, 1923. Based in Munich, the new company's full name was Bayerische Warenvermittlung landwirtschaftlicher Genossenschaften AG. It soon became known simply as BayWa.

BayWa AG was established for an indefinite period and is recorded in the commercial register of the local court of Munich, Germany (docket number HRB: 4921) under its company name BayWa Aktiengesellschaft.

BayWa AG has its registered office in Munich, Germany. The business address is: BayWa AG, Arabellastr. 4, 81925 Munich, Germany. BayWa AG can be reached by telephone on +49 89/9222-0.

BayWa Group's fiscal year is the calendar year.

General Information about BayWa Group

Share Capital

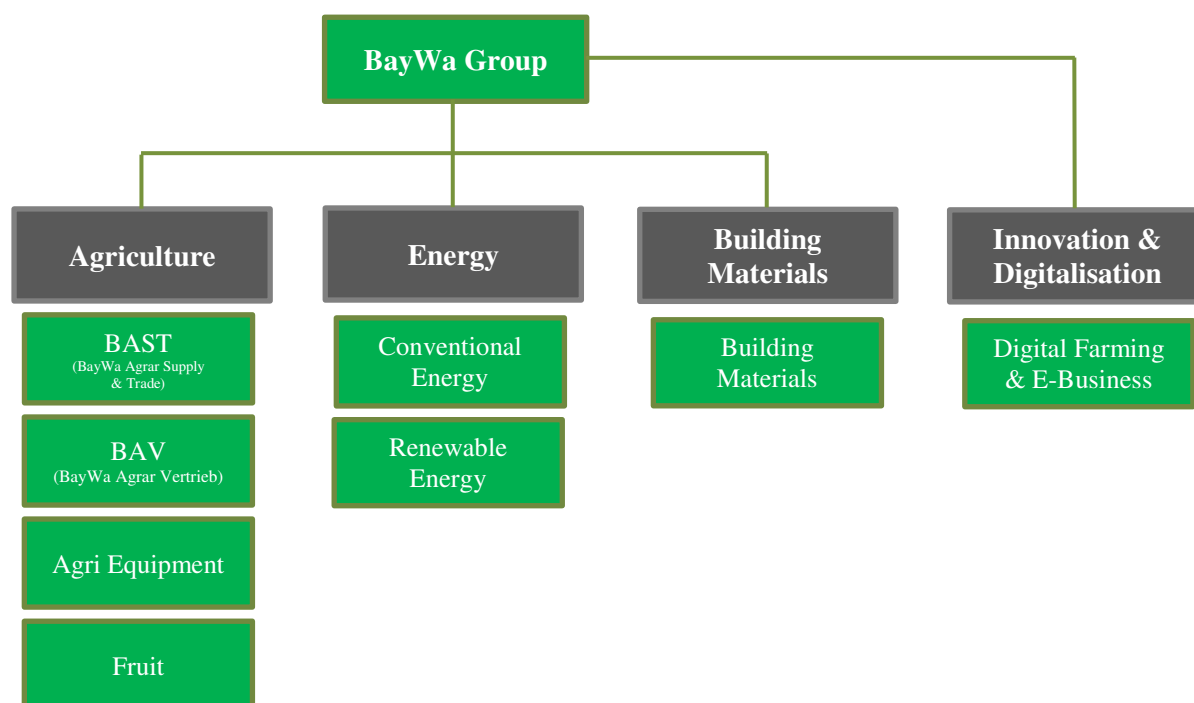
As of the date of this Prospectus, BayWa AG's share capital amounts to €89,347 million (2015: €89,047 million) and is divided into 34,901,185 ordinary registered shares. Of the shares issued, 33,540,729 are registered shares with restricted transferability and 117,205 recently registered shares with restricted transferability (*i.e.*, dividend-bearing employee shares from January 1, 2017 onwards). 1,243,251 shares are not registered shares with restricted transferability.

Shareholder Structure

To the knowledge of BayWa AG and based on notifications, the shareholder structure as of the date of this Prospectus is as follows: Bayerische Raiffeisen-Beteiligungs-AG holds 34.99% of the share capital of BayWa AG. It is thus the largest shareholder of BayWa AG. Raiffeisen Agrar Invest GmbH owns 25.09% of the share capital of BayWa AG. The remainder of the shares is in free float. In the financial years ended December 31, 2015 and December 31, 2016 the dividend per share was €0.85.

BayWa AG is listed on the Frankfurt Stock Exchange.

Organizational Structure



The following companies represent the major part of BayWa Group's turnover as of year-end 2016:

Company	% of BayWa Group Revenue as of December 31, 2016 (unaudited)
BayWa AG	29.51%
Cefetra B.V. (Group)	25.09%
RWA AG	6.65%
BayWa Marketing & Trading International B.V.	3.89%
T&G (Group)	3.58%
Cefetra Italia S.p.a.	3.55%

BayWa Group is a group with worldwide operations in the core competencies of trading, logistics and supplementary services in its three operating segments Agriculture, Energy and Building Materials. The new Innovation & Digitalisation development segment was established in the second half of 2016. The head office of the parent company BayWa AG is located in Munich. The international activities focus on Europe as well as the United States and New Zealand. As of December 31, 2016, the BayWa Group had registered places of business in 40 countries, either through itself or through Group companies. In addition to the parent company BayWa AG, the BayWa Group comprises approximately 300 fully consolidated Group companies. Furthermore, 31 companies were included at equity in the financial statements of BayWa Group as of June 30, 2017.

Corporate Bodies

As a company with its principal place of business in Munich, Germany, BayWa AG is subject to the provisions laid down under German law. The executive and supervisory bodies consisting of the Board of Management and the Supervisory Board form the dual-tier management and control structure in accordance with the provisions under German stock corporation law. The Board of Management and the Supervisory Board work closely together in the interest of the company.

Board of Management

The Board of Management, which currently comprises five members, is independently responsible for running the company, developing the corporate strategy, agreeing the strategy with the Supervisory Board and ensuring that it is implemented.

The following table shows the current members of the Board of Management as well as certain information regarding their external and group mandates:

Name	Function	External mandates	Group mandates
Prof. Klaus Josef Lutz	Chief Executive Officer BayWa Agri Supply & Trade (BAST), Fruit, Corporate Audit, Corporate Business Development, Corporate Compliance, Corporate Governance, Corporate HR, Corporate M&A, Corporate Marketing, PR/Corporate Communications/Public Affairs, BayWa Foundation, Chairman of executive and supervisory committees of the international agriculture and fruit holdings	Euro Pool System International B.V., Rijswijk, the Netherlands (Chairman of the Supervisory Board) Giesecke & Devrient GmbH, Munich, Germany (Chairman of the Supervisory Board and the Advisory Committee) Industrie- und Handelskammer für München und Oberbayern (Vice President since May 11, 2016)	RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria (First Vice Chairman of the Supervisory Board) T&G Global Limited, Auckland, New Zealand (Chairman of the Board of Directors) "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Chairman of the Supervisory Board)
Andreas Helber	Chief Financial Officer Building Materials, CFO Projects, Corporate Controlling, Corporate Finance & Accounting, Corporate Insurance, Corporate Legal, Corporate Real Estate Management, Investor Relations, BayWa Services, Business Service Center (BSC), HR Shared Service Center, Corporate Purchasing Own Requirements and Services, Member of the executive and supervisory committees of the international agriculture and fruit holdings	Munich Stock Exchange (Member of the Stock Exchange Council) R+V Pensionsversicherung a.G., Wiesbaden, Germany (Member of the Supervisory Board)	RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria (Third Vice Chairman of the Supervisory Board) T&G Global Limited, Auckland, New Zealand (Member of the Board of Directors) "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Member of the Supervisory Board)
Roland Schuler	Member of the Board of Management	BAG-Hohenlohe-Raiffeisen eG (Member of the Supervisory Board)	RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria

Name	Function	External mandates	Group mandates
	BayWa Agri Services (BayWa Agricultural Sales, Agricultural Equipment, Digital Farming), Corporate ICC, Internationalisation Agri Services, Information Systems (RI-Solution), Chairman of the executive and supervisory committees of international Agri Services holdings	Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board)	(Member of the Supervisory Board)
Matthias Taft	Member of the Board of Management Energy, Renewable Energies (BayWa r.e. renewable energy GmbH), Chairman of executive and supervisory committees of the international energy holdings	n/a	BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Republic of Singapore (Chairman of the Board) BayWa r.e. Japan K.K., Tokyo, Japan (Chairman of the Board) BayWa r.e. Nordic AB, Malmö, Sweden (Chairman of the Board) BayWa r.e. renewable energy GmbH, Munich, Germany (Managing Director) BayWa r.e. Solar Projects LLC, Wilmington (Delaware), USA (Chairman of the Board) BayWa r.e. Solar Pte. Ltd., Singapore, Republic of Singapore (Chairman of the Board) BayWa r.e. USA LLC, Wilmington (Delaware), USA (Chairman of the Board) BayWa r.e. Wind, LLC, Wilmington (Delaware), USA (Chairman of the Board) RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria (First Replacement Member of the Supervisory Board)
Reinhard Wolf	Member of the Board of Management RWA Raiffeisen Ware Austria AG, Vienna, Austria	Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna, Austria (Member of the Supervisory Board) Niederösterreichische Verkehrsorganisationsgesellschaft m.b.H., St. Pölten, Austria (Member of the Supervisory Board)	Garant- Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria (Chairman of the Supervisory Board) Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria (Vice Chairman of the Supervisory Board)

Prof. Klaus Josef Lutz (*Chief Executive Officer*) – Mr. Lutz was appointed CEO of BayWa Group in 2008. He has previously served as managing director at Süddeutscher Verlag GmbH. He holds a degree in law from the Ludwig-Maximilians-Universität in Munich.

Andreas Helber (*Chief Financial Officer*) – Mr. Helber joined BayWa Group in 2000 as head of finance and has acted as CFO since 2010. He previously served as a tax advisor and accountant at KPMG Deutsche-Treuhand-Gesellschaft AG. Mr. Helber holds a degree in business from the Universität Siegen.

Roland Schuler (*Member*) – Mr. Schuler joined BayWa Group in 2002 as a member of the Board of Management. He previously served as member of the board at WLZ Raiffeisen AG, Stuttgart. Mr. Schuler holds a degree in business from the Universität Stuttgart.

Matthias Taft (*Member*) – Mr. Taft joined BayWa Group in 2015 as a member of the Board of Management. He additionally serves as CEO at BayWa r.e. renewable energy GmbH. He previously served as spokesman of the Board of Management of RENERCO Renewable Energy Concepts AG. Mr. Taft holds a degree in Mechanical Engineering from the Technische Universität München.

Reinhard Wolf (*Member*) – Mr. Wolf joined BayWa Group in 2013 as a member of the Board of Management. He additionally serves as CEO at Raiffeisen Ware Austria AG and board member at Raiffeisen-Holding NÖ-Wien. He holds a degree in agricultural economics from the Universität Wien.

The members of the Board of Management can be contacted at Arabellastr. 4, 81925 Munich, Germany.

Supervisory Board

The Supervisory Board of BayWa AG appoints the members of the Board of Management and advises and supervises the Board of Management in its management of the Company. The Supervisory Board comprises 16 members. In accordance with the German Codetermination Act (*MitbestG*), it is composed in equal parts of representatives of the shareholders and employees. The Supervisory Board is composed of what it considers to be a sufficient number of independent members.

The following table shows the current members of the Supervisory Board as well as certain information regarding their other mandates:

Name	Function	Other mandates
Manfred Nüssel	MSc Agriculture (University of Applied Sciences), Chairman, President of Deutscher Raiffeisenverband e.V.	AGCO GmbH, Marktoberdorf, Germany Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Chairman) Deutscher Genossenschafts-Verlag eG, Wiesbaden, Germany KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg, Germany Landwirtschaftliche Rentenbank, Frankfurt am Main, Germany (Board of Administration) Raiffeisendruckerei GmbH, Neuwied, Germany (Chairman) R+V Vereinigte Tierversicherung Gesellschaft a.G., Wiesbaden, Germany (Vice Chairman) RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria
Klaus Buchleitner	Vice Chairman, Managing Director of Raiffeisen- Holding Niederösterreich-Wien reg. Gen.m.b.H. and Raiffeisenlandesbank Niederösterreich-Wien AG (Austria)	AGRANA Beteiligungs-Aktiengesellschaft, Vienna, Austria (Second Vice Chairman) LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria Niederösterreichische Versicherung AG, St. Pölten, Austria NOM AG, Baden, Austria (Chairman) Raiffeisen Bank International AG, Vienna, Austria Raiffeisen Software GmbH, Vienna, Austria (Chairman) Raiffeisen Zentralbank Österreich AG, Vienna, Austria Saint Louis Sucre S.A., Paris, France Süddeutsche Zuckerrübenverwertungs-Genossenschaft e.G., Ochsenfurt, Germany

Name	Function	Other mandates
Gunnar Metz	Vice Chairman, Chairman of the General Works Council of BayWa AG	n/a
Wolfgang Altmüller	MBA, Chairman of the Board of Management of VR meine Raiffeisenbank eG	AERTICKET AG, Berlin, Germany (Chairman until June 13, 2016) Allianz Beratungs- und Vertriebs-AG, Munich, Germany (since March 18, 2016) Allianz Versicherungs-AG, Munich, Germany (Vice Chairman since March 15, 2016) Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Vice Chairman) Fiducia & GAD IT AG, Karlsruhe, Germany
Theo Bergmann	Vice Chairman of the Main Works Council of BayWa AG	n/a
Renate Glashauser	Chairwoman of the Works Council, Agricultural Equipment Eastern Bavaria/Lower Bavaria region	n/a
Monika Hohlmeier	Member of the European Parliament	n/a
Peter König	Secretary of the Union ver.di, Bavaria	ADLER Modemärkte AG, Haibach, Germany
Stefan Kraft M.A.	National Secretary of the Union, ver.di-Bundesverwaltung	n/a
Michael Kuffner	Head of Occupational Safety (EH & S)	n/a
Dr. Johann Lang	MSc Engineering, farmer	Niederösterreichische Versicherung AG, St. Pölten, Austria RWA Raiffeisen Ware Austria Aktiengesellschaft, Wien, Austria (Chairman) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria (Chairman)
Wilhelm Oberhofer	Member of the Board of Management of Raiffeisenbank Kempten-Oberallgäu eG	Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Member of the Board of Management) B L E, Bau- und Land-Entwicklungsgesellschaft Bayern GmbH, Munich, Germany (Chairman until May 31, 2016) Bayerische Beteiligungsgesellschaft an der FIDUCIA GmbH & Co. KG, Beilngries, Germany (Vice Chairman of the Shareholders' Committee until June 30, 2016) Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, Germany GOS Grundstücksgesellschaft Oberallgäu-Süd mbH, Sonthofen, Germany (Advisory Committee) Münchener Hypothekenbank eG, Munich, Germany (Advisory Committee)

Name	Function	Other mandates
Joachim Rukwied	MSc Agriculture (University of Applied Sciences), farmer and vintner, President of Deutscher Bauernverband e.V. and Landesbauernverband in Baden-Württemberg e.V.	Buchstelle LBV GmbH, Stuttgart, Germany (Chairman) KfW Bankengruppe, Frankfurt am Main, Germany (Board of Administration) Landwirtschaftliche Rentenbank, Frankfurt am Main, Germany (Chairman of the Board of Administration) Land-DATA GmbH, Visselhövede, Germany (Chairman) LBV-Unternehmensberatungsdienste GmbH, Stuttgart, Germany (Chairman of the Board of Administration) Messe Berlin GmbH, Berlin, Germany R+V Allgemeine Versicherung AG, Wiesbaden, Germany Südzucker AG, Mannheim/Ochsenfurt, Germany
Josef Schraut	Head of Lubricant Sales, Vice Head of the Lubricant unit	n/a
Monique Surges	Chief Executive Officer New Zealand German Business Association Inc. (NZGBA), AHK New Zealand, Auckland, New Zealand Treasurer New Zealand Europe Business Council (NZEBC), Auckland, New Zealand	n/a
Werner Waschbichler	Chairman of the Works Council of BayWa Headquarters	n/a

The members of the Supervisory Board can be contacted at Arabellastr. 4, 81925 Munich, Germany.

There are no conflicts of interests of members of the Board of Management or of the Supervisory Board between any duties to BayWa AG and their private interests and or other duties.

Committees of the Supervisory Board

The Supervisory Board has established a total of six committees: Audit Committee, Board of Management Committee; Strategy Committee; Lending and Investment Committee; Nomination Committee; Mediation Committee. These committees prepare resolutions for the Supervisory Board and issues to be discussed by the entire Supervisory Board. To the extent permitted by law, decision-making powers of the Supervisory Board are delegated to the committees on a case-by-case basis. With the exception of the Audit Committee, the Chairman of all committees is the Chairman of the Supervisory Board.

The Audit Committee concentrates mainly on the documentation of the independent auditor in respect of auditing the annual and consolidated financial statements and prepares them for adoption by the Supervisory Board. The committee also supervises the accounting process, the annual audit and the effectiveness of the internal control, risk management and audit system. It checks the auditor's independence and agrees on the key points of the audit and on the fees with the auditor. The Annual General Meeting on June 7, 2016 appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany as auditor for the financial year 2016. The Supervisory Board ensures that the committee members can act independently and that they are familiar with and experienced in applying special know-how associated with the application of accounting rules and the internal controlling procedures. The Audit Committee is made up of the Chairman of the Supervisory Board Manfred Nüssel and the Supervisory Board members Wolfgang Altmüller, Klaus Buchleitner, Gunnar Metz and Werner Waschbichler. The Chairman of the Audit Committee is Wolfgang Altmüller.

Corporate Governance

Amendment to the declaration of the Board of Management and the Supervisory Board of BayWa AG, dated November 9, 2016, regarding the recommendations of the “Government Commission on the German Corporate Governance Code” pursuant to Sec. 161 of the German Stock Corporation Act (“AktG”)

The Board of Management and the Supervisory Board explained in their most recent declaration of compliance, dated November 9, 2016, to what extent they are complying with the recommendations of the “Government Commission on the German Corporate Governance Code”, as amended by the commission resolutions, dated May 5, 2015, (published in the German Federal Gazette on June 12, 2015, hereinafter referred to as the “GCGC”).

As regards Sec. 4.2.3, third paragraph GCGC, the Board of Management and the Supervisory Board amend their declaration as follows:

Determination of the envisaged pension benefit taking into account the duration of membership of the Management Board - Sec. 4.2.3, third paragraph GCGC

Section 4.2.3, third paragraph, GCGC contains the recommendation for the Supervisory Board to take into account the duration of membership of the Management Board when establishing the target level of pension benefits for every pension commitment. A number of members of the Board of Management of BayWa AG are granted fixed pensions by the company, regardless of their duration of membership of the Management Board. The Supervisory Board regards this solution as appropriate, considering the members’ years of service within the BayWa Group.

Beyond that, the Board of Management and the Supervisory Board refer to their declaration of compliance, published November 9, 2016.

Declaration of compliance in accordance with Sec. 161 AktG

The Board of Management and the Supervisory Board jointly issued a declaration of compliance with the German Corporate Governance Code in accordance with Sec. 161 AktG on November 4, 2015.

The most recent compliance declaration of the Board of Management and the Supervisory Board of BayWa AG in accordance with Sec. 161 AktG is as follows:

“The Board of Management and the Supervisory Board of BayWa AG submitted the most recent Declaration of Conformity pursuant to section 161 of the German Stock Corporation Act (AktG) on November 4, 2015. The Board of Management and the Supervisory Board of BayWa AG declare that the recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated May 5, 2015 (published in the German Federal Gazette on June 12, 2015; hereinafter referred to as the “GCGC”) have been and will be complied with, with the exception of the following:

1. Deductible under the D&O insurance for members of the Supervisory Board – Code Item 3.8 para. 3 GCGC

In Code Item 3.8 para. 3, the GCGC recommends a deductible to be provided for when a Directors & Officers (D&O) insurance policy is taken out for members of the Supervisory Board. BayWa AG has concluded a D&O insurance policy on behalf of the members of the Supervisory Board that does not provide for a deductible in respect of its members. BayWa AG is not of the opinion that the motivation and the responsibility with which the members of the Supervisory Board discharge of their duties would be improved by having a deductible in the D&O insurance policy.

2. Determination of the level of provision for the pension scheme, taking into account the length of membership to the Board of Management – Code Item 4.2.3 para. 3 GCGC

As of April 1, 2015, the Supervisory Board of BayWa AG appointed Mr. Taft a member of the Board of Management. The members of the Supervisory Board discussed and determined the level of provision for the pension scheme for Mr. Taft. Mr. Taft receives a fixed pension from BayWa AG, which is not depending on the length of time of his membership of the Board of Management. Considering Mr. Taft’s long affiliation to the BayWa Group, the Supervisory Board considers this provision appropriate. Furthermore it has to be noted that insurance policies and pension schemes that were entered into by other entities of the BayWa-Group in favour of Mr. Taft are not continued by BayWa AG.

3. Severance payment cap – Code Item 4.2.3 para. 4 GCGC

In Code Item 4.2.3 para. 4, the GCGC recommends that, when Board of Management employment contracts are concluded, care should be taken to ensure that, in the event of premature termination of a Board member's activities without serious cause, payments made to the Board member, including supplementary benefits, do not exceed the value of two years' compensation (Severance Payment Cap) and compensate no more than the remaining term of the employment contract. The employment contracts of members of the Board of Management of BayWa AG do not include such a provision. The amount of any possible severance payment is part of an agreement to be signed upon termination of Board member activities and therefore depends on reaching an agreement with the respective member of the Board of Management. Even if such a contractual provision were to be included, a member of the Board of Management could nonetheless insist upon having the full scope of claims arising from the employment contract paid out and otherwise refuse to give their consent to the termination of their Board member contract. Moreover, BayWa AG is convinced that having such a clause is unnecessary, as, even without it, the Supervisory Board will take sufficient account of the interests of BayWa AG in negotiations with the member leaving the Board of Management and not grant an excessive severance payment.

4. Individual disclosure of executive remuneration – Code Item 4.2.5 para. 3 GCGC

Code Item 4.2.5 para. 3 GCGC recommends that executive remuneration be disclosed in the remuneration report in table form and for each executive individually. At BayWa AG, Board of Management member remuneration is disclosed in accordance with relevant legal regulations. The Annual General Meeting of Shareholders 2015 passed a resolution pursuant to Sections 286 para. 5 and 314 para. 2 (in its version until 22 July 2015) German Commercial Code (HGB) again. As long as this Annual General Meeting of Shareholders resolution is valid, no individual disclosure of Board of Management remuneration will take place pursuant to the recommendations in Code Item 4.2.5 para. 3 GCGC.

5. No fixed age limit for the Board of Management – Code Item 5.1.2 para. 2 sentence 3 GCGC

In the current version of the bylaws applicable to the Board of Management of BayWa AG and contrary to the recommendations in Code Item 5.1.2 para. 2 sentence 3 GCGC, there are no restrictions on age in the Board of Management. BayWa AG reviews the ability to perform and the competence of the members of its executive and supervisory bodies on an ongoing basis. Age is not indicative of the ability of a current or potential member of such a body to perform his or her duties. For this reason, BayWa AG does not consider a fixed age limit expedient, which also restricts flexibility in respect of personnel decisions and the number of potential candidates.

6. Tasks of the Audit Committee – Code Item 5.3.2 sentence 1 GCGC

Pursuant to Code Item 5.3.2 sentence 1 GCGC, the Supervisory Board should also concentrate on compliance if no other committee is responsible for it. At the current time, compliance issues are not allocated to any particular committee by derogation of Code Item 5.3.2 sentence 1 GCGC. In fact, the Supervisory Board is directly responsible for this area. Due to the high value it places on compliance, BayWa AG is of the opinion that all Supervisory Board members should be included in the response to compliance issues. In order to ensure that tasks in this area are fulfilled comprehensively and professionally, this area remains the responsibility of the Supervisory Board.

7. No fixed age limit or standardized limit for the duration of the membership for the Supervisory Board – Code Item 5.4.1 para. 2 GCGC

In the current version of the bylaws applicable to the Supervisory Board of BayWa AG, and contrary to the recommendations in Code Item 5.4.1 para. 2 GCGC, there are no restrictions on age or a standardized limit for the duration of the membership in the Supervisory Board. BayWa AG reviews the ability to perform and the competence of the members of its executive and supervisory bodies on an ongoing basis. Age is not indicative of the ability of a current or potential member of such a body to perform his or her duties. Furthermore the expertise of experienced and successful members of the Supervisory Board shall remain available to BayWa AG. For this reason, BayWa AG does not consider a fixed age limit or a standardized limit for the duration of the membership expedient, which also restricts flexibility in respect of personnel decisions and the number of potential candidates.

8. Specification of concrete objectives for the composition of the Supervisory Board – Code Item 5.4.1 para. 2 and para. 3 GCGC

In Code Item 5.4.1 para. 2 and para. 3, the GCGC recommends specifying concrete objectives for the composition of the Supervisory Board. In the specification of concrete objectives, the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members as defined in Code Item 5.4.2 GCGC as well as diversity, among other objectives, are to be considered in consideration of the situation specific to the company. Proposals by the Supervisory Board to the Annual General Meeting of Shareholders shall take these objectives into account. BayWa AG has not established concrete objectives and quotas in this sense. BayWa AG believes that potential Supervisory Board members' qualifications are the primary criteria for the assumption of a Supervisory Board mandate and therefore also for the composition of the Supervisory Board. In terms of the proposals for the composition of the Supervisory Board, BayWa AG supports and takes into consideration the criteria detailed in Code Item 5.4.1 para. 2 and para. 3 GCGC but does not consider concrete objectives or quotas to be expedient.

9. Disclosure of personal and business relationships of Supervisory Board candidates with the company, the company's executive and supervisory bodies and a shareholder holding a material interest in the company – Code Item 5.4.1 para. 5 to para. 7 GCGC

Code Item 5.4.1 para. 5 to para. 7 GCGC includes the recommendation that the personal and business relationships of candidates proposed by the Supervisory Board for election to the Supervisory Board with the company, the company's executive and supervisory bodies and a shareholder holding a material interest in the company be disclosed. BayWa AG does not comply with this recommendation. There is no legal certainty at the current time in regard to the nature and scope of circumstances that are to be disclosed upon the proposition of election candidates. Therefore, there is a risk that the lack of clarity in this Code Item could be used within the scope of resolution challenges. The Supervisory Board will continue to observe how this issue develops and will review the application of this Code Item in future Supervisory Board elections.

10. Information on the structure of performance-related remuneration for Supervisory Board members – Code Item 5.4.6 para. 2 sentence 2 GCGC

Code Item 5.4.6 para. 2 sentence 2 GCGC stipulates that performance-related remuneration issued to Supervisory Board members is to be oriented toward the long-term success of the company and be evaluated over a period of several years. Alongside fixed annual pay, members of the BayWa AG Supervisory Board can also be paid variable performance-related remuneration. As this is defined on the basis of the cash dividends for the respective financial year approved by the Annual General Meeting of Shareholders, this is a discrepancy between this system and the requirement to orient performance-related remuneration toward long-term success. BayWa AG continues to believe that alignment with cash dividends in the respective financial year is expedient. In the view of BayWa AG, this orientation ensures the harmony of the interests of the Supervisory Board and those of the shareholders.

11. Information on the disclosure of compensation received by members of the Supervisory Board – Code Item 5.4.6 para. 3 GCGC

Contrary to the recommendation under Code Item 5.4.6 para. 3 GCGC, the remuneration of Supervisory Board members (including remuneration or benefits paid by BayWa AG to members of the Supervisory Board for services personally rendered, in particular the rendering of advisory and agency services) has not been and is not itemised. Instead, it is divided up into fixed and performance-related components and disclosed annually in the Notes or Management Report. The information included in the Notes or Management Report shows the structure and the amount of compensation received by the Supervisory Board. BayWa AG considers this information to be sufficient to satisfy the interest in such information of the capital market and its shareholders.

12. Information on the disclosure of participation of members of the Supervisory Board in committee meetings – Code Item 5.4.7 sentence 1 GCGC

Among other things, Code Item 5.4.7 sentence 1 GCGC stipulates, that it shall be noted in the Report of the Supervisory Board if a member of the Supervisory Board took part in only half or less of the meetings of the committees to which he or she belongs in a financial year. It is

important for BayWa AG that a member of the Supervisory Board participates in the decision making process in the committees also. Usually every committee of the Supervisory Board of BayWa AG meets twice a year. Therefore missing only one committee meeting would result in a note in the Report of the Supervisory Board. Taking the number of meetings into consideration, such a note would result in a misleading impression of the discipline of members of the Supervisory Board for attending committee meetings.

Munich, 9 November 2016

BayWa Aktiengesellschaft

The Board of Management The Supervisory Board”

Stock Exchange Listing

BayWa Group’s shares are traded on stock exchanges in Frankfurt (floor and Xetra) and in Munich on the Official Market/Prime Standard.

Auditors

Deloitte GmbH Wirtschaftsprüfungsgesellschaft has been appointed as BayWa Group’s auditor for the fiscal years 2015, 2016 and 2017. The address for the Munich office is Rosenheimer Platz 4, 81669 Munich, Germany.

Selected Financial Information

The financial information presented below is taken from the Unaudited and Unreviewed Condensed Consolidated Interim Financial Statements of BayWa Group as of and for the six months ended June 30, 2017 as well as from the Audited Consolidated Financial Statements of BayWa AG as of and for the financial year ended December 31, 2016. The Audited Consolidated Financial Statements as of and for the financial year ended December 31, 2016 have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

Selected Consolidated Statement of Income Data

	Year ended December 31,		Six months ended June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Revenues.....	14,928.129	15,409.882	7,456.420	8,044.006
Gross profit.....	1,601.223	1,626.617	790.359	863.115
Result of operating activities	150.572	122.875	51.718	69.965
Financial result	- 62.519	- 53.268	- 32.492	- 33.127
Result of ordinary activities.....	88.053	69.607	19.226	36.838
Consolidated net income	61.603	52.715	14.714	27.439
EBIT	158.147	144.690	55.251	72.763
EBITDA	288.308	272.568	116.635	138.569
Basic earnings per share (in €).....	1.39	0.90	0.01	0.43
Diluted earnings in share (in €)	1.39	0.90	0.01	0.43

The management of the Group presents certain additional financial measures and performance indicators that are not defined by IFRS or any other internationally accepted accounting principles. Such non-IFRS financial measures and performance indicators are presented as (i) they represent measures that the management of the Group believes may be relevant for certain investors, securities analysts and other parties in assessing the Group’s operating and financial performance and (ii) they may be used by the Group’s management as a basis for strategic planning and forecasting. In addition to result of operating activities, the Group’s management uses EBIT and EBITDA as its primary key performance indicators to manage the Group’s business. The table below shows the reconciliation, based on line items included in the Group’s consolidated income statement, from result of operating activities to EBIT and EBITDA for the periods presented:

	Year ended December 31,		Six months ended June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Result of operating activities.....	150.572	122.875	51.718	69.965
Income from participating interests recognised at equity	3.284	18.894	1.010	1.817
Other income from shareholdings ..	4.291	2.921	2.523	0.981
EBIT	158.147	144.690	55.251	72.763
Depreciation and amortisation.....	130.161	127.878	61.384	65.806
EBITDA.....	288.308	272.568	116.635	138.569

Selected Consolidated Balance Sheet Data

	As of December 31,		As of June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Assets				
Non-current assets	2,287.177	2,355.738	2,282.773	2,399.447
Current assets.....	3,739.684	4,094.188	4,266.166	4,277.525
Non-current assets held for sale/disposal groups	9.796	24.931	32.325	21.681
Total assets	6,036.657	6,474.857	6,581.264	6,698.653
Shareholders' equity and liabilities.....				
Equity	1,075.901	1,098.345	1,068.712	1,111.561
Non-current liabilities.....	2,191.492	2,292.165	2,242.694	2,181.888
Current liabilities	2,769.264	3,084.347	3,255.889	3,405.204
Liabilities from non-current assets held for sale/disposal groups.....	-	-	13.969	-
Total shareholders' equity and liabilities	6,036.657	6,474.857	6,581.264	6,698.653

Selected Consolidated Statement of Cash Flows Data

	Year ended December 31,		Six months ended June 30,	
	2015	2016	2016	2017
	<i>in € million</i>			
	(audited)		(unaudited)	
Cash flow from operating activities.....	19.045	208.572	60.334	296.670
Cash flow from investing activities.....	- 143.466	- 123.627	- 80.531	- 52.163
Cash flow from financing activities.....	98.660	- 63.047	19.389	- 115.529
Cash and cash equivalents at the end of the period	84.459	104.436	84.109	234.551

There have been no significant changes in the financial or trading position of BayWa AG and its subsidiaries taken as a whole since June 30, 2017.

Segment information by region

	<i>External sales</i>	
	Year ended December 31,	
	2015	2016
	<i>in € million</i>	
	(audited)	
Germany	6,414.126	6,231.968
Austria	2,193.732	2,060.470
Other international operations	6,320.271	7,117.444
Group	14,928.129	15,409.882

Corporate Purpose

The corporate purpose of BayWa AG is set out in Article 2 of its articles of association (*Satzung*) (the “Articles of Association”):

The Company operates an international group of companies. The business segments in which the Company and its companies do business include:

- (a) the agriculture industry, in particular the production, collection and marketing of, as well as trading with, produce and products from the agricultural, forestry and food sectors including agricultural equipment, as well as trading with capital goods for the agricultural and forestry industry and municipalities and businesses;
- (b) the construction and garden industry, in particular the marketing of and trading with building materials and garden products, as well as rendering construction, construction planning, construction logistics and general contractor services;
- (c) the energy industry, in particular trading with fossil and renewable fuels and lubricants and the development, production and marketing of, as well as trading with technologies, or technology concepts primarily in the renewables field; and
- (d) the provision of services related to the aforementioned business segments, in particular consultancy, agency, logistics and financing services, as well as performing group management activities.

BayWa AG is entitled to enter into all transactions and take all actions that are related to or appear suited to achieve the object of the Company. For this purpose, BayWa AG may, in particular, enter into domination and/or profit and loss transfer agreements, joint-venture agreements or similar agreements.

BayWa AG shall be entitled to establish branches or subsidiaries in Germany and abroad as well as to acquire other German or foreign companies, or interests in such companies. It may spin-off its operations, in whole or in part, to affiliates.

Operating Segments

BayWa Group’s core business activities are divided into three operating segments Agriculture, Energy and Building Materials. The new Innovation & Digitalisation development segment was established in the second half of 2016. The Agriculture segment is further divided into four business units: BayWa Agri Supply & Trade (BAST), BayWa Agricultural Sales (BAV), Fruit and Agricultural Equipment. The Energy segment comprises the Renewable Energies business unit and the Conventional Energy business unit.

Agriculture Segment

Overview

BayWa Group offers a wide range of input resources and agricultural products in its conventional agricultural trading, complemented by advisory services and other associated services. The Agriculture segment traditionally accounts for the largest share of revenues at the BayWa Group; in 2016, it accounted for 70.6% of revenues. The activities of the Agriculture segment were restructured with effect from January 1, 2016: The

former business unit Agricultural Trade was split into two new business units BayWa Agri Supply & Trade (BAST) and BayWa Agricultural Sales (BAV). The Agriculture segment is now organized into four business units: BAST, BAV, Fruit and Agricultural Equipment. BAST combines BayWa Group's national and international trade, distribution and logistics activities for grain, oilseed and related products. The collection business and trade in operating resources and feedstuffs are pooled in the business unit known as BAV. The Fruit and Agricultural Equipment business units remain unchanged. The Digital Farming business unit, which was part of the Agriculture segment since its establishment in the fourth quarter of 2015, has been managed separately since the second half of 2016 as the independent Innovation & Digitalisation segment.

BayWa Group holds a significant position as a full-line supplier. It provides nearly full coverage of the agricultural value chain and is the largest agricultural trader in Germany and worldwide among the top 10.

Revenues generated through business with third parties in the Agriculture segment increased in the financial year 2016 by 7.2% to €10,884.5 million (2015: €10,149.5 million). However, EBIT for the segment decreased by €19.9 million to €70.1 million (2015: €90.1 million). Revenues for the new BAST and BAV business units were €8,968.4 million for 2016, which was 7.8% higher than the 2015 figure for the former Agricultural Trade business unit. The increase was due primarily to the expansion of international grain and oilseed trading activities by approximately 12% to 33.8 million tons. Owing to negative effects that impacted the trading result, strong competition in new markets and weaker business with operating resources in the reporting year, EBIT amounted to €17.3 million, a decrease of €24.4 million compared to 2015.

BAST (BayWa Agri Supply & Trade)

Overview

In the BAST business unit, BayWa Group acts as a supply chain manager primarily for grain and oilseed. It covers the entire value chain from procurement and logistics to sales, and it is continuing to expand its international grain trading activities. BayWa Group's product portfolio comprises grain, oilseed and supplementary products and it is expanding its specialties trading, which includes malting barley, hops, beans, organic grain. BayWa Group is the largest soy importer for the European feedstuff industry.

Regional Focus and Customers

The BAST business unit pools activities that are not tied to a specific location, particularly national and international grain trading activities, and is geared primarily towards grain or oil mills, producers of starch and feedstuffs, malt houses, breweries and biofuel manufacturers. It imports and exports agricultural products through own domestic and deep-water ports. BayWa Group sells products to local, regional, national and international companies in the foodstuff, wholesale and retail industries through its in-house trade departments.

BAV (BayWa Agricultural Sales)

Overview

The BAV business unit directly covers the stages of the value chain with farms: collection, sales and service. It supplies farmers with operating resources such as seed, fertilizers, crop protection and feedstuffs throughout the entire agricultural year and collects harvested produce. It also sells feedstuff under the Bonimal brand and it supplies three premium house brands: Planterra (seed), InnoFert (fertilizer) and InnoProtect (crop protection).

Regional Focus and Customers

BayWa Group has one of the leading market positions in the agricultural trade in Germany and Austria. In its traditional core regions, BayWa Group's agribusiness is embedded in the agricultural cooperatives trading structure. In Germany, this business is focused on specific regions on account of historical structures. BayWa Group has approximately 220 sites in its regional core markets, particularly in Bavaria, Baden-Württemberg, Mecklenburg-West Pomerania, Thuringia, Saxony, Saxony-Anhalt and southern Brandenburg, which form part of an extensive and dense network. By expanding its digital activities, BayWa Group is also acquiring new customers beyond these regions. Through its Austrian subsidiary RWA Raiffeisen Ware Austria Aktiengesellschaft (RWA AG), which maintains close business relations across Austria with approximately 470 cooperative warehouses, BayWa Group is represented throughout the country. Numerous privately owned medium-sized trading enterprises, mainly operating locally, make up the competitive environment for agricultural produce. In contrast, there are also a number of wholesalers operating nationwide that offer operating resources.

Fruit

Overview

BayWa Group is one of the leading fruit traders worldwide and also collects, stores, sorts, packages and trades fruit for customers in Germany and abroad as a marketer under contract at its seven sites in the Lake Constance, Neckar and Rhineland-Palatinate regions. It has a diversified fruit portfolio focused on soft & stone fruits, tropical fruits and vegetable fruits. BayWa Group is a year-round supplier of pome fruit from all over the world. In Germany, BayWa Group is the leading single seller of dessert pome fruit to wholesalers and retailers in the food industry and the largest supplier of organic pome fruit.

In the financial year 2016, the Fruit business recorded a 16.2% increase in revenues generated through business with third parties to €659.3 million (2015: €567.4 million). In particular, higher prices for fruit from New Zealand and increased sales volumes for soft and stone fruit, tropical fruit and fruiting vegetables contributed to this increase. Due to an improved product mix featuring more produce with higher margins, EBIT increased by 56.5% to €42.3 million (2015: €27.0 million).

Regional Focus and Customers

The Fruit business unit is one of the BayWa Group's business units with the greatest international focus. With the acquisition of T&G Global Limited ("**T&G**") in 2012, BayWa Group tapped into the New Zealand market and simultaneously gained access to the American continents, Australia and Asia through its network of international trade links. Together with its subsidiary Apollo Apples (2014) Limited, T&G is the leading provider of apples in New Zealand with international trade links to Asia, Europe, Australia and the Americas. In 2016, BayWa Group expanded its portfolio in the "ready-to-eat" sector of the existing specialty fruits market through the acquisition of a majority interest in the Dutch supplier TFC Holland B.V., significantly strengthening its position as a leading international supplier of fruit and pome fruit. TFC Holland B.V. has long-standing international trade relations in all procurement markets for tropical fruits - mainly for avocado, mango and citrus fruits - as well as with the European food retail industry.

Agricultural Equipment

Overview

The Agricultural Equipment business unit offers a full line of machinery, equipment and systems for all types of agriculture. In addition to tractors and combine harvesters, the range of machinery includes versatile municipal vehicles, road-sweeping vehicles, mobile systems for wood shredding and forklift trucks for municipal services and commercial operations. The machinery range for forestry extends from large machinery and equipment such as forestry tractors, wood splitting and chipping machinery, forest milling cutters and mulchers, cable winches, road and path construction machinery, to small appliances such as chainsaws, brush cutters and the necessary protective clothing. In addition, BayWa Group's dense service network with approximately 610 mobile service vehicles and approximately 280 workshops provides maintenance and repair services for machinery and equipment.

BayWa Group is one of the leading agricultural equipment traders in Germany and one of the largest in Europe. It is also the largest national spare parts trader with access to over 10 million articles.

In the financial year 2016, revenues generated through business with third parties in the Agricultural Equipment business unit decreased by 0.3% to €1,256.8 million (2015: €1,260.1 million) due to farmers' increasing reluctance to invest. EBIT decreased to €10.6 million (2015: €21.5 million) primarily due to a decline in new machinery business.

Regional Focus and Customers

BayWa Group maintains a closely linked network of in-house workshops in southern and eastern Germany, as well as the Netherlands, that are tailored to manufacturer brands. The range of workshop services is also complemented by mobile service vehicles to provide maintenance and repair services, as well as by the supply of replacement parts and trade in used machinery. BayWa Group has exclusive sales rights for the AGCO Group brands (Fendt, Massey Ferguson, Valtra and Challenger) in southern Germany, parts of eastern Germany and the southern part of The Netherlands as well as CLAAS in southern Germany and John Deere in Austria. BayWa Group is also expanding its activities to Canada, South Africa and Zambia. BayWa Group entered into a partnership with CLAAS in Canada, for example. The partnership focuses on marketing CLAAS products in the province of Alberta. The first location opened in 2016, and another is scheduled for 2017. In July 2016, BayWa Group also acquired the remaining 51% of the shares in the Agrimec Group B.V., a joint venture

with Agrifirm Group B.V. established in 2014. The joint venture operates in agricultural machinery sales and service. In 2015, BayWa Group partnered with Barloworld Limited in South Africa to establish the joint venture BHBW Zambia Limited for distributing agricultural equipment in sub-Saharan Africa. This partnership resulted in a second joint venture for agricultural equipment and logistics technology in South Africa and other neighboring markets in January 2017.

Energy Segment

Overview

The Energy segment's business activities are divided into the Renewable Energies business unit, which is housed in BayWa r.e. renewable energy GmbH ("**BayWa r.e.**"), and the Conventional Energy business unit. BayWa r.e. plans and implements projects in the wind, solar, bioenergy and geothermal sector with the aim of selling them at a profit once completed. At the same time, BayWa r.e. is available as service provider to guarantee the smooth technical and commercial operation of the wind, solar and biogas plants. Trade with photovoltaic systems and components is another mainstay of BayWa r.e. BayWa r.e.'s expertise also includes trading in biomethane, green electricity and green gas. The company also supports turbine and system operators with the direct marketing of renewable energy to large consumers of electricity. The Conventional Energy business unit encompasses the sale and distribution of fossil-based and renewable heating materials, fuels, lubricants and AdBlue, which is a Diesel exhaust fluid used as a consumable in selective catalytic reduction in order to lower NO_x concentration in the diesel exhaust emissions from diesel engines.

In the financial year 2016, the Energy segment generated revenues generated through business with third parties of €2,976.0 million, a decrease of €288.2 million, or 8.8%, compared to the financial year 2015. It was nevertheless able to increase EBIT by 7.7% to €83.1 million (2015: €77.2 million) in the financial year 2016. In the financial year 2016, the Energy segment accounted for 19.3% of the BayWa Group's revenues generated through business with third parties. Revenues generated through business with third parties for the Renewable Energies business unit decreased by 7.1% to €945.9 million on account of lower market prices for solar components. However, with an 8.9% increase to €67.3 million, the business unit's EBIT increased substantially. Conventional Energy revenues generated through business with third parties decreased by 9.6% to €2,030.1 million, primarily on account of heating oil and fuel prices, which were down on average year on year. EBIT improved, in particular, due to the positive development of margins in the fuel business, increasing by €0.4 million to €15.8 million.

Renewable Energies

Overview

BayWa Group is a full supplier for the renewable energies business. The Group covers a significant portion of the renewable energy value chain through BayWa r.e. BayWa r.e. pursues a three-pronged diversification strategy for its business portfolio: by country, by energy carrier and by business activity. Business activities are divided into four areas: project development/implementation, services, photovoltaic trade and energy trade. Project development/implementation encompasses project planning, management and the construction of wind turbines, solar power, geothermal and biomass plants through to the sale of finished plants. Services comprise planning and technical services, the provision of consumables, operational management and maintenance of the turbines and plants. In addition, the company also trades in photovoltaic systems and components and markets electricity, gas and heat generated from renewable sources.

Regional Focus and Customers

The Renewable Energies business unit has a strong international focus in order to limit reliance on individual national markets. BayWa r.e. has presence in the most important markets in Europe as well as Australia, Japan, North America and Southeast Asia. The market for renewable energies is a largely regulated market where energy is produced and fed into the grid at prices set by the government. Developments in the market are therefore largely determined by changes in the structure and size of state subsidies. In terms of wind and solar energy, BayWa r.e. operates in Australia, Austria, Croatia, Denmark, France, Germany, Greece, Hungary, Indonesia, Italy, Japan, Luxembourg, Malaysia, Mexico, Poland, the Republic of Singapore, Romania, Spain, Sweden, Switzerland, Thailand, the United Kingdom and the United States. This ensures that BayWa r.e. is highly diversified in terms of its range of energy carriers, business units and its geographic distribution.

Conventional Energy

Overview

In its Conventional Energy business, BayWa Group predominantly sells heating oil, fuels, lubricants and wood pellets in Bavaria, Baden-Württemberg, Hesse, Saxony and Austria. BayWa Group has a strong position in the heating oil trade. It is one of the largest independent traders in Southern Germany and one of the largest in Austria. BayWa Group has also positioned itself as a market leader in lubricants for biogas combined heat and power units and with regard to multifunctional oils.

Regional Focus and Customers

In the heating oil business, heating materials are primarily sold through in-house sales offices. Diesel and Otto fuels, as well as AdBlue, are sold through approximately 240 Group filling stations and partner stations in Germany. In addition, fuels are supplied to resellers and wholesalers. In Austria, more filling stations are managed by subsidiaries. The Group company GENOL Gesellschaft m.b.H. & Co. KG acts as a wholesale fuel supplier to cooperative filling stations. BayWa Group sells lubricants to commercial and industrial customers, as well as to farmers and operators of combined heat and power plants. The subsidiary BayWa Energie Dienstleistungs GmbH offers extensive and individual solutions for energy provision to residential properties, municipal and commercial buildings and the healthcare and industrial sectors.

Building Materials Segment

Overview

BayWa Group sells and supplies a broad array of building materials to commercial and private customers. It also helps customers locate qualified craft businesses and providing construction site logistics as well as supplying systems solutions such as full facades. Further areas of focus include healthy-living construction and energy efficiency. BayWa Group offers a wide range of emissions-tested building materials as well as solutions for energy-efficient construction or renovation. BayWa Group is also increasingly becoming an initiator of new products through its private brand lines casafino for construction components and landscaping; Formel Pro for structural and chemical products, as well as insulation materials; Formel Pro Green for healthy-living building materials and cleaning agents; as well as Valut for roofing accessories. BayWa Group also offers construction activities through own building services engineering. In January 2017, BayWa Group launched an online portal for building materials, which enables business customers to place orders at any time.

The BayWa Group has one of the leading market positions in Germany in the building materials trade with approximately 130 locations and ranks among the leading suppliers in Austria with approximately 30 sites.

In the financial year 2016, the Building Materials segment generated revenues through business with third parties of €1,530.1 million (2015: €1,496.4 million), an increase of 2.3% compared to financial year 2015, and accounting for 9.9% of BayWa Group's consolidated revenues. The increase was primarily due to higher sales volumes resulting from a strong construction sector. Sales volumes of the entire Building Materials portfolio benefited from a prospering housing construction market in particular, which also led to an increase in demand for prefabricated components, such as stairs, ceilings and garages. Products from the ranges for civil engineering and road construction work experienced growing demand over the course of the year on account of the increase in repairs and modernizations carried out on motorways, bridges and tunnels. EBIT increased by €1.1 million to €28.5 million (2015: €27.4 million) primarily as a result of expansion efforts focused on private brands, the ongoing optimization of the site network and lower logistics costs due to oil prices.

Regional Focus and Customers

The Building Materials segment primarily comprises building materials trading activities in Germany and Austria. In addition, BayWa Group serves a number of franchise partners in the building materials and retail business in Austria through its Austrian subsidiary AFS Franchise-Systeme GmbH.

In the building materials trade, BayWa Group mainly caters to the needs of small and medium-sized construction companies, tradesmen, commercial enterprises and municipalities. Private developers and homeowners are also an important part of the segment's customer base.

Innovation & Digitalisation Segment

Overview

The Innovation & Digitalisation segment is responsible for developing and marketing digital products and services for enhancing productivity in agriculture. It also pools the BayWa Group's e-commerce activities in the BayWa Online World. With its software product Agrar Office, Group company FarmFacts GmbH offers farmers a future-oriented and interoperable farm management system. A number of modular tools and solutions

are also available. The next innovative step is the networking of entire areas of farms and processes with upstream and downstream stages. To this end, FarmFacts GmbH offers an overall concept for medium-sized and small farms with the NEXT Farming product generation, which enables farmers to seize the opportunities of smart farming across all types of machinery and operating resources, irrespective of farm size.

The Innovation & Digitalisation segment generated revenues through business with third parties of €6.0 million in the financial year 2016 representing an increase of 14.9%. Due to the high level of investments in the development of digital farming solutions and the new BayWa Online World, and due to the operating business units' service function with no direct income, the Innovation & Digitalisation segment reports EBIT of €-8.6 million (2015: €-2.9 million) which falls within the scope of planning.

Regional Focus and Customers

BayWa Group is striving to secure a leading market role in this field across Europe. With the Agrar Office software, BayWa Group is a leading supplier in farm management for large scale firms. The NEXT Farming product generation targets farmers irrespective of farm size.

Research and Development

Research and development activities were previously of secondary importance at BayWa Group, a trading and logistics group, and primarily relate to the formation of the new Innovation & Digitalisation segment in the second half of 2016. Research is being conducted in pilot projects on the topics of site-specific sowing and fertilization. Development pertains in particular to software and digital applications for digital farming. It is carried out at the subsidiary FarmFacts GmbH and includes software modules for controlling agricultural processes, as well as telematic applications and management software for the automated steering of agricultural machinery. Headcount for research and development stood at 35 employees as at December 31, 2016. This figure comprised 29 software development employees, 2 project management employees and four external specialists. All of the employees mentioned work at or for the Group company FarmFacts GmbH. The BayWa Group's research and development expenses totaled approximately €157.0 million in the financial year 2016. Own work capitalized with regard to new digital farming products amounted to €1,536.0 million.

Historical Financial Information

The consolidated financial statements of BayWa AG for the financial years ended December 31, 2015 and December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the additional requirements of German commercial law pursuant to Sec. 315a (1) German Commercial Code (*Handelsgesetzbuch*).

The Audited Consolidated Financial Statements of BayWa AG for the financial years ended December 31, 2015 and December 31, 2016 and the Unaudited and Unreviewed Condensed Consolidated Interim Financial Statements of BayWa AG for the six months ended June 30, 2017 are incorporated by reference into this Prospectus.

Investments

BayWa Group intends to continue to invest in modern site infrastructure in the future. This includes investments in land and buildings wherever such investments are expedient and prudent. By contrast, BayWa Group will seek to continue to dispose of real estate no longer used for operations. The proceeds received from these transactions will be used to reduce debt or to finance the Group's growth.

In the financial year 2016, the BayWa Group invested €154.1 million in intangible assets (€25.9 million) and property, plant and equipment (€128.2 million) together with its acquisitions. These investments were primarily for the purpose of repair and maintenance of buildings, facilities and office fixtures and fittings, as modern locations and seamlessly operating facilities are a precondition for efficient logistics processes.

In 2016, €57.2 million was invested in new business premises Group-wide. The main focus was on the completion of buildings related to company operations and investment in sites' technical facilities.

Investments in the financial year 2016 included €11.4 million in a logistics center for the Agricultural Equipment business unit in Röthlein. A further €3.2 million was invested in other agricultural equipment sites in Großweitzschen and Heimerdingen.

In the BAV business unit, major investments were made at the locations in Großmehring (€5.6 million), Tettwang (€3.1 million) and Vilsbiburg (€2.6 million) in the reporting year. In addition, a plot of land in

Großenhain was acquired for €3.0 million. A total of €6.5 million was invested in the building materials center in Munich-Moosfeld. Furthermore, €7.1 million was invested in the expansion of the DIY and garden center in Wolfratshausen.

The Group company BayWa Obst GmbH & Co.KG invested €1.7 million, in particular for a sorting machine in Kressborn. In addition, RWA AG invested approximately €12.2 million in its warehouse for agricultural produce in Aschach.

Ultimately, investment measures totaling €50.4 million began in the financial year 2016; these concern BayWa AG sites as well as sites belonging to other Group companies and are to be completed in the financial year 2017.

Payments for company acquisitions amounted to €71.2 million in the financial year 2016 and mainly pertained to the acquisition of TFC, Evergrain Germany GmbH & Co.KG and Agrimec Group B.V., as well as to subsequent purchase price payments for company acquisitions made in previous years.

Including acquisitions, approximately 67% of total investments in non-current assets at the BayWa Group were attributed to the Agriculture segment. The high share in investments attributed to the Agriculture segment reflects the international expansion of agricultural trade. Some 14% of the total investments were made in the Energy segment, while approximately 8% was attributed to the Building Materials segment and just under 10% to Other Activities. The Other Activities Segment includes the major part of the Group's administration as well as peripheral business activities that are of secondary importance in the BayWa Group. Owing to the development of the Group's business portfolio with the addition of the Innovation & Digitalisation segment, approximately 1% was invested here.

Employees

The number of employees at BayWa Group increased in 2016 compared to 2015. As of December 31, 2016, the BayWa Group employed 16,711 employees (2015: 16,229) of which 10,212 employees were employed in the Agriculture segment, 1,911 employees in the Energy segment, 4,081 employees in the Building Materials segment and 126 in the Innovation & Digitalisation segment. In terms of an annual average, the number of employees increased by 351, or 2.1%, to 16,960. This increase was largely due to a number of strategic acquisitions in various business areas. The international standing of BayWa Group's fruit and agricultural equipment trading activities was strengthened through targeted acquisitions, while the Innovation & Digitalisation segment, established in 2016, was further expanded. There were also two smaller acquisitions in the Building Materials segment. The number of employees in the Conventional Energy business unit remained stable year on year, whereas there were significant increases in employee numbers in the Renewable Energies business unit.

Pensions

BayWa Group's current pension commitments are based exclusively on defined benefit plans. They are based both on company agreements and commitments made on a case-by-case basis. For the most part, these are final pay plans. The obligation of BayWa Group consists in fulfilling the committed benefits to active and former employees. The benefit commitments undertaken by the Group are financed by allocations to provisions.

Material Contracts

In the financial year 2016, BayWa Group issued a short-term bonded loan (*Schuldscheindarlehen*) in a nominal amount of €75 million. Since 2012, this short-term bonded loan has been regularly extended in May of each year for an additional year. BayWa Group also issued bonded loans in 2010, 2011, 2014 and 2015. The bonded loans were reported at the fair value corresponding to the nominal value at the time when they were recognized, less transaction costs. The bonded loans are measured at amortized cost.

BayWa Group has had a commercial paper programme in place since 2000 in order to meet short term capital requirements. In 2015 the commercial paper program amounted to €500 million (or its equivalent in other currencies). The notes issued under the commercial paper programme may be issued in Euro, U.S. dollar, Australian dollar, New Zealand dollar, pound sterling, Swiss franc, Japanese yen, or other currencies as agreed. The notes issued on the basis of the commercial paper program have a maturity of at least one day and a maximum of 364 days. The notes are issued in series of at least €2.5 million; the principal amount of each individual note is at least €100,000 or such other conventionally or legally accepted principal amount(s) for commercial paper in the relevant currency. The notes are not and will not be admitted to trading on any stock exchange.

BayWa Group's headquarters at Arabellastrasse 4 will be acquired by WealthCap for approximately €280 million once refurbishment of the headquarters has been completed. Closing of the transaction is expected to take place in December 2017. BayWa Group will lease back the properties in the long term. WealthCap is a fully owned subsidiary of UniCredit Bank AG.

Legal Disputes and Investigations

BayWa AG is involved from time to time in various claims and lawsuits arising in the ordinary course of business.

In 2015, antitrust investigations were conducted at various agricultural companies in Germany, including BayWa AG, with regard to crop protection wholesale operations. In 2016, additional antitrust investigations were conducted at various companies in the industry, including BayWa AG, due to suspicions of agreements aimed at restricting competition in the sale of agricultural equipment. It is currently not possible to predict the scope and ultimate outcome of the investigation.

BayWa AG is not currently involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BayWa AG is aware), which may have, or have had in the recent past, significant effects on BayWa AG and/or BayWa Group's financial position or profitability.

Trend Information, Recent Developments and Strategy and Outlook

The environment and the markets in which BayWa Group operates are subject to constant changes. The company achieves its growth targets through the organic development of existing business activities, through general development of new business areas in Germany and abroad, and through acquisitions. In addition, BayWa Group joins forces with other companies to seize new business opportunities through partnerships and cooperation. The internationalization of the company's business activities represents the central strategic focus: through targeted acquisitions, the development of new business areas and organic growth in agricultural trade, fruit, agricultural equipment and renewable energies, BayWa Group has succeeded in entering new corporate dimensions over the past few years. In the agricultural sector, the Group is underpinning its aim of becoming Europe's leading agricultural trade, distribution and logistics provider with global reach. Another focus is on the expansion of activities with agricultural specialty products, such as malting barley, hops and legumes (peas, beans and lentils). Through these efforts, BayWa Group continues to diversify its product portfolio and stabilize profitability, given that it is usually possible to achieve higher margins by trading in specialties than in standard agricultural staples. In the fruit trade, BayWa Group's objective is to offer retailers in Europe a diverse and attractive range of produce throughout the year by systematically expanding its procurement base in the southern hemisphere. In addition, T&G Global Limited in New Zealand is being used as a platform for expanding exports to countries in Asia and tapping into new national markets. In order to secure long-term growth opportunities in the agricultural equipment sector, the Group intends to take on a leading role across Europe as an independent provider of smart farming solutions for all farm sizes, alongside its geographic expansion. As one of Europe's largest providers of renewable energies, BayWa Group's focus is on driving forward the expansion of the renewable energies business on a global stage. Internationalization thus forms the crucial basis for BayWa Group's further growth that will reinforce BayWa Group's competitive position and make it possible to tap into new markets. In the Building Materials segment, the extensive restructuring measures taken in the past years have created the conditions necessary for successfully continuing business independently. In early 2016, detailed analyses revealed that a joint venture solution in the German market does not harbor enough potential to sustainably increase profitability. In light of this, BayWa Group has adopted a strategy of further developing its current position by strengthening sales, expanding online offerings and optimizing processes, costs and locations. At Group level, the overarching areas of focus across all segments and business units include expanding digital solutions and strengthening the BayWa Group umbrella brand.

BayWa Group continually analyses its business portfolio - comprising the Agriculture, Energy and Building Materials segments and their respective business units, as well as the development segment Innovation & Digitalisation - with regard to future growth and earnings potential. Strengthening the market position and optimizing the business portfolio serve the same goal: increasing the profitability of the BayWa Group's business activities over the long term. This also includes the continuous improvement of cost structures. The focus here is on optimizing the network of sites, structuring processes efficiently, intensifying the use of existing sales structures and strengthening cooperation between Group companies at an operating level. Through a project launched in August 2015, targeted measures have since been taken to increase process transparency, leverage short-term savings potential and reduce costs in the long term. In 2017, greater focus is being placed on optimizing processes and structures.

BayWa Group systematically pursues a strategy of restructuring, adapting or disposing of any activities with insufficient growth and/or earnings prospects. A portfolio optimization project was launched in 2016. The project aims to identify business units at the Group with significant and repeated deviations from planned targets or those that fail to earn their cost of capital. EBIT, capital employed and return on capital employed (ROCE) (calculated as result of ordinary activities divided by the sum of (i) Intangible assets, (ii) Property, plant and equipment and (iii) net working capital) for 2013 to 2016 are the key figures taken into consideration. If ROCE is lower than capital costs in the period under review and/or the units generate negative EBIT, business measures are taken that can range from modifications to the business model and the reduction of capital employed to divestment.

The development of the BayWa Group is accompanied by a solid and proactive financing strategy. It is shaped by the caution traditionally exercised by companies in the cooperative and agricultural sectors, but also takes into account the changing requirements of an established international group. With its corporate financing, BayWa Group puts its faith in tried-and-tested, reliable partners in the cooperative federation as well as national and international banks.

There has been no significant change in the financial or trading position of BayWa Group since June 30, 2017. BayWa Group expects that growth momentum is likely to rise in the second half of 2017 due to prospective market and business conditions in its three business segments, particularly in the agricultural sector.

Furthermore, BayWa Group makes sure that there is sufficient diversification in terms of financing sources, so as to guarantee its independence and limit risks. Efficient management of working capital is vital at the BayWa Group as it represents a net figure for current assets less current liabilities. BayWa Group aims to maintain a balanced capital structure.

TAXATION

The following is a general overview of certain tax considerations relating to the subscription, purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Holder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Prospective holders of Notes (“**Holders**”) should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of Germany, Austria and Luxembourg and any country of which they are residents or citizens or whose tax laws apply to them for other reasons.

Taxation in Germany

The following general overview does not consider all aspects of income taxation in Germany that may be relevant to a Holder of the Notes in the light of the Holder’s particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in force and as applied on the date of this Prospectus, which are all subject to change at any time, possibly with retroactive or retrospective effect.

German residents holding the Notes as private assets

Taxation of income from the Notes

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

The flat tax is generally collected by way of withholding (see subsequent paragraph - *Withholding tax*) and the tax withheld shall generally satisfy the individual investor’s tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld other than by virtue of a withholding tax exemption request (*Freistellungsauftrag*) (e.g., in case there is no Domestic Paying Agent as defined in the subsequent paragraph - *Withholding Tax*), the investor will have to include the income received with respect to the Notes in its income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor’s aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor’s individual income tax rate on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent., the investor may opt to be taxed at individual progressive tax rates with respect to its investment income.

Capital losses from the Notes held as private assets are generally tax-recognized irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income subject to certain limitations. Losses not utilized in one year may be carried forward into subsequent years but may not be carried back into preceding years. Pursuant to a tax decree issued by the German Federal Ministry of Finance dated January 18, 2016 (as last amended on May 3, 2017), losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. The same rules should apply according to that tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. With respect to a bad debt loss, several

German lower fiscal courts have recently confirmed the view of the German tax authorities in non-final decisions. With respect to a (voluntary) waiver of receivable a German lower fiscal court has recently confirmed the view of the German tax authorities in a final decision. Furthermore capital losses might not be recognized by the German tax authorities if the Notes are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for jointly assessed investors). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph - Withholding tax) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not possible.

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "Domestic Paying Agent") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case the investor has to include the investment income in the tax return and will then be assessed to church tax.

Capital gains from the sale (including the redemption) of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge at a rate of 5.5% thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the Domestic Paying Agent has been provided with evidence for the investor's actual acquisition costs of the Notes by the previous depository bank or by a statement of a bank or financial services institution within the European Union, the European Economic Area. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). If the withholding tax on a sale or redemption of the Notes has been calculated on the basis of 30% of the disposal proceeds (rather than from the actual gain), a German tax resident individual Holder may also apply for an assessment on the basis of its actual acquisition costs; however, in case the actual gain is higher than 30% of the disposal proceeds a German tax resident individual Holder is obliged to apply for an assessment on the basis of its actual acquisition costs.

German resident investors holding the Notes as business assets

Taxation of income from the Notes

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (*i.e.*, a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable to the individual investor) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the Notes will generally be tax-recognized and may generally be offset against other income subject to certain limitations.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case the investor has to include the investment income in the tax return and will then be assessed to church tax.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income and related (business) expenses from the Notes will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) levied, if any, is generally fully creditable as advance payment against the investor's personal or corporate income tax liability or, to the extent exceeding this personal or corporate income tax liability, refundable, as the case may be.

Non-German resident Holders

Income derived from the Notes by Holders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Notes are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, (ii) the income derived from the Notes does otherwise constitute German source income (such as income derived from Notes that are secured by German real estate or vessels subject to certain exceptions or income from the letting and leasing of certain property located in Germany or income from certain other finance instruments issued by a German tax resident issuer, unless the Notes qualify as global notes certificates (*Sammelurkunden*) within the meaning of Section 9a of the German Custody Act (*Depotgesetz*) or as fungible notes representing the same issue (*Teilschuldverschreibungen*)) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Notes or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Notes is subject to German taxation according to (i) to (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German resident Holders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance and gift tax

The transfer of Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had or was deemed to have his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has or is deemed to have its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany, or the obligations under the Notes are directly or indirectly secured by German-situs real estate (unless the Notes qualify as fungible notes representing the same issue (*Teilschuldverschreibungen*)).

Special regulations apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other taxes

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

The Proposed Financial Transactions Tax

The EU Commission and certain EU member states (including Germany) are currently intending to introduce a financial transaction tax (presumably on secondary market transactions involving at least one financial intermediary). The timing of its potential introduction is, however, still unclear. Prospective holders of the Notes are advised to seek their own professional advice in relation to the financial transaction tax.

Taxation in Austria

This summary is based on Austrian tax laws as currently in force and as applied on the date of this Prospectus. The laws and their interpretation by the tax authorities and tax courts may change and such changes may also have retroactive effect. The following comments reflect the Issuer's understanding of certain aspects of Austrian tax laws in connection with the acquisition, ownership, disposition and redemption of the Notes. They are of rather general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. For their particular case, prospective investors should consult their professional legal and tax advisors.

General Remarks

Individuals resident in Austria are subject to Austrian income tax (*Einkommensteuer*) on their worldwide income (unlimited income tax liability). Individuals qualify as residents if they have either their permanent domicile and/or their habitual abode in Austria. Otherwise they are non-resident individuals subject to income tax only on income from certain Austrian sources (limited income tax liability).

Companies resident in Austria are subject to Austrian corporate income tax (*Körperschaftsteuer*) on their worldwide income (unlimited corporate income tax liability). Companies qualify as residents if they have their place of effective management and/or their legal seat in Austria. Otherwise they are non-residents subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability).

Under Austrian tax law, individuals are subject to income tax pursuant to the Austrian Income Tax Act 1988 (*Einkommensteuergesetz* 1988, Federal Law Gazette 1988/400 as amended – “**ITA**”) generally at progressive tax rates between 0 per cent. and 55 per cent. Corporate entities are subject to a corporate income tax at a rate of 25 per cent. pursuant to the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz* 1988, Federal Law Gazette 1988/40 I as amended– “**CITA**”).

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

There is no transfer tax, registration tax or similar tax payable in Austria by the holders of Notes as a consequence of the acquisition, ownership, disposition or redemption of Notes (when issued in bearer form only). The sale and purchase of Notes is not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Federal Stamp Duty Act (*Gebührengesetz* 1957, Federal Law Gazette 1957/267 as amended) such as an assignment is entered into for which a document (*Urkunde*) within the meaning of the Stamp Duty Act is executed.

The Issuer does not assume any responsibility for withholding tax deductions at source.

Fiscal Reform 2015/2016

Due to the latest fiscal reform enacted by Federal Law Gazette I 2015/118, certain tax rates have been changed with effect as of 1 January 2016. Inter alia, the highest progressive income tax rate has been raised to 55 per cent. for yearly taxable income exceeding €1,000,000 (limited in time for the years 2016 to 2020). Furthermore, the special tax rate applicable to investment income and capital gains derived from debt instruments such as the Notes has been raised from 25 per cent. to 27.5 per cent.

Austrian Residents

Income derived from the Notes by individuals with a permanent domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the ITA or the CITA.

Austrian Resident Individuals

Income derived from debt instruments such as the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Such income comprises not only current income, i.e. interest payments and similar earnings, but also “realized” capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*) from the sale or redemption of debt instruments, irrespective of whether they have been held as business or non-business assets and irrespective of whether the profits have been realised within a particular holding period (formerly, in case of individuals, only realized capital gains derived from securities which were held for a period not exceeding one year were taxed). According to the relevant provisions of the ITA, in the tax base is, in general, the difference (sur-plus) between the proceeds from the sale or redemption of the debt instruments, i.e. their selling or redemption price, and their purchase price (acquisition cost).

Such profits, i.e. current income and “realized” capital gains, are in principle subject to a special tax rate of 27.5 per cent. (*Kapitalertragsteuer*, Capital Proceeds Tax – “CPT”) and will be deducted by the custodian bank (*depotführende Stelle*) or the paying office (*auszahlende Stelle*) located in Austria. Expenses which are directly connected with income subject to the special tax rate are not deductible. However, as regards profits from debt instruments such as the Notes, the special tax rate will only apply in cases where the instruments have in the primary offering been offered to an undetermined number of people (“public offer”). This tax is in principle “final”, which means that no further tax will be levied on such income and capital gains and that they do not have to be declared in other tax declarations of the taxpayer (in particular, a personal tax rate exceeding 27.5 per cent. will not apply). In case the taxpayer applies for regular taxation (*Regelbesteuerungsoption* - which he might do in case his personal tax rate is below 27.5 per cent.) or for the offsetting of losses (*Verlustausgleichsoption*), taxation is not final. The option for regular taxation may be exercised independently from the option for the offsetting of losses by filing a respective request to the tax office. It leads to an assessment for income tax and to the application of the regular, progressive income tax rate (currently amounting to a maximum of 55 per cent. for yearly taxable income exceeding €1,000,000) on all taxable capital gains.

Further, pursuant to the relevant provisions of the ITA also the withdrawal or transfer of debt instruments such as the Notes from their current investor's securities account shall, as a general rule, equally trigger CPT, unless one of the exemptions contained in the ITA applies. These exemptions are all based on the idea that no CPT shall be deducted, in cases where the taxation in Austria of potential future profits deriving from the sale or redemption of the transferred debt instruments remains in fact possible. In addition, since April 1, 2012 amended exit tax rules (*Wegzugsbesteuerung*) apply, which are not discussed herein.

In its international dimension, the capital gains tax applies only and CPT will only be deducted, if either the custodian bank (*depotführende Stelle*) or - under certain conditions - the paying office (*auszahlende Stelle*) is located in Austria. In most cases the paying office (*auszahlende Stelle*) will be the bank with which the investor maintains his securities account. It is not the Paying Agent (as defined in the Prospectus). The term “custodian bank” refers to banks (its branches and offices) providing the securities account to the investor and not to any other bank up in the holding chain. The custodian bank or, if applicable, the paying office will be responsible for the deduction of the capital gains tax (CPT) and its transfer to the respective Austrian tax office.

To the extent that no CPT is deducted due to the lack of a custodian bank (*depotführende Stelle*) or a paying office (*auszahlende Stelle*) located in Austria, the income derived from debt instruments such as the Notes must be included into the respective taxpayer's tax declaration, if such profits are received by an Austrian resident individual subject to unlimited income tax liability. In this case, the special tax rate of 27.5 per cent. equally applies.

The Issuer does not assume any responsibility for Austrian CPT (*Kapitalertragsteuer*) to be withheld by any custodian bank (*depotführende Stelle*) or a paying office (*auszahlende Stelle*) located in Austria at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Austrian Resident Corporate Investors

Resident corporate investors deriving business income from the Notes may avoid the deduction of CPT by filing a statement of exemption with the securities account keeping bank (or the paying office) and (via the bank/paying office) with the competent Austrian tax office to the fact that the payment received is due to a commercial enterprise subject to taxation in Austria (*Befreiungserklärung*). Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 per cent. A special tax regime applies for private foundations (*Privatstiftungen*).

Non-Resident Individuals and Non-Resident Corporate Investors

Due to changes of the ITA by the EU-AbgÄG 2016 as of January 1, 2017 interest income falls within the limited income tax liability applicable to non-resident individuals in case the interest payment is qualified "domestic" (section 98 para 1 no. 5 of the ITA as amended by the EU-AbgÄG 2016) and provided that CPT has to be deducted. Interest payments will be qualified domestic in case the debtor's domicile, legal seat or place of effective management is located in Austria or in case the debtor is an Austrian branch of a foreign bank. Interest income derived from debt instruments (interest payments, realised capital gains) will be qualified domestic in case the debt securities have been issued by an Austrian issuer. For non-resident corporate entities deriving business income from Notes the current exemption in section 98 para 1 no. 5 of the ITA will continue to apply pursuant to which interest payments which are not received by natural persons are exempt from the limited income tax liability. In addition, a new exemption will apply in case interest income is received by individuals which are resident in countries in respect of which an automatic exchange of financial account information (see below) with Austria is implemented. The justification of residence in such a country must be proven by a certificate of residence.

For non-resident corporate entities deriving business income from Notes, provided that such income is not attributable to an Austrian permanent establishment, an exemption applies as pursuant to section 98 para 1 no. 5 of the ITA interest payments which are not received by natural persons are exempt from the limited income tax liability. In addition, non-resident corporate investors deriving business income from Notes may avoid the deduction of CPT by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian paying office, as section 94 no. 5 of the ITA has not been changed or amended.

Applicable double taxation treaties may provide for a reduction of or relief from CPT. In case non-residents receive income from Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors. Investors should consult their professional advisers to clarify their position.

Automatic Exchange of Information

In Austria, the Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz – "GMSG"*) regulates the automatic exchange of information on financial accounts regarding taxable periods from 1 January 2017. The GMSG implements the common reporting standard concerning automatic exchange of information on financial accounts, which has been developed by the OECD and adopted by the EU. The GMSG obliges Austrian financial institutions to report to the tax authority account information of persons subject to reporting, which will subsequently be reported to the competent authority of the participating countries by the Federal Ministry of Finance. Subject to reporting are basically account data of individuals or entities, which are tax residents of states participating in the common reporting standards – which are all EU member states as well as all countries, which concluded or will conclude multilateral or bilateral agreements concerning the common reporting standard.

Other Taxes

Due to a decision of the Austrian Constitutional Court (*Verfassungsgerichtshof*), the Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished with effect of August 1, 2008. However, pursuant to section 121a of the Federal Fiscal Code (*Bundesabgabenordnung*, Federal Law Gazette 1961/194 as amended), gifts exceeding certain amounts must be notified to the Austrian tax authorities within a three-month notification period. In addition, it should be mentioned that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Federal Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*, Federal Law Gazette I 2008/85). This tax is triggered, if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria.

The tax is based on the market value of the transferred assets less any debt economically linked to these assets. In general, the applicable tax rate amounts to 2.5 per cent. However, in certain cases a higher tax rate of 25 per cent. applies.

Taxation in the Grand Duchy of Luxembourg

The comments below do not relate to any form of Luxembourg taxation other than certain taxes withheld at source with respect to the Notes.

Withholding tax

Non-resident Holders of Notes

Under Luxembourg general tax law currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes. Nor is there any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes, *provided that* the interest on the Notes does not depend on the profit of.

Resident Holders of Notes

Under Luxembourg general tax law currently in force and subject to the law of December 23, 2005, as amended (the “**Relibi Law**”) and mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes, *provided that* the interest on the Notes does not depend on the profit of the Company.

However, under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by any Luxembourg paying agent within the meaning of the law.

In addition, pursuant to the Relibi Law, Luxembourg resident individuals can opt to self-declare and pay a 20% levy on payment of interest or similar incomes made or ascribed by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area. The 20% levy is final when Luxembourg resident individuals are acting in the context of the management of their private wealth. The option to the 20% final levy must cover all interest payments made by the paying agents to the abovementioned foreign beneficial owner over the full civil year.

U.S. Foreign Account Tax Compliance Withholding

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Sections 1471-1474 of the Internal Revenue Code of 1986, as amended, (the “**Code**”) together with Treasury regulations and official IRS guidance promulgated thereunder (such provisions, regulations and guidance commonly known as “**FATCA**”) will generally impose a 30% withholding tax on interest and, beginning in 2019, gross proceeds from the disposition of a note paid to (i) a “foreign financial institution” (as such term is defined under FATCA) unless such institution enters into an agreement with the United States to withhold on certain payments, to collect and disclose information regarding United States account holders of such institution (including certain debt and equity holders of such institution and certain account holders that are foreign entities with United States owners) and satisfies certain other requirements or otherwise qualifies for an

exemption from FATCA withholding and (ii) certain non-financial foreign entities unless such entity provides the payor a certification identifying the direct and indirect “substantial United States owners” (as defined under FATCA) of the entity or alternatively, provides a certification that no such owners exist and in either case, complies with certain other requirements, including in circumstances where such institution or entity is acting as an intermediary, or otherwise qualifies for an exemption from FATCA withholding. The FATCA withholding tax will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules and properly certifies its exempt status to a withholding agent by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable. Application of this FATCA tax does not depend on whether the payment otherwise would be exempt from U.S. federal withholding tax under the other exemptions described above. Under certain circumstances, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax.

Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA, may be subject to different rules.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

OFFER, SUBSCRIPTION AND SALE

Offer of the Notes

The offer will be coordinated by UniCredit Bank AG (“**UniCredit**”) and the Notes will be offered to investors in an accelerated bookbuilding process by UniCredit and M.M. Warburg & CO (AG & Co.) KGaA, together with UniCredit, the “**Joint Bookrunners**”) and Bayerische Landesbank and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (the “**Co-Lead Managers**”), and together with the Joint Bookrunners, the “**Managers**”) during an offer period which will commence on September 29, 2017 and which, in each case, will end with the expiry of October 11, 2017 (being the date of issuance of the Notes) (the “**Offer Period**”), subject to a shortening or extension of the Offer Period.

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

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

The Issue Price, the aggregate principal amount of Notes to be issued, the interest rate, the margin, the issue proceeds and the yield of the issue to the First Call Date (together, the “**Pricing Details**”) will be determined as described in “Method of determination of the Pricing Details” below on the pricing date which is expected to be on or about October 4, 2017 (the “**Pricing Date**”). Upon determination, the Pricing Details will be set out in a notice (the “**Pricing Notice**”) which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date.

Subscription by the Managers

The Managers will enter into a subscription agreement on or about October 6, 2017 (the “**Subscription Agreement**”) in which they agree to subscribe for the Notes on a firm commitment basis. The Managers will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree in the Subscription Agreement to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The fees payable to the Managers in connection with the offering, placement and subscription of the Notes will be up to 1.05 per cent. of the aggregate principal amount of the Notes.

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

Offers to purchase Notes by the investors

During the Offer Period, the Managers will offer the Notes upon request through banking institutions in Germany, Austria and Luxembourg. These institutions will supply investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. There are no conditions to which the offer is subject. Investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems.

Method of determination of the Pricing Details

The Issue Price, the aggregate principal amount of Notes to be issued, the interest rate, the margin and the yield will be determined by the Issuer and the Managers on the basis of the price indications and orders received by the Managers from the investors by the time of pricing.

The relevant Issue Price for, and the relevant interest rate of, the Notes will be fixed on the basis of a yield which is determined by adding a credit spread (“**Pricing Credit Spread**”) to the level of the Midswaps (as defined below) at the time of pricing. The level of the Midswaps (as defined below) will be determined as the mid-prices of Interest-Swap Transactions (“**Midswaps**”) with a maturity corresponding to the relevant First Call Date of the Notes shown on the Bloomberg page ICAE1 or on any other screen page which is conventionally

used to price Eurobond transactions at the time of pricing. The Pricing Credit Spread will be fixed on the basis of the orders received and confirmed by the Managers.

The resulting yield will be used to determine the relevant Issue Price (which is expected to be less than par) and the rate of interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher relevant Issue Price is determined and which will be correspondingly lower if a lower relevant Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the Pricing Credit Spread. In the event that the figures for the relevant Midswaps will not be shown as set out above, the yield, the relevant Issue Price and the relevant interest rate will be determined in a manner which banks and other institutional market participants apply at that time.

Confirmation of offers placed by, and allotments to, investors

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Until an investor receives a confirmation from the Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order. In case an excess amount has been paid by an investor such excess amount will be refunded to the respective account of the investor.

Delivery of the Notes to investors

Delivery and payment of the Notes will be made on the Issue Date (October 11, 2017). The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefor.

Costs and expenses relating to the offer

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Selling Restrictions

General

The Managers have agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of the Managers' knowledge, permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Member State**"), each Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated in this Prospectus to the public in that Member State other than the offers contemplated in this Prospectus in Luxembourg, Austria and Germany from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in Luxembourg, Austria and Germany until the Issue Date, and provided that the Issuer has consented in writing to the use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers for any such offer; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Manager has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, the Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Manager has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph shall have the same meanings given to them by Regulation S.

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 transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland

The issue and distribution of this Prospectus is restricted by law. This Prospectus is not being distributed by, nor has it been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This Prospectus is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”)), (ii) are persons falling within Art. 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom and Northern Ireland or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes that may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this Prospectus should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company. The Notes are not being offered or sold to any person in the United Kingdom and Northern Ireland, except in circumstances which will not result in an offer of securities to the public in the United Kingdom and Northern Ireland within the meaning of Part VI of the Financial Services and Markets Act 2000.

GENERAL INFORMATION

Interest of Natural and Legal Persons involved in the Issue/Offer

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue. However, the Managers will be entitled to a fee payable in connection with the offering, placement and subscription of the Notes of up to 1.05 per cent. of the aggregate principal amount of the Notes.

Authorization

The issue of the Notes was authorized by the Board of Management (*Vorstand*) of the Issuer on August 1, 2017 and the lending and investment committee (*Kredit- und Investitionsausschuss*) of the Issuer on August 2, 2017.

Use of Proceeds/Expenses of the Issue

The net proceeds from the issuance of the Notes, estimated by the Issuer to be approximately €[●], will be used for general corporate purposes, including the refinancing of certain existing indebtedness. The expenses related to the issue of the Notes are currently expected to amount to approximately €200,000, plus the fees of up to 1.05 per cent of the aggregate principal amount of the Notes to be paid in connection with the offer of the Notes to the Managers.

Listing and admission to trading of the Notes

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments, and to be listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date.

Clearing Systems and Security Codes

Payments and transfers of the Notes will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have the following securities codes:

ISIN: XS1695284114

Common Code: 169528411

German Securities Code (*WKN*): A2GSM1

Ratings of the Issuer and the Notes

Neither the Issuer nor the Notes have been assigned a rating by external rating agencies.

Indication of Yield

The yield in respect of the Notes from the Issue Date to the First Call Date is [●]% *per annum*, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) Method. The ICMA Method determines the effective interest rate on notes by taking into account accrued interest on a daily basis. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.

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.

Consent to the use of the Prospectus

The Issuer has consented in writing to the use of this Prospectus during the offer period, which will commence on September 29, 2017 and will be open until October 11, 2017 (the “**Offer Period**”), by the Managers and by all financial intermediaries (general consent) for the offers in compliance with the Selling Restrictions (see “*Offer, Subscription and Sale—Selling Restrictions*”) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus. Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes into Germany and Austria. The subsequent resale or final placement of Notes by financial intermediaries can be made during the Offer Period, provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Prospectus Law.

In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.

Documents available

So long as the Notes are outstanding, copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Principal Paying Agent:

- (a) the articles of association (*Satzung*) of the Issuer;
- (b) a copy of this Prospectus;
- (c) the documents incorporated herein by reference; and
- (d) any supplements to this Prospectus and any other documents incorporated herein or therein by reference.

This Prospectus, any supplements thereto, and the documents incorporated by reference in this Prospectus are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF, are incorporated by reference into this Prospectus: (i) the audited consolidated financial statements of BayWa AG for the financial years ended December 31, 2015 and 2016 and (ii) the unaudited and unreviewed condensed consolidated interim financial statements of BayWa AG as of and for the six months ended June 30, 2017. Any information not listed in the cross reference list is not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list below is either not relevant for the investor or covered in another part of this Prospectus. Page numbers included in the table below refer to the page numbers of the respective English-language BayWa Group annual report.

	Pages
Consolidated Financial Statements of BayWa AG as of and for the six months ended June 30, 2017	
Consolidated Balance Sheet as at June 30, 2017 (condensed)	23
Consolidated Income Statement for the Period from January 1 to June 30, 2017 (condensed)	24
Transition to Consolidated Statement of Comprehensive Income for the First Half of 2017 (condensed)	25
Consolidated Cash Flow Statement for the First Half of 2017 (condensed)	25
Statement of Changes in Consolidated Equity in the First Half of 2017 (condensed)	26-27
Notes to the Consolidated Financial Statements as at June 30, 2017 (condensed)	27-45
 Consolidated Financial Statements of BayWa AG as of and for the financial year ended December 31, 2016	
Consolidated Balance Sheet as at December 31, 2016	46-47
Consolidated Income Statement for 2016	48
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Consolidated Cash Flow Statement for 2016	50-51
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 Consolidated Financial Statements of BayWa AG as of and for the financial year ended December 31, 2015	
Consolidated Balance Sheet as at December 31, 2015	46-47
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⁵ English language translation of the German language auditor's report (*Bestätigungsvermerk*), issued in accordance with German generally accepted auditing standards, in particular Section 322 of the German Commercial Code (*Handelsgesetzbuch*) which refers to the consolidated financial statements and the respective group management report as a whole. The group management report is not incorporated by reference into this prospectus.

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