

Base Prospectus dated March 12, 2021

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



## COVESTRO AG

*(incorporated in Germany as a stock corporation)*

### EUR 5,000,000,000 Debt Issuance Programme

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

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

This Base Prospectus has been approved by the *Luxembourg Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and gives no undertakings as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated 16 July 2019 (the "**Luxembourg Prospectus Law**"). Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

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

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

This Base Prospectus and any supplement to this Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.covestro.com](http://www.covestro.com)). This Base Prospectus is valid for a period of twelve months after its approval. The validity ends upon expiration of March 12, 2022.

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

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

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

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 9 of this Base Prospectus.

*Arranger*

**Deutsche Bank**

*Dealers*

**Citigroup**

**Deutsche Bank**

**BofA Securities**

**J.P. Morgan**

**Société Générale Corporate &  
Investment Banking**

**UniCredit Bank**

## RESPONSIBILITY STATEMENT

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

The Issuer accepts responsibility for the content of the Base Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Base Prospectus.

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

## NOTICE

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

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

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

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

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes will be issued in bearer form and are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person. The term "U.S. person" has the meaning ascribed to it in Regulation S under the Securities Act ("**Regulation S**") and the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and regulations thereunder. The Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S and may not be legally or beneficially owned at any time by any U.S. person. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale - Selling Restrictions*".

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

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

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

Some figures (including percentages) in the Base Prospectus have been rounded in accordance with commercial rounding.

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

#### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

#### **UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

#### **PRIIPS REGULATION / EEA RETAIL INVESTORS**

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

#### **UK PRIIPS REGULATION / UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by

virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Where such a Prohibition of Sales to UK Retail Investors is included in the Final Terms, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **CANADA INVESTORS**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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

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

#### **BENCHMARK REGULATION / STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION**

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

#### **STABILISATION**

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

#### **FORWARD-LOOKING STATEMENTS**

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

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

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

### **ESG RATINGS**

The Issuer's exposure to Environmental, Social and Governance ("**ESG**") risks and the related management arrangements established to mitigate those risks has been assessed by several agencies, including EcoVadis, ISS ESG, MSCI and Sustainalytics, among others, through Environmental, Social and Governance ratings ("**ESG ratings**"). Please refer to the section "*Description of the Issuer and the Group - Sustainability*" for further information.

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ.

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Base Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Base Prospectus).

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## GENERAL DESCRIPTION OF THE PROGRAMME

### General

Under the Programme, Covestro AG, subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") to one or more of the following Dealers: BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, J.P. Morgan AG, Société Générale, UniCredit Bank AG and any additional Dealer appointed under the Programme from time to time by the Issuer which appointment may be for a specific issue or on an ongoing basis (together, the "**Dealers**").

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

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

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

### Prospectus

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

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

### Issues of Notes

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

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

Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant Terms and Conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms.

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

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

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

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

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

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

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

#### **Distribution of Notes**

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

The Issuer has requested the CSSF to provide the competent authorities in Germany, Austria and The Netherlands with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with such notification. The Notes may be offered to the public in Luxembourg and, following notification, in Germany, Austria and The Netherlands and in any such other additional host member state.

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

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" and/or "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II and/or the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **Listing of Notes and Admission to Trading**

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg", appearing on the list of regulated markets issued by the European Commission. The Luxembourg Stock Exchange's regulated market is a regulated market included on the list of regulated markets published by ESMA for the purposes of MiFID II. However, Notes may be listed on any other stock exchange, subject to the notification of the Base Prospectus in accordance with Art. 25 of the Prospectus Regulation, or may be unlisted as specified in the relevant Final Terms.



## RISK FACTORS

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

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

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

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

### RISK FACTORS RELATING TO THE ISSUER AND THE GROUP

*The risk factors relating to the Issuer and the Group are presented in categories depending on their nature with the most material risk factor presented first in each category:*

#### Market Risks

***The Group is affected by volatile economic conditions and the development of its customers' cyclical end markets.***

General economic conditions affect the polymer industry, including the polyurethanes, polycarbonates and coatings, adhesives and sealants industry segments in which the Group operates. Due to the Group's significant fixed cost base, a decrease in sales volume could have a material adverse impact on the Group's results of operations. If gross domestic product ("GDP") declines, the Group typically experiences a greater decline in sales.

The Group's results of operations are substantially dependent on regional economic conditions in Europe, the Middle East, Africa and Latin America excluding Mexico ("EMLA"), Asia and the Pacific ("APAC"), and the United States, Canada and Mexico ("NAFTA") and in certain emerging economies that are generally more volatile than developed markets.

Uncertain global economic factors and changes in GDP growth in key countries make it difficult for the Group to forecast demand trends for its products and its profitability. It can be difficult to accurately predict the development of factors affecting the industry segments.

The Group is highly dependent on demand in the end markets in which the Group's customers operate, in particular the automotive/transport, construction, wood/furniture, electrical/electronics and chemicals end markets, which together account for a majority of the Group's total net sales. A smaller portion of the Group's total net sales are attributable to sales in the sports/leisure, cosmetics, health and other end markets. Since the Group's business is characterized by high fixed costs, any material decline in demand in one of the Group's core end markets that results in falling production volumes will decrease the Group's earnings.

The Group's end markets are cyclical in nature; however, the level of cyclicity differs by end market and region. The level of activity in the Group's end markets is generally affected by economic developments (including GDP growth and disposable income) as well as a wide range of other factors beyond the control of the Group and its customers.

Customers of chemical and polymer companies such as the Group typically adapt their procurement activities to the expected growth rates in their relevant end market. In an actual or expected economic downturn, customers try to reduce their working capital and their inventories, which can lead to a significant decline in the Group's sales volumes and net sales. In times of recovery, customers tend to increase their inventories, leading to increased demand for the Group's products.

Future market developments, including expected net sales and results of operations, are difficult to forecast because of the cyclical nature of the end markets and other factors beyond the Group's control. Furthermore, the Group's results of operations are highly correlated with volume, prices, raw material and energy costs as well as production capacity utilization within the polyurethanes and polycarbonates segments of the polymer industry and of its production facilities, all of which are difficult to project and could materially adversely affect the Group's ability to predict future financial results and plan capital expenditures accurately.

A decline in demand in any of the Group's end markets, even during periods of strong general economic conditions, may materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The polymer industry is characterized by periods of supply/demand imbalances due to production overcapacity that will result in periodic downward pressure on prices and short-term price volatility.***

Historically, the markets for most of the Group's products have experienced alternating periods of tight supply, causing prices and profit margins to increase, followed by periods of significant capacity additions, resulting in oversupply and declining prices and profit margins. The cycles often occur on short notice and are in part caused by the capacity additions of new world-scale production facilities or the expansion of existing production facilities, which are necessary to create or sustain economies of scale, and the decline of industry-wide utilization rates that often follows capacity additions.

Any oversupply may lead to a decline in capacity utilization rates of the entire industry and, in particular, the Group, which may negatively impact profit margins due to the high fixed cost base of production facilities. The materially adverse effects of supply and demand imbalances can be significantly exacerbated by economic conditions.

The Group expects that competitors from developed as well as emerging economies will continue to add production capacity. In addition, the Group has planned to increase its production of certain products in the short term.

Moreover, the construction of new production facilities, or the expansion of capacity at existing production facilities, often begins years in advance of that capacity entering operation. Accordingly, there is a risk that such new capacity eventually enters operation when economic conditions are weak which may further depress prices and profit margins. The materially adverse effects of supply and demand imbalances can be significantly exacerbated by economic conditions.

In addition, other factors largely beyond the Group's control, such as the actual or perceived changes in levels of supply and demand, the availability and cost of substitute materials and inventory maintained by competitors, all influence product prices and may lead to short-term price volatility and a downward pressure on prices, which may ultimately decrease the Group's margins. Levels of supply in the industry segments that outpace demand for products, such as those produced by the Group, can materially adversely affect the Group's ability to generate profit and materially adversely affect the Group's business, financial condition, results of operations and prospects.

***Fluctuations in the prices of raw materials or energy and any disruptions in the supply or logistic chain could have a material adverse effect on the Group's business, financial condition and results of operations.***

The Group's production processes are dependent on the availability and timely delivery of raw materials and such materials constitute a large proportion of the Group's total production costs. The Group's primary raw materials are petrochemical derivatives, such as benzene and phenol, propylene oxide, toluene, acetone, hexamethylenediamine ("HDA").

The extent of the impact of price fluctuations in raw materials on the Group's net sales and results of operations depends primarily on whether the Group is able to pass on increases in raw material prices to its customers through higher selling prices without significant delays or to maintain its selling prices despite decreases in raw material prices. The Group's ability to do so primarily depends on the conditions of supply and demand in the industry and resulting industry capacity utilization as well as competition. Oversupply and low utilization of the production capacity in the industry have affected and will continue to affect the Group's ability to pass on increases in raw material prices to its customers, which negatively affects the Group's margins.

As the Group's primary raw materials are petrochemical derivatives, their prices are typically determined based on the price of crude oil, which generally creates the floor for prices of petrochemical derivatives, and the supply and demand dynamics for the relevant raw material. Political instabilities, wars or other conflicts with oil producing or refining countries could negatively affect the supply of oil and result in a significant increase in prices for oil and petrochemical derivatives.

In addition to raw materials, the Group requires large quantities of energy from various sources for use in its production operations, the most important of which are electricity, natural gas and steam. The Group's energy costs are affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. The competitiveness of the Group's production facilities in EMLA, APAC and NAFTA depend on whether the Group has access to energy at competitive rates. Any significant increase in energy prices, transportation costs, grid fees or taxes associated with

the supply of energy would increase the Group's operating costs and, thus, may negatively affect its results of operations if it is unable to pass the increased costs on to customers. Any interruption or shortage of energy supply may materially adversely affect the Group's business.

The continuous nature of the Group's production processes, the desire to keep inventories at a minimum and the difficulty of storing hazardous, gaseous, bulky and/or packed materials increase the importance of a well-functioning supply and logistics chain. Any significant disruptions in the Group's logistics chain that transports its raw materials and certain of its by-products within the integrated production platforms is likely to result in production interruptions, a loss of customers, damage claims and significant downstream consequences. If certain of the Group's suppliers or logistics partners are unable or unwilling to meet their contractual obligations under existing agreements, the Group may be forced to pay higher prices to obtain the necessary raw materials from other sources and it may not be able to increase prices for its products to offset the higher raw materials costs.

If certain raw materials become unavailable within a geographic region from which they are currently sourced, then the Group may not be able to obtain suitable or cost-effective substitutes. The inability to obtain suitable or cost-effective raw materials may require the Group to close certain production operations, entire production facilities or product lines, which in turn may result in a shortfall in the Group's production of certain chemical intermediates and by-products that it consumes internally. In consequence, the Group may be required to purchase such substances from third parties at a significantly higher cost or close certain other production operations. Certain customers of the Group may be materially dependent on the Group's products and may seek an alternative supplier or hold the Group liable for its inability to supply its products at agreed quantities and times.

Each of the factors and risks described above could have a material adverse effect on the Group's business, financial condition and results of operations.

***Risks related to the coronavirus pandemic.***

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as the outbreak of SARS-CoV-2 first identified in December 2019 and its associated disease ("**Covid-19**"), together hereinafter referred to as "coronavirus pandemic", together with any measures aimed at mitigating a further expansion thereof, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces, or curfews or other physical distancing measures, may have a material adverse effect on the global economy and international financial markets in general and on the markets in which the Group operates in particular. The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (e.g., governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional level as well as the level of civil compliance with such measures. There is no guarantee that such measures, or a combination thereof, are effective means to combat such an outbreak and the implications resulting therefrom, which may result in an increase of credit risk, liquidity risk and operational risk for the Group and, ultimately, may have material adverse effects on the operating results of the Group and its business and financial situation.

A number of factors that are important for the Group to successfully conduct its business could be materially affected by the coronavirus pandemic. The physical distancing measures, "lock-downs" and other restrictions implemented by countries around the world to slow the spread could result in a severe global recession and financial crisis. As the overall economic activity has been and is expected to be drastically reduced for several months, many businesses could be forced to close. As some businesses no longer have the income to pay their outstanding debts, the number of defaults could significantly increase. Such overall developments could have a number of effects on the Group's business, including the following:

- lower core volumes and sales driven by significantly decreased market demands for the Group's products especially in automotive;
- lower margin levels in the Group's products driven by low utilization rates in its main markets due to significantly decreased demand and negative pricing delta due to intense competitive pressure;
- supply chain restrictions leading to increased cost and lower sales volumes and revenues;
- reduced core volume growth impacting upon EBITDA.

The risks outlined above have been seen already in parts especially in the second quarter of 2020. Starting in May, the situation improved month by month with demand picking up quickly, leading to core volumes above prior year in the third and fourth quarter. However, the economic downturn following returning "lock-downs" and other physical distancing measures in the third and fourth quarter of 2020 have shown that recovery remains fragile and the risk needs to be constantly monitored. Each of the risks related to Covid-19 described above could have a material adverse effect on the Group's business, financial condition and results of operations.

## **Business Risks**

***Production at the Group's facilities may be subject to planned and unplanned production interruptions, which could have a material impact on its ability to produce products for sale or maintain business operations and therefore, may materially adversely affect its business.***

The Group operates multiple and complex technical processes, which may be subject to breakdowns, inefficiencies, operational human errors, sabotage and technical failures that may interrupt production operations or delay a resumption of production following a plant modification or a turnaround. Any material disruption at any of the Group's production facilities, in particular the Group's facilities with large production capacity, could impair its ability to use its facilities, have a material impact on its ability to produce products for sale or maintain business operations.

Production disruptions may be caused by several factors including natural disasters, weather, severe pandemic/epidemic, supply disruptions - particularly from sole-source suppliers or the unanticipated unavailability of one of the Group's reusable by-products - strikes, transportation interruption, government regulation, political unrest or terrorism, or internal reasons, such as fires, equipment failure, unplanned maintenance, operational human errors or other production problems.

Disruptions at one or more of the Group's production facilities, at any of the Group's suppliers' fence-to-fence production facilities or at the Group's owned and operated infrastructure, may also interrupt production further up or down the production chain and lead to a decrease in volumes and sales, potential loss of customers and damage claims by customers. Adequate spare parts and maintenance services may not be available in a timely manner to secure the continuation of the operations. If disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available (or may be located in another region), may be characterized by substantially higher costs or may take significant time to start production. Moreover, long-term production disruptions may cause the Group's customers to seek alternative sources of supply, which could exacerbate any adverse effects experienced by the Group. Material disruptions at any of the Group's production facilities could materially adversely affect the Group's business, financial condition, results of operations and prospects.

While the Group has defined operation recovery plans that are intended to allow it to recover from natural disasters or other events that could disrupt its operations, it cannot provide assurances that its plans would fully protect it from all such disasters or events. In addition, insurance may not adequately compensate the Group from any losses incurred as a result of natural or other disasters. In areas prone to frequent natural or other disasters, insurance may become increasingly expensive or not available at all. Any failure to ensure continuous production, due to failures in planning or due to unforeseen events, could result in a loss of business and customers and materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group is likely to incur costs in connection with the construction, modernization, maintenance, repair or expansion of production facilities, which may prove more costly than budgeted, require a longer shut down period and ultimately may lead to production capacity constraints.***

Production facilities and infrastructure require a significant amount of investment to maintain, repair, modernize and expand. The Group has dedicated and will continue to dedicate appropriate expenditures to the maintenance of its production facilities.

Scheduled maintenance and intermittent repairs may disrupt production processes and interfere with the ordinary operation of production facilities and infrastructure. Investments relating to scheduled maintenance and intermittent repairs may prove more costly than budgeted or require longer shut down periods than planned which may ultimately lead to production capacity constraints. At times external contractors the Group need to perform maintenance or repairs at the Group's facilities or infrastructure may not be available or may only be available with reduced resources. In addition, costs anticipated in connection with the maintenance of the Group's facilities or infrastructure may significantly increase at production facilities that operate at high capacity utilization levels for extended periods of time.

The mechanisms the Group uses to manage the risk of delays and cost overruns may prove insufficient. Any unanticipated costs in connection with the construction, modernization, maintenance, repair or expansion of production facilities may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***There can be no assurance that the Group will be able to keep, obtain, renew or maintain all necessary licenses, certificates, approvals and permits for its operations.***

The Group, including its production facilities, infrastructure, products and waste disposal, is subject to various licenses, certificates, approvals and permits in different foreign jurisdictions. There can be no assurance that the Group will be able to keep, obtain, renew or maintain its licenses, certificates, approvals and permits upon their expiration. In addition, licenses, certificates, approvals and permits currently held by the Group may be challenged in court by third parties. The introduction of any new and/or more stringent laws, regulation, licenses, certificates, approvals and permits requirements relevant to the Group's business operations may incur significant additional investment and maintenance costs to fulfil new regulatory

requirements or may preclude it from continuing with its existing operation at some or all of its production facilities or may limit or prohibit it from expanding its business. In addition, relevant regulatory authorities may not grant licenses, certificates, approvals and permits as quickly as anticipated, which may result in project delays or the Group's production facilities laying idle for significant periods of time.

The Group's inability to keep, obtain, renew or maintain all necessary licenses, certificates, approvals and permits needed for its operations could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***With limited exceptions, the Group generally does not have long-term agreements with its customers, and the loss of a significant number of customers could materially adversely affect its sales and profitability.***

The Group generally does not have long-term agreements with its customers and customers may choose to obtain products similar to those produced by the Group from the Group's competitors at short notice. Customers have consolidated their operations in certain geographic areas and any other consolidation of a customer's operations from one region to another may result in the loss of that customer. In addition, significant levels of customer consolidation may enable customers to exert substantial pricing pressure on the Group. The negative effects set out above may be amplified in those regions where the Group is required to pay for raw materials due to long-term supply agreements with defined volumes or, in exceptional cases, with take-or-pay obligations despite the change in customer demand. If, as a result, demand for the Group's products declines, it may be required to decrease its production volumes while not able to reduce the raw material purchase to the optimal level, which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's production processes and operations are subject to the inherent hazards and other risks associated with chemical processing, production, storage, and transportation.***

The Group's production processes and operations are subject to the hazards and risks associated with chemical processing, production and the related storage and transportation by the Group or its subcontractors. The Group's production processes rely on hazardous substances such as chlorine, phosgene, carbon monoxide, phenol, ethylene oxide, propylene oxide, isocyanates and the corresponding amines, which can present major risks to the health and safety of workers, neighbouring populations and the environment. Other potential hazards associated with chemical production and operations include accidents, explosions, fires, inclement weather, transport risks, terrorist attacks, natural disasters, mechanical failure, transportation interruptions, remediation, pipeline leaks and ruptures, storage tank leaks, chemical spills, discharges or releases of toxic or hazardous substances or gases and other risks. These hazards could expose workers, suppliers, the community and others to toxic chemicals and other hazards, contaminate property and the environment, damage property, result in personal injury or death, lead to an interruption, relocation or suspension of operations and materially adversely affect the productivity and profitability of a particular production facility or the Group's business operations as a whole, and result in governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties. The occurrence of any such event, which is not entirely preventable despite the application of a high standard of care, could be seriously detrimental to the Group's reputation and harm the Group's ability to obtain or maintain its existing licenses or its key commercial, regulatory, and governmental relationships. In addition, the Group uses contractors, over whom the Group has little control, who may perform duties on behalf of the Group in a manner that may cause harm to the health and safety of other workers, neighbouring populations and the environment. The costs associated with any of these events may be substantial and could exceed or otherwise not be covered by the Group's insurance coverage.

Each of these scenarios could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***Any failure to successfully develop new, improved, or more cost-effective materials, production processes and technologies, or delays in development, may lead to the Group's products becoming superseded and could reduce the Group's future sales and profitability.***

The Group depends on its continued ability to develop new, improved, or more cost-effective materials for end market applications, methods of production, technologies, and to successfully commercialize and distribute products.

The trend towards commoditization and standardization in major parts of the Group's industry segments has increased the importance of research and development in supporting profitability, particularly in terms of cost-efficient production technologies. Furthermore, the Group must offer ever more specialized or better performance products that are intended to offer higher value to customers while managing production costs in order to achieve satisfactory margins.

The Group may be unable to develop new methods or technologies to gain additional efficiencies in its production processes in the future, and its products may not perform as well as anticipated, which may decrease the profitability of some or all of the Group's products. If the Group's competitors develop better and more cost-efficient production technologies, the value of the Group's proprietary production technologies and its competitiveness in the market could be significantly reduced. The

Group's ability to compete effectively also depends to a significant extent on its continuous ability to manage its cost base and its competitors may be more successful than it is in achieving or maintaining a competitive cost base by lowering their production costs.

The Group may also not be successful in expanding or improving its product portfolio or may lack the expertise or financial resources to develop new products. In addition, competitors may develop new materials with more favourable properties or which comply more effectively with government regulations for content or production, or may improve existing products in a similar manner. Competitors may also develop materials with similar characteristics that can be produced at lower costs relative to the Group. Further, the risk of technological substitution of the use of products, which the Group currently provides, by other products provided by competitors could have a material adverse effect on the Group's business. If the Group is unable to provide end market relevant products or to otherwise maintain its competitive position, it may lose customers to its competitors. The Group expects that its competitors will continue to develop and introduce new and enhanced products, which could cause a decline in customer acceptance of the Group's products. An inability to compete effectively could have a material adverse effect on its business, financial condition, result of operations and prospects.

The Group may commit errors or misjudgements in its planning and misallocate resources, for instance, by developing materials, methods or technologies that require large investments in research and development and capital expenditure but that are not commercially viable. Any failure to successfully develop new, improved, or more cost-effective materials, production processes and technologies, or delays in development may lead to the Group's products or technologies becoming outdated, which could cause impairments and could reduce the Group's future sales. Any material failures in the Group's research and development processes could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's growth strategy contemplates business integrations and/or future acquisitions and divestments that the Group may not execute successfully.***

The Group continuously evaluates opportunities for growth and change. These initiatives may involve making acquisitions, entering into partnerships, divesting assets and creating new financial structures—any of which could require a significant investment and subject it to new kinds of risks. The Group's failure to timely and effectively integrate and develop past and future acquisitions may materially adversely affect its results. If expected synergies are not fully realized, commitments are imposed or restructurings or integrations are more costly than initially anticipated, this may result in lower than expected results of operations and impaired goodwill. Anticipated synergies may not materialize and liabilities that are unknown at the time of the acquisition may also materialize and as a result the purchase price may later prove to have been too high. Acquisitions, in particular, may expose the Group to liabilities that are unknown at the time of the acquisition and which the Group may be unable to settle effectively such as legacy tax claims, claims from former employees and claims for breach of contract. In addition, the acquired company may not perform according to the Group's expectations or may fail. The Group may incur indebtedness to finance future initiatives. It could also issue additional shares of the Group or its subsidiaries to finance such initiatives. If the Group's strategies for growth and change are not successful, it could face increased financial pressure, such as increased cash flow demands, reduced liquidity and diminished access to financial markets and the equity value of its businesses could be diluted.

Although the Group's current and expected liquidity needs are covered in the medium term, the Group may require additional financial resources to fund any strategy for growth in the medium to long-term, which may be difficult to obtain, or may result in higher costs and additional covenants.

The implementation of strategies for growth and change may create additional risks for the Group, including problems with effective integration of operations or separation of divested assets, diversion of management time and attention away from existing operations, requiring capital investment that could otherwise be used for the operation and growth of its existing businesses, disruptions to important business relationships, increased operating costs, usage of limited investment and other baskets under its debt covenants, difficulties due to lack of or limited prior experience in any new markets it may enter and difficulties in realizing projected efficiencies, synergies and cost savings, which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The benefits that Covestro AG may realise from the acquisition of Resins & Functional Materials business could be materially different from the Group's expectations.***

On September 30, 2020, the Issuer announced that it had signed a definitive agreement to acquire the Resins & Functional Materials ("**RFM**") business from Koninklijke DSM N.V. for a preliminary purchase price of EUR 1.6 billion (the "**RFM Acquisition**"). With the announced acquisition of RFM, the Issuer will add a complete range of water-based polyacrylate resins and will expand its technology portfolio to include water-based hybrid technologies, powder coating resins as well as radiation curing resins. RFM includes brands in terms of sustainability such as Niaga, as well as Additive Manufacturing, and

an Advanced Solar Coatings business. RFM reported annual revenues of approximately EUR 1 billion and an EBITDA of EUR 141 million in its fiscal year 2019. The RFM Acquisition is expected to close in the second quarter of 2021.

In the assessment of the Issuer, the integration of RFM is a substantial strategic growth opportunity to expand revenues of the Coatings, Adhesives and Specialties business unit of the Group and is expected to position the Group as one of the leading suppliers in the field of optical fiber coatings and in the area of 3D-printing materials. Furthermore, the Issuer is expanding its global production network by more than 20 sites. The Issuer expects permanent synergy effects to build-up to about EUR 120 million EBITDA *per annum* by fiscal 2025. These consist of approximately two-thirds of cost synergies and one-third of revenue synergies and are expected to be generated amongst others through the alignment of purchasing, sales and administrative structures in the integrated business as well as cross-selling and the joint development of new high-performance products.

Although the Issuer was able to inspect and review internal documents of Koninklijke DSM N.V. related to RFM and speak to key employees of the company in preparation of the acquisition process (customary due diligence for a transaction of this type and size), there can be no guarantee that the Issuer had access to all relevant information at the time of the investment decision. The valuation of RFM and the determination of the purchase price were based on certain assumptions and the information available to the Issuer at the time and it cannot be ruled out that these assessments prove to be erroneous or incorrect.

As a result, the RFM Acquisition involves a number of risks, including, but not limited to:

- significant impairment charges;
- unexpected losses of key employees of RFM;
- extraordinary or unexpected legal, regulatory, contractual or other costs;
- challenges in managing the increased scope, geographic diversity and complexity of operations;
- mitigating contingent and/or assumed liabilities;
- possible loss of customers and/or other business partners.

The Issuer may not be able to realise the anticipated synergies, future earnings, transfer of know-how or other benefits that it intends to achieve from the RFM Acquisition. The Issuer cannot guarantee that the acquisition will yield benefits that are sufficient to justify the expenses the Group will incur. In addition, the Issuer may not be successful in consummating the RFM Acquisition (for example, due to the ongoing antitrust clearance proceedings). In this case, the expenses incurred would not realise the anticipated benefits for the Group.

The realization of one or more of the above factors could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may fail to realize anticipated benefits from joint ventures and may be unable to exit a joint venture in a timely manner or without penalty.***

The Group has entered into, and may continue to enter into, joint ventures for a variety of reasons including to gain access to end markets, relevant know-how or to raw materials on preferential terms.

In some cases, the relevant partners provide or may provide a major portion of the capital investment for a project and/or provide raw or other materials, real estate, or other services. In the corresponding agreements, the Group may agree with the joint venture partners or the joint ventures to provide raw or other materials or to perform certain services for the project. If the Group fails to fulfil, or if a partner alleges that the Group failed to fulfil, its obligations under these contracts, either in whole or in part, the consequences may be claims for damages, contractual penalties, or termination of the joint venture by the partner or by the joint venture.

The success of a joint venture requires that the respective partners constructively pursue the same goals and may therefore be jeopardized or impaired due to a deadlock with or a breach of contract by, a partner, the joint venture, or through other unforeseen events. The Group may lack sufficient control over, and information regarding, its joint venture partners and must, to a certain extent, rely on their integrity. This is especially true for joint ventures in regions where the Group is a new entrant. Illegal or unethical activities by the joint venture partner may have negative consequences for the Group's reputation and may result in legal disputes, fines or other adverse consequences. In addition, technology and know-how may also be revealed or required to be revealed to joint venture partners and, particularly in countries with comparatively less stringent intellectual property protection, these partners may use this technology and know-how for their own purposes outside the scope of the venture. Non-competition and exclusivity undertakings in joint venture agreements may prevent the Group from rendering services or producing, marketing and distributing the relevant products for its own account in certain areas. Moreover, the

Group may not be able to exit a joint venture in a timely manner, on acceptable terms, or at all, and such an action may be subject to the written approval of the joint venture partner, the Group's acquiring full ownership of the joint venture or rights of first offer.

To the extent such joint venture has been consolidated in the past, the Group may not be able to deconsolidate the joint venture. In the event of the loss of a joint venture partner, the Group may be required to make a compensation payment to such partner, and considerable resources may need to be invested in a new partnership. Alternatively, the Group may decide to exit a particular venture, in which case it may not be able to recover the investments it has made. In addition, conflicts with its partners or the failure of one of its joint ventures or joint undertakings could lead to the loss of the respective investment or financial penalties and prevent the Group from implementing its strategy. In many cases, joint venture agreements are subject to foreign laws, the effects of which is in some instances difficult to predict. Potential disputes with joint venture partners may fall under the jurisdiction of foreign courts or arbitral tribunals, which might lead to unforeseen obstacles or results.

The realization of one or more of the above factors could materially adversely affect the Group's business, financial condition, results of operations and prospects.

## **Legal Risks**

### ***Regulatory requirements to reduce emissions of greenhouse gases could have an adverse effect on the Group's results of operations.***

Globally, the Group's operations are increasingly subject to regulations that seek to reduce emissions of greenhouse gases ("GHGs"), such as carbon dioxide and methane, laughing gas (N<sub>2</sub>O), which may be contributing to changes in the earth's climate.

Regulatory actions may increase the Group's operating costs. Some European production facilities are required to participate in the European trading scheme for GHGs. Currently, the Group is facing increasing cost for certificates. The Group anticipates that price increases of carbon dioxide certificates within the EU's trading system for GHGs will lead to an increase in operating costs (especially for steam and power consumption), which could materially adversely affect the Group. In addition, there is an expectation of national (German) measures for climate protection focussed on the transformation of the energy supply system. This may lead to increasing operating costs. Finally, China has gained experience from seven regional cap-and-trade programs and is developing a national system based on its experiences. To the extent that these cap-and-trade programmes impose compliance obligations upon the Group's operations, they may increase the Group's operating costs.

Additional future regulation of GHGs could occur pursuant to future international treaty obligations, regulatory changes under national or local law in multiple jurisdictions or regional adoption of GHG regulatory schemes, or any combination of the foregoing or otherwise. Potential consequences of such regulations include capital costs to modify operations as necessary to meet GHG emission limits and additional energy costs, as well as direct compliance costs. Currently, however, it is not possible to estimate the likely financial impact of potential future regulation on any of the Group's production facilities, its products or its business.

Regulatory requirements to reduce emissions of GHGs could materially adversely affect the Group's business, financial condition, results of operations and prospects.

### ***The Group may inadvertently infringe on the intellectual property rights of third parties and could be required to pay substantial damages and/or be enjoined from using or selling the infringing products or technology.***

The Group continually seeks to improve its business processes and develop new production technologies and new products and applications. Many of its competitors have a substantial amount of intellectual property that the Group must continually strive to avoid infringing. Although it is the Group's policy and intention not to infringe valid patents of which it is aware, the Group cannot provide assurances that its processes and products and other activities do not and will not infringe issued patents (whether present or future) or other intellectual property rights belonging to others relating to existing and especially to new business activities such as Circular Economy, BMI or IoT. The Group could be liable for infringement of intellectual property rights of third parties or could experience supply and production restrictions and disruptions as a result of actual or alleged infringements of intellectual property rights. The Group may also be subject to indemnity claims by its customers and business partners arising out of claims of their alleged infringement of the patents, trademarks and other intellectual property rights of third parties in connection with their use of the Group's products.

The Group may have to obtain third-party licenses to gain access to technology, which could entail considerable costs. The Group may be unable to acquire licenses that it will need for its future business with the appropriate scope, under acceptable conditions or at all. In addition, licenses the Group currently holds or has the prospect to hold in the context of its LOT (License on Transfer) Network membership may not prove successful or continue to be effective, and the Group may be prevented from making or marketing products.



Intellectual property litigation often is expensive and time-consuming, regardless of the merits of any claim, and the Group's involvement in such litigation could divert its management's attention from operating its business. Moreover, if the Group is sued for infringement and loses, the Group could be required to pay substantial damages and/or be enjoined from using or selling the infringing products or technology. Furthermore, a lost infringement suit may damage the Group's reputation and image.

Failure to avoid infringement of the intellectual property held by third parties or disputes related to intellectual property could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's failure to protect its intellectual property and other proprietary information or to validly acquire the same from its present or former employees and cooperation partners in the past and potentially in the future may materially adversely affect its business.***

The Group's success depends to a significant degree upon its ability to protect, preserve and enforce its intellectual property and other proprietary information. However, the Group may be unable to prevent third parties from using its intellectual property and other proprietary information without its authorization or independently developing intellectual property that is similar to or competes with the Group's, particularly in those countries where the laws do not protect proprietary rights to the same degree as in Germany, the European Union or the United States. Any inability by the Group to effectively prevent the unauthorized use of its intellectual property and other proprietary information by others could reduce or eliminate any competitive advantage it has developed, cause it to lose sales or otherwise harm its business. If it becomes necessary for the Group to initiate litigation to protect its proprietary rights, any proceedings could be burdensome and costly, and the Group may not prevail.

It is possible that the Group's present or former employees' and cooperation partners' intellectual property rights may not have been validly claimed by the Group. Present or former employees and cooperation partners could continue to hold rights to their intellectual property may demand the registration of intellectual property rights solely in their name and may also claim damages. In such cases, the Group may not be able to use the relevant intellectual property because the inventor may obtain an injunction prohibiting use. Furthermore, it is also possible that current or former employees and cooperation partners may have claims to inventor remuneration that must be fulfilled or that have not been completely fulfilled. In addition, it is possible that cooperation partners may have claims with respect to inventions made within the scope of cooperation.

The realization of any of these risks or the failure of the Group to protect its processes, product know-how, apparatuses, technology, trade secrets or proprietary know-how or the failure of adequate legal remedies for related actions could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's international presence, complex group structure, competitive environment and large customer accounts create risks of illegal business practices and it must rely on a compliance system to prevent irregularities in its business activities.***

The Group's significant global footprint across APAC, EMLA and NAFTA, its competitive environment and number of customer accounts create risks of illegal business practices, which could lead to sanctions from national or supranational authorities such as the European Commission, reputational damage or other risks. Furthermore, the Group's operations are located across many countries, and its size and complex group structure may lead to inefficiencies, inconsistent application of Group wide compliance and management standards and inadequate or delayed internal reporting to Covestro AG as publicly listed company. Although the Group maintains a compliance program—including a compliance management system—throughout the Group to mitigate legal compliance risks such as corruption, breaches of foreign trade law or violations of antitrust laws, violations of the relevant laws and regulations may result in criminal or civil sanctions, including material monetary fines, penalties and other costs against the Group or its employees, and may have a material adverse effect on its business.

A compliance program is expensive to operate and maintain, and may prevent the Group from acting as rapidly as it otherwise could in pursuit of potentially profitable business opportunities or entering into some ventures. In addition, the complexities of such a program may require certain processes that are not completed in accordance with an imposed time frame and, therefore, lead the Group to forgo certain beneficial opportunities.

These risks, if they materialize, could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***Legal and regulatory changes in the jurisdictions in which it operates and trades may have an adverse effect on the Group.***

Due to the international nature of its business, the Group must comply with, and is affected by, a large number of different legal and regulatory frameworks, including tax laws. There is a risk that changes in these frameworks may materially adversely affect the Group's legal and regulatory environment. The risks faced by the Group include, but are not limited to:

- foreign currency control regulations and other regulations related to exchange rates and foreign currencies (such as the abandonment of exchange rate pegs);
- changes in laws and regulations, in particular related to environment, health and safety;
- measures to counter foreign trade imbalances such as foreign direct investment controls and export controls;
- restrictions on the ability to repatriate funds from subsidiaries;
- restrictions on the ability to own or operate subsidiaries or acquire new businesses in certain countries, including rules on local ownership of businesses;
- differences in legal and administrative systems, which could lead to insufficient protection of intellectual property, impair the Group's ability to enforce contracts or jeopardize its ability to collect accounts receivables and other claims outstanding;
- nationalizations; and
- imposition of withholding or other taxes and transfer pricing regulations.

The materialization of any of these risks could severely impact the Group's sourcing, sales, production operations and logistics, could lead to a loss of customers and access to customers, know-how and tangible and intangible property, and could have material adverse effects on its business, net assets, financial condition, and results of operations.

***The costs of complying with changing environmental, health and safety regulatory requirements could negatively impact the Group's financial results.***

The Group uses large quantities of hazardous substances, generates hazardous wastes and emits wastewater and air pollutants in its production operations. Consequently, its operations are subject to extensive environmental, health and safety ("EHS") laws, regulations, rules and ordinances at the supranational, national and local level in multiple jurisdictions across APAC, EMLA and NAFTA. EHS regulations apply to most of the Group's activities and the Group must dedicate substantial resources to complying with them. The Group's cost of compliance with EHS regulations is part of its operating cost and, ultimately, must be covered by the prices at which the Group is able to sell its products.

In addition, the Group's suppliers are subject to EHS regulations that may impact their ability to supply the Group with the raw materials it needs. The inability to obtain certain raw materials may require the Group to close certain production operations, entire production facilities or product lines. The Group's products are also used in a variety of end markets such as automotive/transport, construction, electrical/electronics and furniture that have specific regulatory requirements such as those relating to human safety or recycling that may impact the demand for the Group's products in those end markets.

Many EHS regulations have become more stringent over time and the trend is likely to continue, especially as societal concerns regarding the safe use of chemicals and their products in commerce, as well as their potential impact on health and the environment are likely to manifest themselves in more stringent regulatory intervention. Several countries in which the Group operates have instituted EHS regulations attempting to increase the protection and security of chemical plants, which could result in higher operating costs. In addition, many EHS regulations require the Group to hold operating permits for its production facilities, which are subject to periodic renewal and, in circumstances of noncompliance, may be subject to operating restrictions, revocation or fines. The necessary permits may not be issued or continue in effect, and any issued permits may contain more stringent limitations that restrict the Group's operations or that require further expenditures to meet additional requirements imposed by permits.

Compliance with more stringent EHS regulations will likely increase the Group's operating costs including costs related to the transportation and storage of raw materials and finished products, as well as the costs of storage and disposal of waste. The Group's capital expenditures and costs relating to the implementation of EHS regulations will fluctuate due to factors that are out of the Group's control, such as the timing of the promulgation and enforcement of specific standards which impose requirements on the Group's operations. Capital expenditures and costs beyond those currently anticipated may therefore be required under existing or future EHS regulations. Accordingly, EHS regulations may cause the Group to incur significant unanticipated losses, costs or liabilities, which could reduce its profitability. In addition, laws and regulations may be newly imposed or amended on short notice, becoming more stringent in a short period of time. The Group may incur substantial costs, including penalties, fines, damages, criminal or civil sanctions and remediation costs, experience interruptions in its operations, or be required to cease operations in certain locations for failure to comply with these laws or permit requirements.

Changes in EHS regulations in jurisdictions where the Group produces and sells its products could also lead to a decrease in demand for its products. Concerns about product safety and environmental protection could influence public perception of the Group's products and operations, the viability of some or all of its products, its reputation, and the ability to attract and retain employees. Further to regulatory changes, health and safety concerns could increase the costs incurred by the Group's

customers to use its products and otherwise limit the use of the Group's products, which could lead to decreased demand for these products. Such a decrease in demand would have a materially adverse effect on the Group's business and results of operation.

Given the diversification and global operations of the Group's business, there is an elevated risk that the Group may not comply with all applicable laws, regulations or permits in all the jurisdictions in which it operates. The significant number of EHS regulations differs across jurisdictions and results in a complex regulatory environment with which the Group must continually comply.

Moreover, even if the Group is in compliance with regulatory and permit requirements, the actions or regulatory non-compliance of other companies may lead to industry-wide investigations by regulatory authorities that could interrupt some or all of the Group's production operations for significant periods. The costs of complying with changing EHS regulations and the liabilities including penalties, fines, damages, criminal or civil sanctions and remediation costs the Group may incur for failing to adequately comply with applicable EHS regulations could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may be subject to losses due to liabilities or lawsuits related to contaminated land that it owns or operates or arising out of environmental damage or personal injuries associated with exposure to chemicals, the release of chemicals or other hazardous substances.***

Many of the Group's sites have an extensive history of industrial operations, storage and related activities and some of the Group's buildings have in the past contained and may still contain asbestos or other harmful substances. In addition, the Group owns a large number of industrial sites containing, in some cases, pre-existing contamination requiring securing or remediation and the associated costs often cannot be estimated. The Group has been and is likely in the future to be liable for the costs of investigating and cleaning up or stabilising environmental contamination on or from its properties or at off-site locations where it transported, disposed of or arranged for the disposal or treatment of hazardous materials and waste or from disposal activities that predated its purchase of its businesses. The Group may therefore incur additional costs and expenditures beyond those currently anticipated to address all such known and unknown situations under existing and future EHS regulations. In some countries in which the Group operates, the Group may also be exposed to claims for damages, penalties, operating restrictions or the revocation of permits to operate its sites.

In addition, the Group faces the risk that individuals could seek damages for personal injury due to exposure to chemicals or other hazardous substances at its production facilities or other business sites, chemicals or other hazardous substances that have been released from its production facilities or other business sites, chemicals or other hazardous substances otherwise owned or controlled by the Group, or chemicals or other hazardous substances that allegedly migrated from products containing the Group's products. Risks are inherent in the industry segments, particularly risks associated with safety, health and the environment. The Group is subject to numerous laws in the national and local jurisdictions in which it operates relating to the management of workplace risks associated with highly hazardous chemicals. Failure to comply with such laws could subject the Group to both civil and criminal penalties, which could affect its product sales, reputation and profitability. The Group may be subject to claims with respect to workplace exposure, workers' compensation and other health and safety matters.

The environmental liabilities at any particular production facility could increase as a result of, among other things, changes in laws and regulations, modifications to the site's investigation and remediation plans, unanticipated construction problems, identification of additional areas or quantities of contamination, increases in labour, equipment and technology costs, significant changes in the financial condition of the Group or other responsible parties and the outcome of any related legal and administrative proceedings to which the Group may become a party. Any increase in liability may be found to be outside the scope of the indemnity provided by the Bayer Group to the Group in the separation related agreements, resulting in increased costs payable by the Group. It is not possible for the Group to reasonably estimate the amount and timing of all future expenditures related to environmental or other contingent matters. Accruals for environmental matters are recorded by the Group when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies.

Liabilities or lawsuits related to contaminated land that the Group owns or operates or arising out of environmental damage or personal injuries associated with exposure to chemicals and the release of chemicals or other hazardous substances may materially adversely affect the Group's business, reputation, financial condition, results of operations and prospects.

***The Group is exposed to litigation and other legal and regulatory actions and risks in the course of its business.***

With its international operations, the Group is exposed to numerous legal and regulatory risks. These may include, *inter alia*, risks relating to product liability, competition and antitrust laws, export control, data protection, intellectual property laws, tax legislation and environmental protection in the countries where the Group operates. The Group is involved in legal, regulatory,

governmental and arbitration proceedings and may become involved in additional proceedings in the future. These proceedings involve claims by and against the Group which arise in the ordinary course of its business, including in connection with its business activities or its role as employer, investor and taxpayer. The outcome of current pending or future proceedings and investigations cannot be predicted with certainty. Legal or regulatory judgements or agreed settlements may give rise to significant losses, costs and expenses which are not covered, or not fully covered, by insurance benefits or provisions. Such losses, costs and expenses may have a material adverse impact on the business and financial position of the Group.

Investigations of possible legal or regulatory violations, such as potential infringements of antitrust law, may result in civil or criminal penalties – including substantial monetary fines – or other adverse financial consequences, and may harm the Group's reputation and ultimately hamper its commercial success.

***The Group may be liable for damages based on product liability claims brought against it or its customers or may be accused of having sold harmful products.***

Many of the Group's products provide critical performance attributes to customers' products, which are in turn sold to consumers. If a product fails to perform in a manner consistent with quality specifications, a customer could seek replacement of the product or damages for costs incurred as a result of the product failing to perform as designed and marketed. The sale of these products may also give rise to product liability claims or other claims based on damage caused by the Group's products. If a consumer were to bring a product liability claim with respect to a product that contains the Group's products, the Group could be named as a defendant in that claim or could become subject to separate litigation brought by one of its customers. A successful claim or series of claims against the Group could cause reputational harm and could result in a loss of customers.

In addition, the Group's product portfolio contains some substances that are harmful to human health. Other products of the Group that are not currently considered harmful to human health may be discovered to be harmful to human health in the future, which could lead to liability claims. In addition, the Group's products, once integrated into consumer end products, may also be found to be harmful as medical knowledge about health risks related to exposure evolves. Any allegation of harm caused by a product of the Group may significantly negatively affect the Group's reputation. Any threatened or actual future claims for damages based on product liability could significantly harm the Group's reputation and, in turn, could materially adversely affect the Group's business, financial condition, results of operations and prospects.

## **Financial Risks**

***Increased obligations and expenses related to the Group's post-employment benefit plans could negatively affect the Group's financial condition and results of operations.***

The Group has obligations to current and former employees related to pensions and other post-employment benefits in Germany and a number of other countries. Changes in relevant measurement parameters such as interest rates, mortality and salary increase rates may raise the present value of the Group's pension obligations. This may lead to increased costs in connection with the Group's pension plans, diminish equity due to the recognition of actuarial losses or put pressure on the Group's credit rating. A large proportion of the Group's pension and other post-employment benefit obligations are covered by plan assets including fixed income securities, shares, real estate and other investments. Declining or even negative returns on these investments may adversely affect the future fair value of plan assets.

Both of these effects may negatively impact the development of equity, and may require additional payments by the Group. Also, future changes in certain legal environments, especially in local regulation, may in the future have negative effects on the Group's results and may also trigger the necessity for additional payments by the Group.

***Changes in foreign exchange rates could have material adverse effects on the Group's results of operations.***

Foreign currency risks for the Group result from exchange rate changes of financial and operational booked exposure (including receivables and payables) as well as from planned operational exposure. The exposures include raw materials and/or the sales of products priced in other currencies than the functional currency of the operating subsidiary. Unfavourable exchange rates may lead to higher costs or lower sales than expected at the time of signing the contract and may reduce margins.

The Group's reporting currency is the Euro. However, the Group conducts its business in a large number of countries across the globe and in several international currencies. In terms of the Group's results of operations, the U.S. dollar and the Chinese renminbi are the most important foreign currencies. Any change in exchange rates between foreign currencies and the Euro affects the Group's reported results of operations and assets and liabilities when the results of those subsidiaries are translated into Euro for reporting purposes. Unfavourable fluctuations in the values of the currencies in which the Group's international subsidiaries' financial statements are prepared against the Euro could have a material negative impact on the Group's future consolidated financial statements.

The exposure to exchange rate volatility could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The terms of the Group's existing debt financings as well as credit market conditions, changes in interest rates and declines in credit ratings may restrict the Group's financial and operational flexibility.***

Some of the financing agreements the Group has entered into with banks, other financial institutions or other creditors contain restrictions, undertakings, warranties, limitations as to further financing, covenants and definitions of events of default that may reduce the Group's financial and operational flexibility. Through cross-default clauses, the breach of covenants or other obligations of one or more financing agreements may lead to a default under other financing agreements. Any such restrictions contained in the Group's financing arrangements could also have a material adverse effect on its ability to react to changes in its business environment and its ability to incur additional debt to fund future liquidity requirements or re-financing. If the Group cannot meet its repayment obligations, it may have to pursue financial restructuring, which may be achieved only at increased cost or not at all and could materially adversely affect the Group's business, financial condition, results of operations and prospects.

Interest rate fluctuations could increase the interest expense on any outstanding floating interest debt of the Group, the cost of new financing and the valuation of the Group's defined benefit obligations. Furthermore, a downgrade in the ratings of the Group or the debt securities of the Group could result in increased interest and other financial expenses related to future borrowings of the Group and could restrict the Group's access to additional capital or financing.

***The Group may be forced to make write-downs or additional impairments, in particular on tangible assets that reduce the value of the Group.***

The Group is active in an industry that requires significant investments in its production facilities. Any such property, plant and equipment associated with the Group's operations and recorded on the balance sheet, as well as the existing intangibles including goodwill make the Group susceptible to impairments. Assets, including right-of-use assets under leasing arrangements, with a determined useful or contractual life are amortized accordingly on a straight-line basis over a period of up to 50 years. An impairment test is performed if there is an indication of possible impairment. Goodwill and other intangible assets are tested for impairment on an annual basis or immediately, at interim, in case of an indication of possible impairment. If the carrying amount of an asset or asset group (cash-generating unit) may not be recoverable, impairment losses may be recorded in accordance with applicable accounting standards. Impairment charges could become necessary in the future if, for example, the Group's prospects deteriorate such that the carrying amounts of its assets or cash-generating units are no longer recoverable under applicable accounting rules. According to applicable accounting rules the Group has to perform quantitative testing for all cash generating units which carry goodwill. Since the Group utilizes a discounted cash flow methodology to calculate the fair value of its cash generating units, continued weak demand for a specific product line, oversupply in the industry, and/or high raw material prices could result in impairment.

Accordingly, any impairment test requiring the write-down or additional impairment could materially adversely affect the Group's reportable performance, financial condition, results of operations, cash flows and/or financial prospects.

***The Group's business is subject to many operational risks for which it may not be adequately insured.***

The Group believes that Covestro AG and its subsidiaries have reasonable insurance protection, to the extent customary in the industry. However, such insurance does not cover all risks associated with the operation of its business that could potentially lead to interruptions of its business operations or to it incurring significant costs, or with its production processes and the related use, storage and transportation of hazardous and non-hazardous raw materials, products and wastes in or from its production facilities or its distribution centres. In addition, the Group is exposed to legal liabilities such as environmental and product liability which may also not be fully covered by insurance. While the Group has purchased what it deems to be insurance coverage customary in the industry, such coverage is subject to limitations or exclusions, deductible and maximum limits of insurance.

The realization of any such risk not or not fully covered by insurance could materially adversely affect the Group's business, reputation and results of operations.

***The amount of debt that the Group has incurred could materially adversely affect the Group's business.***

The amount of debt that the Group has incurred could significantly affect the Group and the Group's investors: The Group may be required to use a substantial portion of the Group's cash flow from operations to make interest payments on this debt, which in turn reduces the cash flow available to fund capital expenditures and other corporate purposes and to grow the Group's business. As a consequence, the Group's vulnerability to generally adverse economic and industry conditions as well as the risk of a future downgrade of the Group's ratings could increase. Further, future debt costs could increase and limit at the same time the future availability of debt financing, limiting the Group's ability to borrow additional funds as needed or take

advantage of business opportunities as they arise. This could also limit the Group's flexibility in planning for, or reacting to, changes in the Group's business and the industry. The Group could consequently be placed at a competitive disadvantage to the Group's competitors that may not be as highly leveraged.

In addition, the Group's actual cash requirements in the future may be greater than expected. The Group's cash flow from operations may not be sufficient to repay all of the outstanding debt, and the Group may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance the debt.

The amount of debt that the Group has incurred may limit the flexibility of the Group to respond to future events and could materially adversely affect the Group's business, financial condition, results of operations and prospects.

## **Tax Risks**

***The Group's tax burden could increase, in particular, as a result of tax audits, reassessments by the competent authorities and potential changes in applicable tax laws.***

As an international group operating in multiple jurisdictions, the Group is subject to laws and regulations on tax levies and other charges or contributions in many countries throughout the world, which often do not provide clear-cut or definitive guidance. The tax charge included in the financial statements is the Group's best estimate of the due tax. There is a degree of uncertainty regarding the final tax liability for any period until completion of tax audits by the relevant authorities.

In connection with the separation from the Bayer Group, the Group is responsible for and has also agreed to indemnify certain companies of the Bayer Group, in particular, against additional tax liabilities arising from risks relating to transfer pricing adjustments and the unintended maintenance of permanent establishments, each in connection with activities of the previous MaterialScience business.

Reassessments of taxes, changes to tax laws, rules and regulations, including changes in the interpretation or implementation of tax laws, rules and regulations by domestic or foreign governmental bodies, could affect the Group in substantial and unpredictable ways. Such reassessments and changes could subject the Group to additional compliance costs and tax liabilities, which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

The Group operates in a significant number of jurisdictions, which contributes to the volatility of its effective tax rate. Changes in tax laws or the interpretation of tax laws in the jurisdictions in which it operates may affect its effective tax rate. National and international adverse tax developments could thus materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may be required to indemnify Bayer AG against possible tax claims***

In connection with a Contribution, Indemnification and Post-Formation Agreement between Bayer AG and Covestro AG dated September 17, 2015 arrangements were made to settle possible claims for taxes. These arrangements may result in corresponding cash outflows at Group.

Furthermore, the Group may be required to indemnify Bayer AG against possible U.S. tax claims. Covestro LLC (formerly Bayer MaterialScience LLC) is an indirect wholly owned subsidiary of Covestro AG. Prior to Covestro AG's acquisition of its indirect ownership of the shares of Covestro LLC and in furtherance of the separation of the MaterialScience division from other Bayer business divisions, the MaterialScience division in the United States was reorganized such that ownership of Covestro LLC was transferred in a series of transactions that were intended to enable Bayer Corporation and Covestro LLC to operate as independent companies. In connection with the separation, Bayer Corporation distributed the stock of Covestro LLC to Bayer US Holding LP, Bayer US Holding LP distributed the stock of Covestro LLC to Bayer Worldwide Investments BV, and Bayer Worldwide Investments BV distributed the stock of Covestro LLC to Bayer AG in transactions that were intended to be tax-free for U.S. federal income tax purposes (the "**Distributions**"). Bayer Corporation received opinions of tax counsel as to the tax-free nature of the Distributions. Notwithstanding receipt by Bayer Corporation of the opinions of tax counsel, the U.S. Internal Revenue Service (the "**IRS**") could assert that the Distributions do not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, Bayer Corporation and Bayer US Holding LP could be subject to significant U.S. federal income tax liability. In addition, the Distributions would be taxable to Bayer Corporation if the Distributions were later determined to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire directly or indirectly stock representing a 50% or greater interest in Covestro LLC. For this purpose, direct or indirect acquisitions of the stock of Covestro LLC within the period beginning two years before the Distributions and ending two years after the Distributions are generally presumed to be part of such a plan, although this presumption is rebuttable.

Pursuant to the tax sharing agreement between Bayer AG, Bayer US Holding LP, Bayer Corporation, Covestro LLC and Covestro Deutschland AG dated December 31, 2014 as amended by an amendment agreement dated September 16, 2015 (the

"**Tax Sharing Agreement**") Covestro LLC has agreed to indemnify Bayer US Holding LP and its affiliates against tax-related liabilities, if any, caused by the failure of the Distributions to qualify as tax-free transactions if the failure to so qualify is attributable to actions by Covestro Deutschland AG, Covestro LLC or its affiliates after the Distributions, including actions that are inconsistent with the representations and covenants provided in connection with the opinions of tax counsel issued in connection with the Distributions. In addition, pursuant to the tax covenants agreement dated September 17, 2015, between Bayer AG, Bayer US Holding LP, Bayer Corporation, and Covestro AG (the "**Tax Covenants Agreement**"), Covestro AG agreed (i) to compensate Bayer AG in the amount resulting from tax-related liabilities caused by the failure of the Distributions to qualify as tax-free transactions (if the breach of the restrictions imposed on Covestro AG causes such tax-related liabilities) or (ii) to indemnify Bayer AG and its affiliates, as well as their respective directors, officers and employees, and hold them harmless from and against any tax-related liabilities caused by the failure of the Distributions to qualify as tax-free transactions (unless Covestro AG can prove that (x) an action of Bayer AG or any of its affiliates did cause such tax-related liabilities or (y) such tax-related liabilities would have been triggered even if Covestro AG had not breached the restrictions imposed on it). If the failure of the Distributions to qualify for tax-free treatment is for any reason for which none of Bayer AG, Bayer US Holding LP (and its affiliates), Covestro AG, Covestro Deutschland AG or Covestro LLC (and its affiliates) is responsible, each of Bayer US Holding LP and Covestro LLC has agreed in the Tax Sharing Agreement to be responsible for 50% of the tax-related liabilities arising from the failure of the Distributions to qualify as tax-free transactions. Covestro LLC's indemnification obligations to Bayer US Holding LP and its affiliates are not limited in amount or subject to any cap and Covestro AG's indemnification obligations to Bayer AG and its affiliates is under some circumstances subject to a cap agreed with Bayer AG. The amount to be indemnified by Covestro LLC and/or Covestro AG could be significant notwithstanding the cap that is applicable in some circumstances.

#### **Others**

***The Group relies on the proper functioning of its computer and data processing systems and a larger-scale malfunction could result in material disruptions to its business.***

The Group relies primarily on globally and locally functioning information technology systems across its operations, including for management, supply chain and financial information and various other processes and transactions. A comprehensive, long-term IT service outage, so that no user is able to access the Group's network or the central ERP platform, could materially disrupt the Group's operations, cause material delays or cancellations of customer orders or impede the production or shipment of products, processing of transactions or reporting of financial results. A severe outage of a de-central production control system in a major site could lead to an interruption of the related production process, which could have a material impact on the Group's business. A Cyber-attack on or other problems with the Group's systems could also lead to the disclosure of proprietary information about its business or confidential information concerning its customers or employees, which could result in significant damage to its business and its reputation.

While the Group has put in place measures designed to ensure proper functioning of its information technology systems, it cannot provide assurances that its measures would fully protect it against all of the significant risks to its information technology systems. Failure to implement these measures could materially adversely affect the Group's business, financial condition, results of operations and prospects.

***If the Group is unable to sell, store, re-utilize or dispose of certain raw materials and by-products that it produces or acquires from third parties, it may be required to limit or reduce its overall production levels and could also be materially adversely affected if the prices at which the Group sells certain raw materials and by-products decline.***

The Group's operations are dependent on its ability to sell, store, re-utilize or otherwise dispose of certain raw materials and by-products of the Group's production processes such as styrene monomers, caustic soda and hydrochloric acid. To a large extent, the Group either sells the by-products resulting from one production step or uses them in the production of further individual products, often at the same location, by using an integrated production structure or disposes of them. Cost efficient operations of many of the Group's production facilities are dependent in part on the sales price or the costs in connection with disposing of the by-products including the availability of waste water disposal facilities as well as waste incinerators, and on the re-utilization levels thereof. The inventory expense related to storing hazardous and bulky materials, such as certain raw materials and the Group's by-products may be significant. Such inventories may ultimately become obsolete or decline in value, thereby adversely affecting the Group's earnings.

There can be no assurance that the Group will be able to sell, store, re-utilize or dispose of raw materials or by-products in the future. In addition, the Group may have historically had the ability to sell such raw materials or by-products at prices that may not be available in the future which may result in a decline in the Group's sales. The Group's ability to sell raw materials and by-products and the prices at which the Group is able to sell them, can have a material impact on the Group's net sales. The demand and prices for some of these raw materials and by-products, in particular styrene monomers, have historically been volatile and may continue to be volatile, which may affect the Group's results of operations. In the event that the Group is

unable to sell such by-products, it may be required to reduce its production levels at all or some of its production facilities, invest in new treatment processes or incur substantial costs in connection with disposing of these by-products, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

With the sale of its by-products, Covestro depends on other product markets which can have a different development than the Group's product markets, e.g. the polystyrene market for styrene monomer or the PVC market regarding HCl. In a worst case growth and volume demand could become opposites which would force the Group to dispose former sales materials, which would create investment demand and higher operating costs.

***The Group's reputation is one of its key assets and if it is harmed, the Group's business and results of operations may suffer.***

The Group is exposed to the risk of negative publicity, press speculation and potential or actual legal proceedings concerning its business, which may harm its reputation. The development of a negative social perception for the chemical industry in general or the processes or products of the Group in particular could also have a negative impact on the reputation of the Group. The incorrect use and handling of the Group's products by third parties can also harm the Group's reputation. In addition, concerns about product safety and environmental protection could influence public perceptions regarding the Group's products and operations, the viability of certain products, its reputation, and the ability to attract and retain employees. Any significant damage to the Group's reputation could cause existing customers to terminate their relationship with the Group or prevent it from winning new contracts. Such general concerns may also lead to the increased scrutiny of authorities and more restrictive legislation.

Any of these negative effects could materially adversely affect the Group's business, financial condition, results of operations and prospects.

## **RISK FACTORS RELATING TO THE NOTES**

*The risk factors relating to the Notes are presented in categories depending on their nature with the most material risk factor presented first in each category:*

### **Risks related to the nature of the Notes**

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

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

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

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

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

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



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

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

### ***Early redemption in case of certain events of default subject to a 25 per cent. quorum***

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when the Fiscal Agent has received such default notices from Noteholders representing at least 25 per cent. of the aggregate principal amount of the Series of Notes then outstanding. Noteholders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Noteholders with respect to the Series of Notes delivers default notices.

### ***Market price risk***

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

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

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

### ***Liquidity risk***

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

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

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

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

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

Since the Terms and Conditions for a Series of Notes may be amended by the Issuer with consent of the relevant Noteholders by way of a majority resolution in a Noteholders' Meeting or by a vote not requiring a physical meeting (*Abstimmung ohne*

*Versammlung*) as described in Sections 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**"), the Issuer may subsequently amend the Terms and Conditions with the consent of the majority of Noteholders as described in § 15 of the Terms and Conditions, which amendment will be binding on all Noteholders of the relevant Series of Notes, even on those who voted against the change. As the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Series of Notes outstanding, any such resolution may technically be passed with the consent of less than a majority of the aggregate principal amount of the relevant Series of Notes outstanding.

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

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

### **Risks related to the specific Conditions of the Notes**

#### ***Risk of early redemption***

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

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

#### ***Risk related to the Reform of Interest Rate "Benchmarks" and possible Replacement of a Benchmark***

The interest rates of Floating Rate Notes are linked to the Euro Interbank Offered Rate (EURIBOR). "Benchmarks" such as the EURIBOR (each a "**Benchmark**" and together, the "**Benchmarks**") have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated.

International proposals for reform of Benchmarks include in particular 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**") which is fully applicable since January 1, 2018.

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

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

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

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

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

## ISSUE PROCEDURES

### General

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

### Options for sets of Terms and Conditions

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

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

### Documentation of the Conditions

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

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

### Determination of Options / Completion of Placeholders

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

#### *Determination of Options*

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

#### *Completion of Placeholders*

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

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

### **Controlling Language**

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

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

## TERMS AND CONDITIONS OF THE NOTES

### Anleihebedingungen der Schuldverschreibungen

#### Deutsche Fassung der Anleihebedingungen

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

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

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

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

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

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

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

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

### Terms and Conditions of the Notes

#### English language version

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

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

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

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

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

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

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

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

**OPTION I**  
**Anleihebedingungen für**  
**festverzinsliche Schuldverschreibungen**

**§ 1 Währung, Festgelegte Stückelung, Form**

(a) *Währung; Festgelegte Stückelung.* Die Covestro AG, Leverkusen (die "**Emittentin**") begibt Schuldverschreibungen (die "**Schuldverschreibungen**") in [*Festgelegte Währung*] (die "**Festgelegte Währung**") im Gesamtnennbetrag von [*Festgelegte Währung*] [*Betrag*], eingeteilt in Schuldverschreibungen in der festgelegten Stückelung von je [*Festgelegte Währung*] [*Betrag*] (die "**Festgelegte Stückelung**").

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

(c) *Vorläufige Globalurkunde – Austausch.* Die Schuldverschreibungen sind zunächst in einer vorläufigen Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft.

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

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

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

**OPTION I**  
**Terms and Conditions that apply to**  
**Fixed Rate Notes**

**§ 1 Currency, Specified Denomination, Form**

(a) *Currency; Specified Denomination.* The Notes are issued by Covestro AG, Leverkusen (the "**Issuer**") in [*Specified Currency*] (the "**Specified Currency**"), in the aggregate principal amount of [*Specified Currency*] [*amount*], divided into notes in the specified denomination of [*Specified Currency*] [*amount*] (the "**Specified Denomination**") each (the "**Notes**").

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

(c) *Temporary Global Note – Exchange.* The Notes are initially represented by a temporary global Note (the "**Temporary Global Note**") without interest coupons.

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

(d) *Clearing System.* Each of the Temporary Global Note and the Permanent Global Note will be held in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

## § 2 Status und Negativerklärung

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

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

- (i) Sicherungsrechte, die auf einem Vermögensgegenstand zum Zeitpunkt des Erwerbs durch die Emittentin lasten;
- (ii) Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind; und

In Bezug auf von der Emittentin begebene asset-backed Emissionen, schließen die im ersten Satz dieses § 2(b) benutzten Worte "Vermögen", "Kapitalmarktverbindlichkeit" und "Schuldscheindarlehen" nicht Vermögensgegenstände, Kapitalmarktverbindlichkeiten und Schuldscheindarlehen der Emittentin ein,

- (i) solange das Vermögen, das derartige Emissionen deckt, zusammen €1.000.000.000 nicht übersteigt; oder
- (ii) die im Einklang mit den Gesetzen und den International Financial Reporting Standards, wie sie in der EU anzuwenden sind, ("**IFRS**") nicht in der Bilanz der Emittentin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

"**Kapitalmarktverbindlichkeiten**" bedeutet jede Verpflichtung zur Rückzahlung aufgenommener Gelder in der Form von oder verbrieft durch Schuldverschreibungen oder ähnliche(n) Wertpapiere(n) mit einer ursprünglichen Laufzeit von mehr als einem Jahr, die an einer Wertpapierbörse oder in einem

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

## § 2 Status and Negative Pledge

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

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

- (i) any Security Interest existing on property at the time of the acquisition thereof by the Issuer;
- (ii) any Security Interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals; and

In respect of asset-backed securitizations originated by the Issuer, the expressions "assets", "Capital Market Indebtedness" and "Schuldscheinloans" as used in the first sentence of this § 2(b) do not include assets, Capital Market Indebtedness and Schuldscheinloans of the Issuer

- (i) if the assets backing such securitizations do not in aggregate exceed €1,000,000,000; or
- (ii) which, pursuant to the requirements of law and International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), need not, and are not, reflected in the Issuer's balance sheet.

"**Capital Market Indebtedness**" shall mean any obligation for the repayment of borrowed money represented by bonds, notes, debentures or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or over-the-counter securities market or which are otherwise publicly traded or

over-the-counter Wertpapiermarkt notiert, eingeführt oder gehandelt werden oder dort notiert, eingeführt oder gehandelt werden können oder die anderweitig öffentlich gehandelt werden oder gehandelt werden sollen.

intended to be publicly traded, having an original maturity of more than one year.

### § 3 Zinsen

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

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

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

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

Im Falle einer kurzen oder langen ersten Zinsperiode gilt folgendes:

Sofern der Endfälligkeitstag kein Zinszahlungstag ist, gilt folgendes:

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

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

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

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

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

### § 3 Interest

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

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

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

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

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

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

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

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

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

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

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

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

Dabei gilt folgendes:

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

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

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

Where:

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

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

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

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

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

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

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

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.

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

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

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

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.

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

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

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

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

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

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

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

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

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

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

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

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

#### § 4 Rückzahlung

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

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

#### § 4 Redemption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Der Make-Whole Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.

Der "Abgezinsten Marktwert" ist die Summe aus

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

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

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

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

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

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

The "Present Value" will be the sum of

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

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

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

Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibung vergleichbaren Laufzeit verwendet werden würde.

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

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

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

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

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

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

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

**Call-Rückzahlungsbetrag**  
[Call-Rückzahlungsbetrag/beträge einfügen]

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

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

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

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

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

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

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

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

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

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

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

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

**Call-Rückzahlungsperiode**

[Call-Rückzahlungsperiode einfügen]

**Call-Rückzahlungsbetrag**

[Call-Rückzahlungsbetrag/beträge einfügen]

**Call Redemption Period(s)**

[insert Call Redemption Period(s)]

**Call Redemption Amount(s)**

[insert Call Redemption Amount(s)]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen nach Eintritt

At any time the Issuer may waive its right to call the Notes for redemption following the occurrence of one of the



eines der oben bezeichneten Ereignisse durch Bekanntmachung gemäß § 11 verzichten.

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

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

events detailed above, by giving notice in accordance with § 11.

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

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

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

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

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

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

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

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

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

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

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

- genaue Bezeichnung der zur Rückzahlung anstehenden Serie, einschließlich der Wertpapierkennungen;
- der betreffende Tag der vorzeitigen Rückzahlung; [und]

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

- precise designation of the Series of Notes subject to redemption, including the securities codes;
- the applicable date of early redemption; [and]

- der betreffende Rückzahlungsbetrag, zu dem die Schuldverschreibungen vorzeitig zurückgezahlt werden, soweit dieser zum Zeitpunkt der Veröffentlichung der Kündigungserklärung schon feststeht[.]; und]
- the applicable redemption amount at which such Notes are to be redeemed early, if such applicable redemption amount has already been fixed on the date of the publication of the notice[.]; and]

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

- eine Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen.

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

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

- whether the Notes will be redeemed in whole or in part and, if only in part, the aggregate principal amount of the Notes which are to be redeemed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Put-Rückzahlungstag(e)	Put-Rückzahlungsbetrag	Put Redemption Date(s)	Put Redemption Amount(s)
[Put-Rückzahlungstag(e) einfügen]	[Put-Rückzahlungsbetrag/ beträge einfügen]	[insert Put Redemption Date(s)]	[insert Put Redemption Amount(s)]

Dem Anleihegläubiger steht das Recht, die vorzeitige Rückzahlung zu verlangen, nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor gemäß § 4 verlangt hat.

The Noteholder may not exercise the option for early redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its right to redeem such Note in accordance with § 4.

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

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

(f) *Erwerb.*

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

(f) *Purchase.*

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

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

(g) *Kontrollwechsel.*

Tritt (i) ein Kontrollwechsel ein und (ii) kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings und (iii) gibt die Rating Agentur, die für die Absenkung des Ratings verantwortlich ist, öffentlich bekannt oder bestätigt der Emittentin schriftlich, dass die Absenkung des Ratings, insgesamt oder teilweise, auf Grund des Kontrollwechsels erfolgte (zusammen, ein "**Rückzahlungsereignis**"), hat jeder Anleihegläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittelteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 4 (b) [oder (c)] angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zu verlangen.

Für Zwecke dieses Wahlrechts:

Bedeutet "**Rating Agentur**" jede Ratingagentur von Moody's Investors Services ("**Moody's**") oder eine ihrer Nachfolgegesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

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

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) (i) mehr als 50 % des ausstehenden Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die mehr als 50 % der Stimmrechte entfallen;

(g) *Change of Control.*

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

For the purposes of such option:

"**Rating Agency**" means the rating agencies of Moody's Investors Services ("**Moody's**") or any of its successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period any rating previously assigned to the Issuer or the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (Ba1 by Moody's, or its equivalent for the time being, or worse) or (iii) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower of equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control);

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50 per cent. of the issued ordinary share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights;

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

Ist der "**Kontrollwechselzeitraum**" der Zeitraum, der 120 Tage nach dem Eintritt eines Kontrollwechsels endet; und

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

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

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

"**Change of Control Period**" means the period ending 120 days after the occurrence of the Change of Control; and

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

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

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

## § 5 Zahlungen

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

## § 5 Payments

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

Zahlung vor dem nächstfolgenden Geschäftstag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Geschäftstag**"

Falls die Festgelegte Währung nicht Euro ist, gilt folgendes:

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

Falls die Festgelegte Währung Euro ist, gilt folgendes:

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

relevant place and shall not be entitled to further interest or other payment in respect of such delay.

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

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

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

If the Specified Currency is Euro, the following applies:

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

## § 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die von dem Staat, in dem die Emittentin steuerlich ansässig ist oder einer seiner Gebietskörperschaften oder zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer Verbindung des betreffenden Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Verständigung oder dieses Abkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

## § 6 Taxation

All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any other agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

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

- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird.

- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.

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

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

#### § 7 Vorlegung, Verjährung

- (a) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für fällige Schuldverschreibungen wird auf zehn Jahre verkürzt.
- (b) *Verjährungsfrist.* Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

#### § 7 Presentation, Prescription

- (a) *Presentation.* The period for presentation of Notes due, as established in § 801(1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.
- (b) *Prescription.* The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

#### § 8 Kündigungsgründe für die Anleihegläubiger

- (a) Bei Eintritt und Fortdauer eines der nachstehenden Ereignisse kann ein Anleihegläubiger seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin, die bei der Emittentin oder bei der Emissionsstelle abzugeben ist, kündigen, woraufhin seine Schuldverschreibungen sofort zu ihrer festgelegten Stückelung zuzüglich aufgelaufener Zinsen, ohne weitere Handlungen oder Formalitäten fällig werden:
- (i) *Nichtzahlung.* Die Emittentin zahlt Zinsbeträge in Bezug auf die Schuldverschreibungen nicht innerhalb von 30 Geschäftstagen nach Fälligkeit; oder
- (ii) *Nichterfüllung sonstiger wesentlicher Verpflichtungen.* Die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner sonstigen wesentlichen Verpflichtung aus den Schuldverschreibungen, und die Unterlassung dauert länger als 30 Tage fort, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
- (iii) *Cross Acceleration.* Eine (nicht im Rahmen der Schuldverschreibungen bestehende) Kapitalmarktverbindlichkeit der Emittentin wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligkeitstellung

#### § 8 Events of Default

- (a) If any of the events below occurs and is continuing than any Note may, by written notice addressed to the Issuer and delivered to the Issuer or, alternatively, the Fiscal Agent, be declared due and payable, whereupon such Note will become immediately due and payable at their Specified Denomination together with accrued interest without further action or formality:
- (i) *Non-payment.* Failure by the Issuer to pay any amount of interest in respect of the Notes within 30 business days of the due date for payment of that amount; or
- (ii) *Non-fulfilment of other material obligations.* The Issuer fails to duly perform any other material obligation arising under the Notes and any such failure continues for more than 30 days after the Fiscal Agent has received notice thereof from a Noteholder; or
- (iii) *Cross Acceleration.* Any Capital Market Indebtedness of the Issuer (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), provided that the aggregate amount of Capital Market Indebtedness amounts to at

oder auf andere Weise) mit der Maßgabe, dass der Gesamtbetrag der Kapitalmarktverbindlichkeiten mindestens EUR 100.000.000 (oder den Gegenwert in einer anderen Währung) beträgt; oder

least EUR 100,000,000 (or its equivalent in other currencies); or

(iv) *Insolvenz etc.*

- (A) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen ein, oder
- (B) ein Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin; oder
- (C) die Emittentin geht in die Liquidation oder wird abgewickelt oder aufgelöst (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

(iv) *Insolvency etc.*

- (A) the Issuer announces its inability to meet its financial obligations (*Zahlungsunfähigkeit*) or suspends payments; or
- (B) a court opens insolvency proceedings against the Issuer; or
- (C) the Issuer enters into a winding up or dissolution and liquidation (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

(b) *Quorum.* In den Fällen von § 8(a)(i) bis (iv) wird eine Kündigung erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Anleihegläubigern von Schuldverschreibungen im Nennbetrag von mindestens 25 % der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirkung einer solchen Kündigung entfällt, wenn die Anleihegläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, es müssen aber in jedem Fall mehr Anleihegläubiger zustimmen als gekündigt haben.

(b) *Quorum.* In the events specified in § 8(a)(i) to (iv), any notice declaring Notes due shall become effective only when the Fiscal Agent has received such notices from the Noteholders of at least 25 per cent. in principal amount of Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Noteholders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, provided, however, that in each case there must be more Noteholders consenting to such resolution than Noteholders having terminated the Notes.

**§ 9 Emissionsstelle, Zahlstelle(n) [und Berechnungsstelle]**

(a) *Bestellung; bezeichnete Geschäftsstelle.* Die Emissionsstelle [,][und] die Zahlstelle [und die Berechnungsstelle] sind nachstehend mit den benannten anfänglichen Geschäftsstellen aufgeführt:

"Emissionsstelle" und "Zahlstelle":

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland

["Berechnungsstelle":

**[Conv-Ex Advisors Limited**  
30 Crown Place  
London EC2A 4EB  
Vereinigtes Königreich]]

**§ 9 Fiscal Agent, Paying Agent(s) [and Calculation Agent]**

(a) *Appointment, specified office.* The Fiscal Agent [,][and] the Paying Agent [and the Calculation Agent] and their respective initial specified offices are as follows:

"Fiscal Agent" and "Paying Agent":

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Federal Republic of Germany

["Calculation Agent":

**[Conv-Ex Advisors Limited**  
30 Crown Place  
London EC2A 4EB  
United Kingdom]]



- (b) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der vorgenannten Zahlstelle, die "**Zahlstellen**" und jede eine "**Zahlstelle**") zu benennen.

Die Emittentin behält sich ferner das Recht vor, die Ernennung der Emissionsstelle [,][und] der Zahlstellen [und der Berechnungsstelle] jederzeit anders zu regeln oder zu beenden.

Die Emittentin wird sicherstellen, dass jederzeit (i) eine Emissionsstelle [und eine Berechnungsstelle], (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Die Emissionsstelle [,][und] etwaige Zahlstellen [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle im selben Land zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf die Emissionsstelle und etwaige Zahlstellen erfolgen unverzüglich durch die Emittentin gemäß § 11.

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

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

## § 10 Schuldnerersetzung

- (a) *Ersetzung.*

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird ("Verbundene Unternehmen", wie in § 15 AktG definiert), als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der

- (b) *Variation or termination of appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Paying Agent specified above, the "**Paying Agents**" and each a "**Paying Agent**").

The Issuer further reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [,][and] any Paying Agent [and the Calculation Agent].

The Issuer will at all times maintain (i) a Fiscal Agent [and a Calculation Agent] (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent [,][and] any Paying Agent [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same country. Notice of all changes in the identities or specified offices of the Fiscal Agent or any Paying Agent will be given promptly by the Issuer to the Noteholders in accordance with § 11.

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

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

## § 10 Substitution

- (a) *Substitution.*

The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer ("Affiliated Companies", as defined in Section 15 German Stock Corporation Act –*Aktiengesetz*), as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process *vis-à-vis* the New Issuer would have to be effected outside the Federal Republic of

	Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;		Germany, appoints a process agent within the Federal Republic of Germany;
(ii)	die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;	(ii)	the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
(iii)	die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearingsystem oder die Emissionsstelle zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;	(iii)	the New Issuer is in the position to pay to the Clearing System or to the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
(iv)	die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;	(iv)	the Issuer unconditionally and irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;
(v)	die Neue Emittentin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden; und	(v)	the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution; and
(vi)	der Emissionsstelle ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt werden, welche bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i) bis (v) erfüllt wurden.	(vi)	there shall have been delivered to the Fiscal Agent an opinion of lawyers of recognised standing to the effect that subparagraphs (i) to (v) above have been satisfied.
(b)	<i>Bezugnahmen.</i>	(b)	<i>References.</i>
(i)	Im Fall einer Schuldnerersetzung gemäß § 10(a) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.  Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Covestro AG erfolgen soll, oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Covestro AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(a)(iv) erfolgen soll.	(i)	In the event of a substitution pursuant to § 10(a), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.  For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Covestro AG, or that the reference shall be to the New Issuer and Covestro AG, in relation to Covestro AG's obligations under the guarantee pursuant to § 10(a)(iv) at the same time.
(ii)	In § 8 gilt ein weiterer Kündigungsgrund als aufgenommen, der dann besteht, wenn die Garantie gemäß § 10(a)(iv) mit rechtskräftiger Entscheidung eines zuständigen	(ii)	In § 8 a further event of default shall be deemed to have been included; such event of default shall exist in the case that the guarantee pursuant to § 10(a)(iv) is determined by the final

Gerichts für nicht vollumfänglich wirksam erklärt wird, oder die Garantin einen Mangel der Wirksamkeit behauptet und dieser Mangel nicht innerhalb von zehn Geschäftstagen behoben wird.

decision of a competent court or is claimed by the guarantor not to be in full force and effect and such defect is not corrected within ten business days.

## § 11 Bekanntmachungen

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

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

## § 11 Notices

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

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

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

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

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

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

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

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

## § 12 Begebung weiterer Schuldverschreibungen

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

## § 12 Further Issues

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

**§ 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand**

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

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

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

**§ 14 Änderung der Anleihebedingungen; Gemeinsamer Vertreter**

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

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

**§ 13 Applicable Law, Place of Performance and Jurisdiction**

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

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

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

**§ 14 Amendments to the Terms and Conditions; Joint Representative**

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

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 10, by resolutions

zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

- (b) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 14(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird.
- (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 14(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 14(c)(i) oder § 14(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer
- passed by such majority of the votes of the Noteholders as stated under § 14(b) below. A duly passed majority resolution will be binding upon all Noteholders.
- (b) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.
- (c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 14(c)(ii), in either case convened by the Issuer or a joint representative, if any.
- (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.
- (ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 14(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG.
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 14(c)(i) or § 14(d)) or the beginning of the voting period in the case of voting not requiring a physical

Abstimmung ohne Versammlung (wie in § 14(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(a) zuzustimmen.

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

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

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

## § 15 Sprache

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

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

meeting (as described in § 14(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.

- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(a) hereof.

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

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

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

## § 15 Language

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

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

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

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

**OPTION II**  
**Anleihebedingungen für**  
**variabel verzinsliche**  
**Schuldverschreibungen**

**§ 1 Währung, Festgelegte Stückelung, Form**

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

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

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

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

**OPTION II**  
**Terms and Conditions that apply to**  
**Floating Rate Notes**

**§ 1 Currency, Specified Denomination, Form**

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

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

- (d) *Clearing System.* Each of the Temporary Global Note and the Permanent Global Note will be held in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied.

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) *Anleihegläubiger.* Den Inhabern von Schuldverschreibungen ("**Anleihegläubiger**") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die

(e) *Noteholders.* The holders of Notes ("**Noteholders**") are entitled to co-ownership participations or other comparable rights in the Global Note, which are transferable in

gemäß anwendbarem Recht und den Bestimmungen und Regeln des Clearingsystems übertragen werden können.

## § 2 Status und Negativerklärung

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

In Bezug auf von der Emittentin begebene asset-backed Emissionen, schließen die im ersten Satz dieses § 2(b) benutzten Worte "Vermögen", "Kapitalmarktverbindlichkeit" und "Schuldscheinanleihen" nicht Vermögensgegenstände, Kapitalmarktverbindlichkeiten und Schuldscheinanleihen der Emittentin ein,

- (i) solange das Vermögen, das derartige Emissionen deckt, zusammen €1.000.000.000 nicht übersteigt; oder
- (ii) die im Einklang mit den Gesetzen und den International Financial Reporting Standards, wie sie in der EU anzuwenden sind, ("**IFRS**") nicht in der Bilanz der Emittentin ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

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

accordance with applicable laws and the rules and regulations of the Clearing System.

## § 2 Status and Negative Pledge

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

In respect of asset-backed securitizations originated by the Issuer, the expressions "assets", "Capital Market Indebtedness" and "Schuldscheinloans" as used in the first sentence of this § 2(b) do not include assets, Capital Market Indebtedness and Schuldscheinloans of the Issuer

- (i) if the assets backing such securitizations do not in aggregate exceed €1,000,000,000; or
- (ii) which, pursuant to the requirements of law and International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), need not, and are not, reflected in the Issuer's balance sheet.

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

können oder die anderweitig öffentlich gehandelt werden oder gehandelt werden sollen.

**§ 3 Zinsen**

(a) *Zinszahlungstage.*

(i) Jede Schuldverschreibung wird bezogen auf ihre Festgelegte Stückelung ab dem [Verzinsungsbeginn einfügen] (der "Verzinsungsbeginn") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) mit einem jährlichen Satz, der dem Zinssatz (wie nachstehend definiert) entspricht, verzinst. Die Zinsen sind nachträglich an jedem Zinszahlungstag zahlbar. Der zahlbare Zinsbetrag wird gemäß § 3(c) berechnet.

(ii) "Zinszahlungstag" bezeichnet, vorbehaltlich der Geschäftstagekonvention,

[festgelegte Zinszahlungstage einfügen] eines jeden Jahres.

Im Fall von Festgelegten Zinszahlungstagen gilt folgendes:

Im Fall von Festgelegten Zinsperioden gilt folgendes:

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

(iii) "Geschäftstagekonvention" hat die folgende Bedeutung: Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

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

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

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

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

**§ 3 Interest**

(a) *Interest Payment Dates.*

(i) Each Note bears interest on its Specified Denomination at the rate *per annum* equal to the Rate of Interest from and including [insert Interest Commencement Date] (the "Interest Commencement Date") to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date. Interest on the Notes will be payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3(c).

(ii) "Interest Payment Date" means, subject to the Business Day Convention,

[insert Specified Interest Payment Dates] in each year.

In the case of Specified Interest Payment Dates insert:

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

In the case of Specified Interest Periods insert:

(ii) "Business Day Convention" has the following meaning: If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), the Interest Payment Date shall be

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

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

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

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

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

auf den nächstfolgenden Geschäftstag verschoben.

postponed to the next day which is a Business Day.

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

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

auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

the immediately preceding Business Day.

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

Falls die Festgelegte Währung Euro ist, gilt folgendes:

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

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

If the Specified Currency is Euro, the following applies:

Falls die Festgelegte Währung nicht Euro ist, gilt folgendes:

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

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

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

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

Die Berechnungsstelle bestimmt an jedem Zinsfestsetzungstag den betreffenden Referenzsatz nach Maßgabe dieses § 3(b).

Der "**Referenzsatz**" für jede Zinsperiode

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

Falls der Referenzbanksatz nicht gemäß der Definition dieses Begriffs

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

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

The "**Reference Rate**" for each Interest Period will be,

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

If the Reference Bank Rate cannot be determined in accordance with the

festgestellt werden kann, aber kein Benchmark-Ereignis eingetreten ist, ist der "Referenzsatz" der Ursprüngliche Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde; und

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

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

"**Zinsperiode**" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).

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

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

Falls an dem betreffenden Zinsfestsetzungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzbankensatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Emittentin ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf Bitte der Emittentin als den jeweiligen Satz nennen, zu dem sie an dem betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Dabei gilt Folgendes:

definition of such term, but no Benchmark Event has occurred, the "Reference Rate" shall be the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed; and

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

["**Margin**" means [insert number] per cent. *per annum*.]

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

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

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

If on the relevant Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately 11.00 a.m. (Brussels time) at the request of the Issuer to the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Issuer, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Interest Period and in a Representative Amount to leading European banks.

Where:

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

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

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

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

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

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

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

"Euro-zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

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

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

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

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

Falls ein kurzer oder langer [erster] [letzter] Kupon vorliegt, gilt folgendes:

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

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

If a short/long [first] [last] coupon is applicable the following applies:

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

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

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

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

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

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

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

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

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

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.

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

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

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

die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.

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

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

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

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

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

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

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

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

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

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

(d) *Mitteilungen.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 und jeder Börse, an der die betreffenden Schuldverschreibungen

(d) *Notifications.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 and, if required by the rules of any stock exchange on which the Notes

zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, unverzüglich, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen maßgeblichen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, sowie den Anleihegläubigern gemäß § 11 mitgeteilt.

(e) *Benchmark-Ereignis.*

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

(i) *Unabhängiger Berater.* Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfestsetzungstag erforderlich ist, einen Unabhängigen Berater zu benennen, der einen Neuen Benchmarksatz (wie in § 3(e)(vi) definiert), die Anpassungsspanne (wie in § 3(e)(vi) definiert) und etwaige Benchmark-Änderungen (gemäß § 3(e)(iv)) festlegt.

(ii) *Ausweichsatz (fallback).* Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag

(A) die Emittentin keinen Unabhängigen Berater ernannt hat; oder

(B) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz gemäß diesem § 3(e) festgelegt hat,

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

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

(iii) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz.* Falls der Unabhängige Berater nach billigem Ermessen feststellt,

(A) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder

are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed at the initiative of the Issuer and to the Noteholders in accordance with § 11.

(e) *Benchmark Event.*

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

(i) *Independent Adviser.* The Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, endeavour to appoint an Independent Adviser, who will determine a New Benchmark Rate (as defined in § 3(e)(vi)), the Adjustment Spread (as defined in § 3(e)(vi)) and any Benchmark Amendments (in accordance with § 3(e)(iv)).

(ii) *Fallback rate.* If, prior to the 10th Business Days prior to the relevant Interest Determination Date,

(A) the Issuer has not appointed an Independent Adviser; or

(B) the Independent Adviser appointed by it has not determined a New Benchmark Rate in accordance with this § 3(e),

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

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

(iii) *Successor Benchmark Rate or Alternative Benchmark Rate.* If the Independent Adviser determines in its reasonable discretion that:

(A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or



- (B) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

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

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

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

- (A) den Referenzsatz einschließlich der "Bildschirmseite" und/oder die Methode zur Bestimmung des Ausweichsatzes (sog. *fallback*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder
- (B) die Definitionen der Begriffe "Geschäftstag", "Geschäftstagekonvention", "Zinsperiode", "Zinstagequotient", "Zinsfestsetzungstag" und/oder "Zinszahlungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
- (C) der Zahltag-Bestimmung gemäß § 5(d).
- (v) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(e) der Emissionsstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 11 den Anleihegläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung

- (B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

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

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

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

- (A) the Reference Rate including the "Screen Page" and/or the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
- (B) the definitions of the terms "Business Day", "Business Day Convention", "Interest Period", "Day Count Fraction", "Interest Determination Date" and/or "Interest Payment Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward looking basis); and/or
- (C) the payment business day condition in § 5(d).
- (v) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(e) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 11, the Noteholders as soon as such notification is (in the Issuer's view) required following the determination

erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

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

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

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

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

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

- (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen

thereof, but in any event not later than on the 10<sup>th</sup> Business Days prior to the relevant Interest Determination Date. Such notice shall be irrevocable and shall specify the Effective Date.

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

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

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

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

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

- (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the

- Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder
- (2) (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder
- (3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird) als industrieweit Standard für Over-the-Counter Derivatetransaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt und bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

**"Alternativ-Benchmarksatz"**

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

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

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

- (A) eine öffentliche Erklärung oder eine Veröffentlichung von Informationen durch oder im Namen der für den Administrator des Ursprünglichen Benchmarksatzes zuständigen Aufsichtsbehörde vorgenommen wird, aus der hervorgeht, dass dieser Administrator die Bereitstellung des Ursprünglichen Benchmarksatzes dauerhaft

Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

- (2) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or
- (3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

**"Alternative Benchmark Rate"**

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

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

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

- (A) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless, at the time of the statement or publication, there is a successor administrator that will continue to provide

- oder auf unbestimmte Zeit eingestellt hat oder einstellen wird, es sei denn, es gibt zum Zeitpunkt der Erklärung oder der Veröffentlichung einen Nachfolgeadministrator, der den Ursprüngliche Benchmarksatz weiterhin bereitstellt; oder
- (B) eine öffentliche Erklärung oder eine Veröffentlichung von Informationen durch oder im Namen des Administrators des Ursprünglichen Benchmarksatzes vorgenommen wird, die besagt, dass der Administrator die Bereitstellung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird, es sei denn, es gibt zum Zeitpunkt der Erklärung oder der Veröffentlichung einen Nachfolgeadministrator, der den Ursprünglichen Benchmarksatz weiterhin bereitstellt; oder
- (C) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz ihrer Ansicht nach nicht mehr repräsentativ für den zugrunde liegenden Markt, den er zu messen vorgibt, ist oder sein wird, und keine von der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes geforderten Maßnahmen zur Behebung einer solchen Situation ergriffen worden sind oder zu erwarten sind; oder
- (D) die Verwendung des Ursprünglichen Benchmarksatzes aus irgendeinem Grund nach einem Gesetz oder einer Verordnung, die in Bezug auf die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten anwendbar sind, rechtswidrig geworden ist; oder
- (E) der Ursprüngliche Benchmarksatz ohne vorherige offizielle Ankündigung durch die zuständige Behörde oder den Administrator dauerhaft nicht mehr veröffentlicht wird; oder
- (F) eine wesentliche Änderung der Methodologie des Ursprünglichen
- the Original Benchmark Rate; or
- (B) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless, at the time of the statement or publication, there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (C) a public statement by the supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer representative, or will no longer be representative, of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (D) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (E) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (F) material change is made to the Original Benchmark Rate methodology.

Benchmarksatzes  
vorgenommen wird.

**"Nachfolge-Benchmarksatz"**

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

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

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

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

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

- (vii) Der Stichtag für die Anwendung des *Neuen* Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3(e) (der "**Stichtag**") ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:
  - (A) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (E) oder (F) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

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

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

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

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

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

- (vii) The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3(e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:
  - (A) if the Benchmark Event has occurred as a result of clauses (E) or (F) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or

- (B) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (A), (B) oder (C) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
- (C) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund des Absatzes (D) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.
- (viii) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3(e) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3(e) auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.
- (f) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle, die Zahlstellen und die Anleihegläubiger bindend.
- (g) *Ende des Zinslaufs.* Der Zinslauf der Schuldverschreibungen endet an dem Ende des Tages, der dem Tag vorausgeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung des ausstehenden Nennbetrags der Schuldverschreibungen nicht am Tag vor dem Fälligkeitstag, sondern erst an dem Ende des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorausgeht. Der jeweils geltende Zinssatz wird gemäß diesem § 3 bestimmt. Weitergehende Ansprüche der Anleihegläubiger bleiben unberührt.
- § 4 Rückzahlung**
- (a) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits insgesamt oder teilweise zurückgezahlt oder angekauft und eingezogen, werden die Schuldverschreibungen zu ihrer Festgelegten Stückelung an dem Zinszahlungstag, der auf oder um den [Endfälligkeitstag einfügen] (der "Endfälligkeitstag") fällt, zurückgezahlt.
- (B) if the Benchmark Event has occurred as a result of clauses (A), (B) or (C) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or
- (C) if the Benchmark Event has occurred as a result of clause (D) of the definition of the term "Benchmark Event", the date from which the prohibition applies.
- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3(e) shall apply mutatis mutandis to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3(e) to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (f) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, any Paying Agents and the Noteholders.
- (g) *Cessation of Interest Accrual.* The Notes shall cease to bear interest from the end of the day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Noteholders.
- § 4 Redemption**
- (a) *Redemption at maturity.* To the extent not previously redeemed in whole or in part, or purchased and cancelled, the Notes shall be redeemed at their Specified Denomination on the Interest Payment Date falling on or around [insert Maturity Date] (the "Maturity Date").

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Call- Rückzahlungstag(e)	Call- Rückzahlungsbetrag	Call Redemption Date(s)	Call Redemption Amount(s)
[Call- Rückzahlungstag(e) einfügen]	[Call- Rückzahlungsbetrag/ beträge einfügen]	[insert Call Redemption Date(s)]	[insert Call Redemption Amount(s)]

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

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

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

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

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

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

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

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

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

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

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

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

"**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß § 4(d) und § 11 innerhalb der

"**Transaction Trigger Notice**" means a notice to the Noteholders given in accordance with § 4(d) and § 11 within the Transaction Notice Period that the



Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

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

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

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

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

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

(d) *Kündigungserklärung.* Die Emittentin hat die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß § 4(b) oder § 4(c) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger

Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Issuer has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Redemption Date.

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

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

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

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

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

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

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

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

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

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

gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu erklären. Die Kündigung ist unwiderruflich, und in ihr wird bestimmt:

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

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

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

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

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

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

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

60 days which notice shall be irrevocable and shall specify:

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

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

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

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

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

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

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

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

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

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

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

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

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

Put-Rückzahlungstag(e) [Put-Rückzahlungstag(e) einfügen]	Put-Rückzahlungsbetrag [Put-Rückzahlungsbetrag/ beträge einfügen]	Put Redemption Date(s) [insert Put Redemption Date(s)]	Put Redemption Amount(s) [insert Put Redemption Amount(s)]
	Dem Anleihegläubiger steht das Recht, die vorzeitige Rückzahlung zu verlangen, nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor gemäß § 4 verlangt hat.		The Noteholder may not exercise the option for early redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its right to redeem such Note in accordance with § 4.
(ii)	Um dieses Recht auszuüben, hat der Anleihegläubiger nicht weniger als 30 und nicht mehr als 60 Tage vor dem Put-Rückzahlungstag, an dem die betreffenden Schuldverschreibungen gemäß der Ausübungserklärung (wie nachstehend definiert) zurückgezahlt werden sollen, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Erklärung zur vorzeitigen Rückzahlung (" <b>Ausübungserklärung</b> "), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Recht ausgeübt wird und (ii) die Wertpapierkennungen dieser Schuldverschreibungen (soweit vergeben). Die Rückzahlung der Schuldverschreibungen, für welche das Recht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder an deren Order. Die Ausübung des Rechts kann nicht widerrufen werden.	(ii)	In order to exercise the option, the Noteholder must, not less than 30 nor more than 60 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice (" <b>Put Notice</b> ") in the form available from the specified office of the Fiscal Agent. The Put Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification numbers of such Notes, if any. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order. No option so exercised may be revoked or withdrawn.
(f)	<i>Erwerb.</i>  Die Emittentin oder jede ihrer Tochtergesellschaften können jederzeit vorbehaltlich zwingender gesetzlicher Regelungen Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.	(f)	<i>Purchase.</i>  The Issuer or any of its subsidiaries may at any time and subject to mandatory provisions of law purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
(g)	<i>Kontrollwechsel.</i>  Tritt (i) ein Kontrollwechsel ein und (ii) kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings und (iii) gibt die Rating Agentur, die für die Absenkung des Ratings verantwortlich ist, öffentlich bekannt oder bestätigt der Emittentin schriftlich, dass die Absenkung des Ratings, insgesamt oder teilweise, auf Grund des Kontrollwechsels erfolgte (zusammen, ein " <b>Rückzahlungseignis</b> "), hat jeder Anleihegläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittelteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 4 (b) [oder (c)] angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag zuzüglich	(g)	<i>Change of Control.</i>  If there (i) occurs a Change of Control and (ii) within the Change of Control Period a Rating Downgrade occurs and (iii) the Rating Agency responsible for the Rating Downgrade announces publicly or confirms in writing to the Issuer that such Rating Downgrade resulted, in whole or in part, from the occurrence of the Change of Control (together called a " <b>Put Event</b> "), each Noteholder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 4(b) [or (c)]) to require the Issuer to redeem that Note on the Optional Redemption Date at its principal amount together with interest accrued to but excluding the Optional Redemption Date.

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

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

der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zu verlangen.

Für Zwecke dieses Wahlrechts:

Bedeutet "**Rating Agentur**" jede Ratingagentur von Moody's Investors Services ("**Moody's**") oder eine ihrer Nachfolgesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

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

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) (i) mehr als 50 % des ausstehenden Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die mehr als 50 % der Stimmrechte entfallen;

Ist der "**Kontrollwechselzeitraum**" der Zeitraum, der 120 Tage nach dem Eintritt eines Kontrollwechsels endet; und

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

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

Zur Ausübung dieses Wahlrechts muss der Anleihegläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen, nachdem die Rückzahlungsmittteilung

For the purposes of such option:

"**Rating Agency**" means the rating agencies of Moody's Investors Services ("**Moody's**") or any of its successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period any rating previously assigned to the Issuer or the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (Ba1 by Moody's, or its equivalent for the time being, or worse) or (iii) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower of equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control);

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50 per cent. of the issued ordinary share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights;

"**Change of Control Period**" means the period ending 120 days after the occurrence of the Change of Control; and

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

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

In order to exercise such option, the Noteholder must submit during normal business hours at the specified office of the Fiscal Agent a duly completed option exercise notice ("**Exercise Notice**") in the form available from the specified

veröffentlicht ist, eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Emissionsstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Emissionsstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

## § 5 Zahlungen

- (a) *Zahlungen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 1(c).
- (b) *Zahlungsweise.* Sämtliche auf die Schuldverschreibungen zu leistende Zahlungen werden in der Festgelegten Währung geleistet. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Emissionsstelle oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 6 ist die Emittentin nicht verpflichtet, zusätzliche Beträge als Ausgleich für irgendwelche Steuern oder Abgaben gleich welcher Art, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden, an die Anleihegläubiger zu zahlen.
- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.
- (d) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann wird der Fälligkeitstag auf den nächstfolgenden Zahltag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Fälligkeitstag auf den unmittelbar vorausgehenden Zahltag vorgezogen.

Für diese Zwecke bezeichnet "**Zahltag**" jeden Geschäftstag.

## § 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die von dem Staat, in dem die Emittentin steuerlich ansässig ist oder einer seiner Gebietskörperschaften oder zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die

office of the Fiscal Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

## § 5 Payments

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

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

## § 6 Taxation

All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any other agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay

Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

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

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

## § 7 Vorlegung, Verjährung

- (a) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für fällige Schuldverschreibungen wird auf zehn Jahre verkürzt.
- (b) *Verjährungsfrist.* Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

## § 8 Kündigungsgründe für die Anleihegläubiger

such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

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

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

## § 7 Presentation, Prescription

- (a) *Presentation.* The period for presentation of Notes due, as established in § 801(1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.
- (b) *Prescription.* The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

## § 8 Events of Default

- (a) Bei Eintritt und Fortdauer eines der nachstehenden Ereignisse kann ein Anleihegläubiger seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin, die bei der Emittentin oder bei der Emissionsstelle abzugeben ist, kündigen, woraufhin seine Schuldverschreibungen sofort zu ihrer festgelegten Stückelung zuzüglich aufgelaufener Zinsen, ohne weitere Handlungen oder Formalitäten fällig werden:
- (i) *Nichtzahlung.* Die Emittentin zahlt Zinsbeträge in Bezug auf die Schuldverschreibungen nicht innerhalb von 30 Geschäftstagen nach Fälligkeit; oder
- (ii) *Nichterfüllung sonstiger wesentlicher Verpflichtungen.* Die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner sonstigen wesentlichen Verpflichtung aus den Schuldverschreibungen, und die Unterlassung dauert länger als 30 Tage fort, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
- (iii) *Cross Acceleration.* Eine (nicht im Rahmen der Schuldverschreibungen bestehende) Kapitalmarktverbindlichkeit der Emittentin wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligkeitstellung oder auf andere Weise) mit der Maßgabe, dass der Gesamtbetrag der Kapitalmarktverbindlichkeiten mindestens EUR 100.000.000 (oder den Gegenwert in einer anderen Währung) beträgt; oder
- (iv) *Insolvenz etc.*
- (A) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen ein, oder
- (B) ein Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin; oder
- (C) die Emittentin geht in die Liquidation oder wird abgewickelt oder aufgelöst (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).
- (b) *Quorum.* In den Fällen von § 8(a)(i) bis (iv) wird eine Kündigung erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von
- (a) If any of the events below occurs and is continuing than any Note may, by written notice addressed to the Issuer and delivered to the Issuer or, alternatively, the Fiscal Agent, be declared due and payable, whereupon such Note will become immediately due and payable at their Specified Denomination together with accrued interest without further action or formality:
- (i) *Non-payment.* Failure by the Issuer to pay any amount of interest in respect of the Notes within 30 business days of the due date for payment of that amount; or
- (ii) *Non-fulfilment of other material obligations.* The Issuer fails to duly perform any other material obligation arising under the Notes and any such failure continues for more than 30 days after the Fiscal Agent has received notice thereof from a Noteholder; or
- (iii) *Cross Acceleration.* Any Capital Market Indebtedness of the Issuer (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), provided that the aggregate amount of Capital Market Indebtedness amounts to at least EUR 100,000,000 (or its equivalent in other currencies); or
- (iv) *Insolvency etc.*
- (A) the Issuer announces its inability to meet its financial obligations (*Zahlungsunfähigkeit*) or suspends payments; or
- (B) a court opens insolvency proceedings against the Issuer; or
- (C) the Issuer enters into a winding up or dissolution and liquidation (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).
- (b) *Quorum.* In the events specified in § 8(a)(i) to (iv), any notice declaring Notes due shall become effective only when the Fiscal Agent

Anleihegläubigern von Schuldverschreibungen im Nennbetrag von mindestens 25 % der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirkung einer solchen Kündigung entfällt, wenn die Anleihegläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, es müssen aber in jedem Fall mehr Anleihegläubiger zustimmen als gekündigt haben.

**§ 9 Emissionsstelle, Zahlstelle(n) und Berechnungsstelle**

- (a) *Bestellung; bezeichnete Geschäftsstelle.* Die Emissionsstelle, die Zahlstelle und die Berechnungsstelle sind nachstehend mit den benannten anfänglichen Geschäftsstellen aufgeführt:

"Emissionsstelle" und "Zahlstelle":

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland.

"Berechnungsstelle":

[**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland].

- (b) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der vorgenannten Zahlstelle, die "Zahlstellen" und jede eine "Zahlstelle") zu benennen.

Die Emittentin behält sich ferner das Recht vor, die Ernennung der Emissionsstelle, der Zahlstellen und der Berechnungsstelle jederzeit anders zu regeln oder zu beenden.

Die Emittentin wird sicherstellen, dass jederzeit (i) eine Emissionsstelle und eine Berechnungsstelle, (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Die Emissionsstelle, etwaige Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle im selben Land zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf die Emissionsstelle, etwaige Zahlstellen und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 11.

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

Die Emissionsstellen, die Zahlstelle(n) und die Berechnungsstelle können den Rat eines oder

has received such notices from the Noteholders of at least 25 per cent. in principal amount of Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Noteholders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, provided, however, that in each case there must be more Noteholders consenting to such resolution than Noteholders having terminated the Notes.

**§ 9 Fiscal Agent, Paying Agent(s) and Calculation Agent**

- (a) *Appointment, specified office.* The Fiscal Agent, the Paying Agent and the Calculation Agent and their respective initial specified offices are as follows:

"Fiscal Agent" and "Paying Agent":

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Federal Republic of Germany.

"Calculation Agent":

[**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Federal Republic of Germany].

- (b) *Variation or termination of appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Paying Agent specified above, the "Paying Agents" and each a "Paying Agent").

The Issuer further reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent and the Calculation Agent.

The Issuer will at all times maintain (i) a Fiscal Agent and a Calculation Agent (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent, any Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same country. Notice of all changes in the identities or specified offices of the Fiscal Agent, any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Noteholders in accordance with § 11.

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

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent may engage the advice or



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

**§ 10 Schuldnerersetzung**

(a) Ersetzung.

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird ("Verbundene Unternehmen", wie in § 15 AktG definiert), als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;
- (ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;
- (iii) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der festgelegten Währung an das Clearingsystem oder die Emissionsstelle zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;
- (iv) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;
- (v) die Neue Emittentin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen,

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

**§ 10 Substitution**

(a) Substitution.

The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer ("Affiliated Companies", as defined in Section 15 German Stock Corporation Act –*Aktengesetz*), as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process *vis-à-vis* the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (iii) the New Issuer is in the position to pay to the Clearing System or to the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (iv) the Issuer unconditionally and irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;
- (v) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such

die einem Anleihegläubiger bezüglich der Ersetzung auferlegt werden; und

- (vi) der Emissionsstelle ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt werden, welche bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i) bis (v) erfüllt wurden.

(b) *Bezughnahmen.*

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

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

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

**§ 11 Bekanntmachungen**

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

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

**Im Fall von Schuldverschreibungen, die nicht auf Veranlassung der**

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

Noteholder in respect of such substitution; and

- (vi) there shall have been delivered to the Fiscal Agent an opinion of lawyers of recognised standing to the effect that subparagraphs (i) to (v) above have been satisfied.

(b) *References.*

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

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

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

**§ 11 Notices**

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

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

**In the case of Notes which are not listed at the initiative of the Issuer,**

- (a) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been validly

Emittentin an einer Börse notiert sind, ist folgendes anwendbar:

der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

given on the fifth day after the day on which the said notice was given to the Clearing System.

the following applies:

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

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

## § 12 Begebung weiterer Schuldverschreibungen

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

## § 12 Further Issues

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

## § 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand

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

## § 13 Applicable Law, Place of Performance and Jurisdiction

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

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

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

- (c) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank

- (c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the

bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Emissionsstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Emissionsstelle bestätigten Ablichtung der Globalurkunde.

**§ 14 Änderung der Anleihebedingungen; Gemeinsamer Vertreter**

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

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

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

- (c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 14(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird.

- (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die

Clearing System as well as to the Fiscal Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System account holder as well as (b) a copy of the Global Bond certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

**§ 14 Amendments to the Terms and Conditions; Joint Representative**

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

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

- (b) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.

- (c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 14(c)(ii), in either case convened by the Issuer or a joint representative, if any.

- (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.

Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

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

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

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

Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

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

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

#### § 15 Sprache

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

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

the SchVG apply with regard to the recall and the other rights and obligations of the joint representative.

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

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

#### § 15 Language

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

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

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

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

## FORM OF FINAL TERMS

In case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>1</sup>**

**[MIFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien und professionelle Kunden, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"), umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen.]<sup>2</sup>**

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>3</sup>**

**[UK MIFIR PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien im Sinne des FCA-Handbuchs Conduct of Business Sourcebook ("COBS") und professionelle Kunden im Sinne der Verordnung (EU) Nr. 600/2014, wie sie aufgrund des European Union (Withdrawal) Act 2018 ("UK MiFIR") Teil des nationalen Rechts ist, umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches dem FCA-Handbuch Product Intervention and Product Governance Sourcebook (die "UK MiFIR Product Governance Rules") unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im**

<sup>1</sup> Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only".

<sup>2</sup> Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien".

<sup>3</sup> Include legend in case UK MiFIR target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only". The legend may not be necessary if the Dealers in relation to the Notes are also not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or both are included.

*Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen.]<sup>4</sup>*

**[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER<sup>5</sup> [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR<sup>6</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, and] portfolio management[, and] non-advised sales [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]<sup>7</sup>]<sup>8</sup>**

**[MIFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT KLEINANLEGER, PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN - Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen geeignete Gegenparteien, professionelle Kunden und Kleinanleger, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"), umfasst; ENTWEDER<sup>9</sup> [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind[, einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen]] ODER<sup>10</sup> [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an professionelle Investoren und geeignete Gegenparteien angemessen sind; und (iii) die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind - Anlageberatung[, und] Portfolio-Management[, und] Verkäufe ohne Beratung] [und reine Ausführungsdienstleistungen][, nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]] [Bitte jegliche negativen Zielmärkte berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle[ nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]<sup>11</sup>, zu bestimmen.]<sup>12</sup>**

**[UK MIFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail**

<sup>4</sup> *Legende einsetzen, wenn UK MiFIR Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien". Die Legende ist möglicherweise nicht erforderlich, wenn die Händler in Bezug auf die Schuldverschreibungen ebenfalls nicht der UK MiFIR unterliegen und es daher keine UK MiFIR-Konzepture gibt. Je nach Standort der Konzepture, kann es Situationen geben, in denen entweder die MiFID II Product Governance Legende oder die UK MiFIR Product Governance Legende oder beide enthalten sind.*

<sup>5</sup> *Include for Notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "ESMA Guidelines").*

<sup>6</sup> *Include for Notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.*

<sup>7</sup> *If there are advised sales, a determination of suitability will be necessary.*

<sup>8</sup> *Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market".*

<sup>9</sup> *Einfügen für Schuldverschreibungen, die nicht nach den Leitlinien zu komplexen Schuldtiteln und strukturierten Einlagen (ESMA/2015/1787) (die "ESMA Leitlinien") ESMA komplex sind.*

<sup>10</sup> *Einfügen im Fall von Schuldverschreibungen, die nach den ESMA Leitlinien ESMA komplex sind. Diese Liste muss gegebenenfalls angepasst werden, z.B. wenn Anlageberatung für erforderlich gehalten wird. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit und Angemessenheit notwendig. Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nach Article 25(3) MiFID II nicht zulässig. Im Fall von Beratungsverkäufen ist eine Angemessenheitsprüfung erforderlich.*

<sup>11</sup> *Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger".*



clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); EITHER<sup>13</sup> [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>14</sup>] OR<sup>15</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, and] portfolio management[, and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]<sup>16</sup>.]<sup>17</sup>

*[UK MIFIR PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT KLEINANLEGER, PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN - Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen Kleinanleger im Sinne von Artikel 2 Punkt (8) der Verordnung (EU) Nr. 2017/565, wie sie aufgrund des European Union (Withdrawal) Act 2018 ("EUWA") Teil des nationalen Rechts ist, und geeignete Gegenparteien im Sinne des FCA-Handbuchs Conduct of Business Sourcebook ("COBS") und professionelle Kunden im Sinne der Verordnung (EU) Nr. 600/2014, wie sie aufgrund des European Union (Withdrawal) Act 2018 ("UK MiFIR") Teil des nationalen Rechts ist, umfasst; ENTWEDER<sup>18</sup> [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind[, einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen]<sup>19</sup>] ODER<sup>20</sup> [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an professionelle Investoren und geeignete Gegenparteien angemessen sind, und (iii) die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind - Anlageberatung[, und] Portfolio-Management[, und][ Verkäufe ohne Beratung] [und reine Ausführungsdienstleistungen][, nach Maßgabe der Pflichten des Vertriebsunternehmens unter dem COBS im Hinblick auf Geeignetheit bzw. Angemessenheit]] [Bitte jegliche negativen Zielmärkte berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches dem FCA-Handbuch Product Intervention and Product Governance Sourcebook (die "UK MiFIR Product Governance Rules") unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene*

<sup>13</sup> Include for Notes that are not ESMA complex (in the UK context, as reflected in COBS).

<sup>14</sup> This list may not be necessary, especially for Notes that are not ESMA complex (in the UK context, as reflected in COBS) where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

<sup>15</sup> Include for Notes that are ESMA complex (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness.

<sup>16</sup> If the Notes constitute "complex" products, pure execution services are not permitted to retail clients without the need to make the determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

<sup>17</sup> Include legend in case UK MiFIR target market assessment in respect of the Notes is "Retail Investor Target Market". The legend may not be necessary if the Dealers in relation to the Notes are also not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or both are included.

<sup>18</sup> Einfügen für Schuldverschreibungen, die nicht ESMA komplex sind (im britischen Kontext, wie im COBS reflektiert).

<sup>19</sup> Diese Liste ist möglicherweise nicht notwendig, insbesondere im Fall von Schuldverschreibungen, die nicht ESMA komplex sind (im britischen Kontext, wie im COBS reflektiert), wenn alle Vertriebskanäle angemessen sein können. Sie spiegelt die Liste wider, die in den Beispielen der ESMA-Leitlinien verwendet wird.

<sup>20</sup> Einfügen im Fall von Schuldverschreibungen, die ESMA komplex sind (im UK Kontext, wie im COBS reflektiert). Diese Liste muss gegebenenfalls angepasst werden, z.B. wenn Anlageberatung für erforderlich gehalten wird. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit notwendig. Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nicht zulässig.

*Vertriebskanäle[ nach Maßgabe der Pflichten des Vertriebsunternehmens unter dem COBS im Hinblick Geeignetheit bzw. Angemessenheit]<sup>21</sup>, zu bestimmen.]<sup>22</sup>*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>23</sup>**

*[VERBOT DES VERKAUFS AN KLEINANLEGER IM EUROPÄISCHEN WIRTSCHAFTSRAUM – Die Schuldverschreibungen sind nicht zum Angebot, zum Verkauf oder zur sonstigen Zurverfügungstellung an Kleinanleger im Europäischen Wirtschaftsraum ("EWR") bestimmt und sollten Kleinanlegern im EWR nicht angeboten, nicht an diese verkauft und diesen auch nicht in sonstiger Weise zur Verfügung gestellt werden. Für die Zwecke dieser Bestimmung bezeichnet der Begriff Kleinanleger eine Person, die eines (oder mehrere) der folgenden Kriterien erfüllt: (i) sie ist ein Kleinanleger im Sinne von Artikel 4 Abs. 1 Nr. 11 der Richtlinie 2014/65/EU (in ihrer jeweils gültigen Fassung, "MiFID II"); (ii) sie ist ein Kunde im Sinne der Richtlinie 2016/97/EU (in ihrer jeweils gültigen Fassung, die "Versicherungsvertriebsrichtlinie"), soweit dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 4 Abs. 1 Nr. 10 MiFID II gilt; oder (iii) sie ist kein qualifizierter Anleger im Sinne der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 (wie von Zeit zu Zeit ergänzt, die "Prospektverordnung"). Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014 (in ihrer jeweils gültigen oder ersetzten Fassung, die "PRIIPs-Verordnung") erforderliches Basisinformationsblatt für das Angebot oder den Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR erstellt; daher kann das Angebot oder der Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR nach der PRIIPs-Verordnung rechtswidrig sein.]<sup>24</sup>*

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>25</sup>**

<sup>21</sup> Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nicht zulässig. Im Fall von Beratungsverkäufen ist eine Geeignetheitsprüfung erforderlich.

<sup>22</sup> Legende einsetzen, wenn UK MiFIR Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger". Die Legende ist möglicherweise nicht erforderlich, wenn die Händler in Bezug auf die Schuldverschreibungen ebenfalls nicht der UK MiFIR unterliegen und es daher keine UK MiFIR-Konzepteure gibt. Je nach Standort der Konzeptureure kann es Situationen geben, in denen entweder die MiFID II Product Governance Legende oder die UK MiFIR Product Governance Legende oder beide enthalten sind.

<sup>23</sup> Include legend unless the Final Terms specify "Prohibition of Sales to Retail Investors in the European Economic Area" as "Not Applicable".

<sup>24</sup> Legende einfügen, sofern nicht die Endgültigen Bedingungen das "Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum" für "Nicht anwendbar" erklären.

<sup>25</sup> Include legend unless the Final Terms specify "Prohibition of Sales to Retail Investors in the United Kingdom" as "Not Applicable". The assumption is that if there are potentially sales in the European Economic Area it is likely that there will also potentially be sales in the United Kingdom and vice versa such that the United Kingdom Prohibition and European Economic Area Prohibition would both be included unless turned off.

*[VERBOT DES VERKAUFS AN KLEINANLEGER IM VEREINIGTEN KÖNIGREICH – Die Schuldverschreibungen sind nicht zum Angebot, zum Verkauf oder zur sonstigen Zurverfügungstellung an Kleinanleger im Vereinigten Königreich ("GB") bestimmt und sollten Kleinanlegern in GB nicht angeboten, nicht an diese verkauft und diesen auch nicht in sonstiger Weise zur Verfügung gestellt werden. Für die Zwecke dieser Bestimmung bezeichnet der Begriff Kleinanleger eine Person, die eines (oder mehrere) der folgenden Kriterien erfüllt: (i) ein Kleinanleger im Sinne von Artikel 2 Punkt (8) der Verordnung (EU) Nr. 2017/565, wie sie aufgrund des European Union (Withdrawal) Act 2018 ("EUWA") Teil des nationalen Rechts ist; oder (ii) ein Kunde im Sinne der Bestimmungen des Financial Services and Markets Act 2000 (der "FSMA") und jeglicher Vorschriften oder Verordnungen, die im Rahmen des FSMA zur Umsetzung der Richtlinie (EU) 2016/97 erlassen wurden, wenn dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 2 Absatz 1 Punkt (8) der Verordnung (EU) Nr. 600/2014, wie sie durch das EUWA Teil des nationalen Rechts ist, qualifiziert wäre; oder (iii) kein qualifizierter Anleger im Sinne von Artikel 2 der Prospektverordnung ist, wie sie aufgrund des EUWA Teil des nationalen Rechts ist. Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014, wie sie aufgrund des EUWA Teil des nationalen Rechts ist (die "UK PRIIPs-Verordnung"), erforderliches Basisinformationsblatt für das Angebot oder den Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger in GB erstellt; daher kann das Angebot oder der Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger in GB nach der UK PRIIPs-Verordnung rechtswidrig sein.]<sup>26</sup>*

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[In Verbindung mit Section 309B des Securities and Futures Act (Chapter 289) von Singapur (der "SFA") und den Securities and Futures (Capital Markets Products) Regulations 2018 von Singapur (die "CMP Regulations 2018"), hat die Emittentin festgestellt und benachrichtigt hiermit alle relevanten Personen (wie in Section 309A(1) des SFA definiert), dass es sich bei den Schuldverschreibungen um prescribed capital markets products (wie in den CMP Regulations 2018 definiert) und um Excluded Investment Products (wie in der MAS-Mitteilung SFA 04-N12: Notice on the Sale of Investment Products und der MAS Notice FAA-N16: Notice on Recommendation on Investment Products definiert) handelt.]*

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<sup>26</sup> Legende einfügen, sofern nicht die Endgültigen Bedingungen das "Verkaufsverbot an Kleinanleger im Vereinigten Königreich" für "Nicht anwendbar" erklären. Es wird davon ausgegangen, dass, wenn es potenziell Verkäufe im Europäischen Wirtschaftsraum gibt, es potenziell auch Verkäufe im Vereinigten Königreich gibt und umgekehrt, sodass sowohl das Verkaufsverbot im Vereinigten Königreich als auch das Verkaufsverbot im Europäischen Wirtschaftsraum einzufügen wären, sofern sie nicht unangewendet bleiben.

Dated [●]  
Datum [●]

**Final Terms**  
**Endgültige Bedingungen**

**COVESTRO AG**  
Legal Entity Identifier (LEI): 3912005AWHKLQ1CPLV11

[Offer][Issue] of  
[Angebot][Emission] von

[Aggregate Principal Amount of Tranche]  
[Gesamtnennbetrag der Tranche]

[Title of Notes]  
[Bezeichnung der Schuldverschreibungen]

[to be consolidated and form a single series with the [insert original tranche(s)] issued on [date(s)]  
die mit der [ursprüngliche Tranche(n) einfügen], begeben am [Datum/Daten] konsolidiert werden und eine einheitliche  
Serie bilden]

issued as  
begeben als

Series	[●]	Tranche	[●]
Serie		Tranche	

under the  
unter dem

**Euro 5,000,000,000**  
**DEBT ISSUANCE PROGRAMME**

of  
der

**COVESTRO AG**

Issue Date:	[●]	Issue Price:	[●] per cent.
Begebungstag:	[●]	Emissionspreis:	[●] %

### Important Notice

This document constitutes the final terms relating to the issue of Notes described herein (the "**Final Terms**"). These Final Terms have been prepared for the purposes of Article 8 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated March 12, 2021 [(, as supplemented by the supplement(s) to the base prospectus dated [●,])] (the "**Base Prospectus**") which constitute(s) a base prospectus for the purposes of the Prospectus Regulation. The Base Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

[A summary of the individual issue of Notes is annexed to these Final Terms.]<sup>27</sup>

[This document must be read in conjunction with the Base Prospectus, save in respect of the Terms and Conditions which are extracted from the terms and conditions contained in the base prospectus of the Issuer dated [March 12, 2020] [February, 26 2016], which have been incorporated by reference into this Base Prospectus.]<sup>28</sup>

### Wichtiger Hinweis

*Dieses Dokument stellt die endgültigen Bedingungen für die Emission der hierin beschriebenen Schuldverschreibungen dar (die "**Endgültigen Bedingungen**"). Diese Endgültigen Bedingungen wurden für die Zwecke des Artikel 8 der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 (in der jeweils geltenden Fassung, die "**Prospektverordnung**") abgefasst und sind nur mit dem Basisprospekt vom 12. März 2021 [(ergänzt durch [den][die] [Nachtrag][Nachträge] zum Basisprospekt vom [●])] (der "**Basisprospekt**"), der einen Basisprospekt im Sinne der Prospektverordnung darstellt, gemeinsam zu lesen. Der Basisprospekt sowie etwaige Nachträge können in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) eingesehen werden. Vollständige Informationen in Bezug auf die Emittentin und das Angebot sind nur in der Gesamtheit dieser Endgültigen Bedingungen und dem Basisprospekt enthalten.*

*[Eine Zusammenfassung für die einzelne Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen beigefügt.]<sup>29</sup>*

*[Dieses Dokument ist in Verbindung mit dem Basisprospekt zu lesen, mit Ausnahme der Anleihebedingungen, die den in dem Basisprospekt der Emittentin vom [12. März 2020] [26. Februar 2016] enthaltenen Anleihebedingungen entnommen wurden, und die per Verweis in den Basisprospekt einbezogen sind.]<sup>30</sup>*

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<sup>27</sup> Not applicable in the case of an issue of Notes with a minimum denomination of at least EUR 100,000 or EUR 100,000 equivalent of any other currency.

<sup>28</sup> Insert in the case of an issue of Notes which will be consolidated and form a single series with outstanding notes issued in the relevant year.

<sup>29</sup> *Nicht anwendbar im Fall einer Emission von Schuldverschreibungen mit einer Mindeststückelung in Höhe von mindestens EUR 100.000 oder dem entsprechenden Betrag einer anderen Währung.*

<sup>30</sup> *Im Falle einer Emission von Schuldverschreibungen einsetzen, die mit im relevanten Jahre begebenen Schuldverschreibungen konsolidiert werden und eine einheitliche Serie bilden.*

## PART I – CONTRACTUAL TERMS

- [A. **[In the case the options applicable to the relevant Series of Notes are to be determined by replicating the relevant provisions set forth in the Base Prospectus as Option I or Option II including certain further options contained therein, respectively, and completing the relevant placeholders, insert:]**

The Terms and Conditions applicable to the Notes (the "Conditions") [, and the English language translation thereof,] are as set out below.

[In the case of Notes with fixed interest rates replicate here the relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders.]

[In the case of Notes with floating interest rates replicate here the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders.]]

- [B. **[In the case the options applicable to the relevant Series of Notes are to be determined by referring to the relevant provisions set forth in the Base Prospectus as Option I or Option II including certain further options contained therein, respectively, insert:]**

This Part I of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to Notes with [fixed] [floating] interest rates set forth in the Base Prospectus as [Option I] [Option II] (the "Terms and Conditions"). Capitalised terms shall have the meanings specified in the Terms and Conditions.

All references in this Part I of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Footnotes denote directions for completing the Final Terms. The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the Terms and Conditions together with Part I of these Final Terms constitute the "Conditions").]

## TEIL I – VERTRAGLICHE REGELUNGEN

- [A. **[Falls die für die betreffende Serie von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Basisprospekt als Option I oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt und die betreffenden Leerstellen vervollständigt werden, einfügen:]**

*Die für die Schuldverschreibungen geltenden Anleihebedingungen (die "Bedingungen") [sowie deren englischsprachige Übersetzung] sind wie nachfolgend aufgeführt.*

*[Im Fall von Schuldverschreibungen mit fester Verzinsung hier die betreffenden Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]*

*[Im Fall von Schuldverschreibungen mit variabler Verzinsung hier die betreffenden Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]]*

- [B. **[Falls die für die betreffende Serie von Schuldverschreibungen geltenden Optionen durch Verweisung auf die betreffenden im Basisprospekt als Option I oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt werden, einfügen:]**

*Dieser Teil I der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Anleihebedingungen, der auf Schuldverschreibungen mit [fester] [variabler] Verzinsung Anwendung findet, zu lesen, der als [Option I] [Option II] im Basisprospekt enthalten ist (die "Anleihebedingungen"). Begriffe, die in den Anleihebedingungen definiert sind, haben dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

*Bezugnahmen in diesem Teil I der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Anleihebedingungen.*

*Anwendbare Bestimmung einfügen oder als "Nicht anwendbar" (N/A) kennzeichnen. Es ist zu beachten, dass die Reihenfolge der Nummerierung unverändert bleibt, auch wenn einzelne Abschnitte oder Unterabschnitte als "nicht anwendbar" gekennzeichnet sind. Fußnoten kennzeichnen Erläuterungen für die Bearbeitung der Endgültigen*

*Bedingungen. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Anleihebedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Anleihebedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Anleihebedingungen (die Anleihebedingungen zusammen mit diesem Teil I der Endgültigen Bedingungen sind die "**Bedingungen**") gestrichen.]*

**§ 1 Currency, Specified Denomination, Form**

**§ 1 Währung, Festgelegte Stückelung, Form**

Specified Currency: [●]  
*Festgelegte Währung:* [●]  
Aggregate Principal Amount: [●]<sup>31</sup>  
*Gesamtnennbetrag:* [●]<sup>32</sup>  
Specified Denomination: [●]<sup>33</sup>  
*Festgelegte Stückelung:* [●]<sup>34</sup>  
Clearing System(s)  
*Clearingsystem(e)*

- Clearstream, Frankfurt  
 Clearstream, Luxembourg / Euroclear

Global Note

*Globalurkunde*

- Classical Global Note or deposited with Clearstream Frankfurt

*Classical Global Note oder Verwahrung durch Clearstream Frankfurt*

- New Global Note

*New Global Note*

**§ 3 Interest**

**§ 3 Zinsen**

- Fixed Rate Notes (Option I)**

*Festverzinsliche Schuldverschreibungen (Option I)*

Rate of Interest: [●] per cent. *per annum*

*Zinssatz:* [●] % *per annum*

Interest Commencement Date: [●]

*Verzinsungsbeginn:* [●]

Interest Payment Date(s): [●]

*Zinszahlungstag(e):* [●]

First Interest Payment Date: [●]

*Erster Zinszahlungstag:* [●]

- Initial Broken Interest Amount per Specified Denomination: [●]

<sup>31</sup> Insert currency and amount of the Tranche.

<sup>32</sup> *Währung und Betrag der Tranche einfügen.*

<sup>33</sup> The minimum denomination of the Notes will be, if in euro, EUR 1,000, and, if in any currency other than euro, an amount in such other currency at least equivalent to EUR 1,000 at the time of the issue of Notes.

<sup>34</sup> *Die Mindeststückelung der Schuldverschreibungen beträgt in EUR 1.000 oder, soweit in einer anderen Währung als Euro begeben, den Betrag in dieser Währung, der zum Zeitpunkt der Ausgabe der Schuldverschreibungen mindestens EUR 1.000 entspricht.*



*Anfänglicher Bruchteilzinsbetrag je  
Festgelegter Stückelung:* [●]

Interest Payment Date preceding the Maturity  
Date: [●]

*Dem Endfälligkeitstag vorausgehender  
Zinszahlungstag:* [●]

Final Broken Interest Amount per Specified  
Denomination: [●]

*Abschließender Bruchteilzinsbetrag je  
Festgelegter Stückelung:* [●]

#### Day Count Fraction

##### *Zinstagequotient*

Actual/Actual (ICMA)  
Determination Date(s): [●]<sup>35</sup>

*Feststellungstermin(e):* [●]<sup>36</sup>

Actual/Actual – ISDA

Actual/365 (Fixed)

Actual/360

30/360 / 360/360 / Bond Basis

30E/360 / Eurobond Basis

#### **Floating Rate Notes (Option II)**

##### *Variabel verzinsliche Schuldverschreibungen (Option II)*

#### Interest Payment Dates

##### *Zinszahlungstage*

Interest Commencement Date: [●]

*Verzinsungsbeginn:* [●]

Specified Interest Payment Date(s): [●]

*Festgelegte Zinszahlungstag(e):* [●]

Specified Interest Period(s): [[specify number] [weeks / months]]

*Festgelegte Zinsperiode(n):* [[Zahl einfügen] [Wochen / Monate]]

#### Business Day Convention

##### *Geschäftstagekonvention*

Modified Following Business Day Convention  
(adjusted)

FRN Convention (adjusted)

Following Business Day Convention (adjusted)

<sup>35</sup> Only to be completed for an issue of Fixed Rate Notes where Day Count Fraction is Actual/Actual (ICMA). Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.

<sup>36</sup> Nur zu vervollständigen für Emissionen von festverzinslichen Schuldverschreibungen, deren Zinstagequotient Actual/Actual (ICMA) ist. Reguläre Zinszahlungstage mit Ausnahme des Begebungstags und des Fälligkeitstags im Falle von kurzen oder langen ersten oder letzten Zinsperioden einfügen.

Preceding Business Day Convention (adjusted)

Business Day

*Geschäftstag*

TARGET

Relevant financial centre(s): [●]

*Relevante(s) Finanzzentrum / zentren:* [●]

Rate of Interest

*Zinssatz*

Reference Rate

*Referenzsatz*

Period: [1 / 3 / 6 / 12]-month-EURIBOR

*Zeitraum:* [1 / 3 / 6 / 12]-Monats-EURIBOR

Interpolation: [first][last] Interest Period

*Interpolation:* [erste][letzte] Zinsperiode

Margin: [●] per cent.

*Marge:* [●] %

plus

*zuzüglich*

minus

*abzüglich*

Day Count Fraction

*Zinstagequotient*

Actual/Actual – ISDA

Actual/365 (Fixed)

Actual/360

30/360 / 360/360 / Bond Basis

30E/360 / Eurobond Basis

#### § 4 Redemption

#### § 4 Rückzahlung

Maturity Date: [●]

*Endfälligkeitstag:* [●]

Early redemption at the option of the Issuer at the Make-Whole [Yes][No]

Redemption Amount:<sup>37</sup>

*Vorzeitige Rückzahlung nach Wahl der Emittentin zum Make-Whole Rückzahlungsbetrag:*<sup>38</sup> [Ja][Nein]

*Whole Rückzahlungsbetrag:*<sup>38</sup>

Present Value: Benchmark Yield plus [●] %

*Abgezinsten Marktwert:* Benchmark Rendite zuzüglich [●] %

<sup>37</sup> Only applicable in the case of Fixed Rate Notes.

<sup>38</sup> Nur im Falle von festverzinslichen Schuldverschreibungen anwendbar.

Benchmark Yield:	[Euro denominated benchmark debt security of the Federal Republic of Germany] [other relevant benchmark] specifying the following details: ISIN or other securities code, as observed at around noon [(Frankfurt time)] [other relevant time] on such date on Bloomberg page [ISIN] Govt HP (using the setting "Last Yield to Convention" and using the pricing source ["FRNK"] [other source as relevant]), or as derived or published by such other source as determined by the Calculation Agent]
<i>Benchmark Rendite:</i>	<i>[Euro-Referenz-Anleihe der Bundesrepublik Deutschland] [andere Referenzanleihe] unter Angabe folgender Einzelheiten: ISIN oder andere Wertpapierkennung, wie gegen 12:00 Uhr mittags [(Frankfurter Zeit)] [andere relevante Zeitzone] an diesem Tag auf der Bloomberg Seite [ISIN] Govt HP (unter Nutzung der Einstellung "Last Yield to Convention" und der Preisquelle ["FRNK"] [andere relevante Preisquelle]) abgelesen, oder wie von einer anderen, durch die Berechnungsstelle festgelegten, Quelle hergeleitet oder veröffentlicht]</i>
Early Redemption at the option of the Issuer:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin:</i>	<i>[Ja][Nein]</i>
Call Redemption Date(s):	[•]
<i>Call-Rückzahlungstag(e):</i>	<i>[•]</i>
Call Redemption Amount(s):	[•]
<i>Call-Rückzahlungsbetrag / beträge:</i>	<i>[•]</i>
Early Redemption at the option of the Issuer during a call redemption period: <sup>39</sup>	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin während einer Call-Rückzahlungsperiode:<sup>40</sup></i>	<i>[Ja][Nein]</i>
Call Redemption Period(s):	[•]
<i>Call-Rückzahlungsperiode:</i>	<i>[•]</i>
Call Redemption Amount(s):	[•]
<i>Call-Rückzahlungsbetrag / beträge:</i>	<i>[•]</i>
Early Redemption at the option of the Issuer upon occurrence of a transaction related event:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin nach Eintritt eines transaktionsbezogenen Ereignisses:</i>	<i>[Ja][Nein]</i>
Transaction Trigger Redemption Amount:	[•]
<i>Transaktions-Rückzahlungsbetrag:</i>	<i>[•]</i>
Transaction Notice Period:	[Not applicable] [•] to [•]
<i>Transaktionskündigungsfrist:</i>	<i>[Nicht anwendbar] [•] bis [•]</i>
Transaction:	[Insert description of transaction]

<sup>39</sup> Only applicable in the case of Fixed Rate Notes.

<sup>40</sup> Nur im Falle von festverzinslichen Schuldverschreibungen anwendbar.

<i>Transaktion:</i>	<i>[Beschreibung der Transaktion einfügen]</i>
Early redemption at the option of the Issuer for minimal outstanding principal amount:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin wegen eines geringen ausstehenden Nennbetrags:</i>	<i>[Ja][Nein]</i>
Early Redemption at the option of the Noteholder:	[Yes][No]
<i>Vorzeitige Rückzahlung nach Wahl der Anleihegläubiger:</i>	<i>[Ja][Nein]</i>
Put Redemption Date(s):	[•]
<i>Put-Rückzahlungstag(e):</i>	<i>[•]</i>
Put Redemption Amount(s):	[•]
<i>Put-Rückzahlungsbetrag / beträge:</i>	<i>[•]</i>
Early Redemption as a result of a Change of Control:	[Yes][No]
<i>Vorzeitige Rückzahlung im Falle eines Kontrollwechsels:</i>	<i>[Ja][Nein]</i>

**§ 5 Payments**

**§ 5 Zahlungen**

Financial centre(s) relating to Payment Business Dates: [Not applicable][•]<sup>41</sup>

*Finanzzentrum (-zentren) in Bezug auf Zahltag(e):* *[Nicht anwendbar][•]*<sup>42</sup>

**§ 9 Fiscal Agent and Paying Agent [, Calculation Agent]**

**§ 9 Emissionsstelle und Zahlstelle [, Berechnungsstelle]**

Calculation Agent: [insert name and address]

*Berechnungsstelle:* *[Angabe von Name und Adresse]*

**§ 15 Language<sup>43</sup>**

**§ 15 Sprache<sup>44</sup>**

German and English, German binding

*Deutsch und Englisch, Deutsch bindend*

English only

*Nur Englisch*

<sup>41</sup> Only to be completed for an issue of Fixed Rate Notes and only if the Specified Currency is not Euro.

<sup>42</sup> *Nur zu vervollständigen für Emissionen von festverzinslichen Schuldverschreibungen, bei der die Festgelegte Währung nicht Euro ist.*

<sup>43</sup> To be determined in consultation with the Issuer.

<sup>44</sup> *In Abstimmung mit der Emittentin festzulegen.*

**PART II – OTHER INFORMATION<sup>45</sup>**  
**TEIL II – ANDERE INFORMATIONEN<sup>46</sup>**

**Listing and admission to trading**

***Börsennotierung und Zulassung zum Handel***

- Regulated market of the Luxembourg Stock Exchange

*Regulierter Markt der Luxemburger Börse*

- Other market: [give details]

*Anderer Markt:* [Angabe von Einzelheiten]

Date of admission: [insert date]

*Datum der Zulassung:* [Angabe des Datums]

Estimate of the total expenses related to admission to trading:<sup>47</sup> [give details]

*Geschätzte Gesamtkosten für die Zulassung zum Handel:*<sup>48</sup> [Angabe von Einzelheiten]

All regulated markets or third country markets, SME Growth Market or MTFs on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading:<sup>49</sup> [give details]

*Angabe aller geregelten Märkte, Drittlandsmärkte, KMU-Wachstumsmärkte oder MTFs, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind:*<sup>50</sup> [Angabe von Einzelheiten]

Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:<sup>51</sup> [not applicable][give details]

*Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung:*<sup>52</sup> [nicht anwendbar][Angabe von Einzelheiten]

- Not admitted to trading

*Nicht zum Handel zugelassen*

<sup>45</sup> There is no obligation to complete Part II of the Final Terms in the case of Notes with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency, provided that such Notes will not be admitted to trading on any regulated market within the European Economic Area. To be completed in consultation with the Issuer.

<sup>46</sup> *Es besteht keine Verpflichtung, Teil II der Endgültigen Bedingungen bei Schuldverschreibungen mit einer Festgelegten Stückelung von mindesten EUR 100.000 oder dem Gegenwert in einer anderen Währung auszufüllen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zum Handel zugelassen werden. In Absprache mit der Emittentin auszufüllen.*

<sup>47</sup> Only required for Notes with a Specified Denomination of at least EUR 100,000.

<sup>48</sup> *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von mindestens EUR 100.000.*

<sup>49</sup> Only required for Notes with a Specified Denomination of less than EUR 100,000.

<sup>50</sup> *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000.*

<sup>51</sup> Only required for Notes with a Specified Denomination of less than EUR 100,000.

<sup>52</sup> *Nur erforderlich bei Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000.*

## Rating of the Notes

### Rating der Schuldverschreibungen

- The Notes to be issued have been rated as follows<sup>53</sup>

Die Schuldverschreibungen wurden wie folgt geratet<sup>54</sup>

- |  |     |
|--|-----|
| <input type="checkbox"/> Moody's:                | [•] |
| <input type="checkbox"/> S&P:                    | [•] |
| <input type="checkbox"/> Fitch:                  | [•] |
| <input type="checkbox"/> [Other] <sup>55</sup> : | [•] |

- The Notes have not been rated.

*Die Schuldverschreibungen wurden nicht geratet.*

## Interests of natural and legal persons involved in the issue/offer

### Interessen von natürlichen oder juristischen Personen, die bei der Emission/dem Angebot beteiligt sind

- [So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

*[Soweit es der Emittentin bekannt ist, hat keine Person, die bei dem Angebot der Schuldverschreibungen beteiligt ist, Interessen, die für das Angebot von wesentlicher Bedeutung sind.]*

- Other interest (specify): [specify details]

*Andere Interessen (angeben): [Einzelheiten einfügen]*

## Reasons for the offer and Net Proceeds

### Gründe für das Angebot und Nettoerlöse

Use of proceeds / reasons for the offer:<sup>56</sup> [specify details]

*Verwendung der Emissionserlöse / Gründe für das Angebot:<sup>57</sup> [Einzelheiten einfügen]*

Estimated net proceeds:<sup>58</sup> [•]

*Geschätzter Nettobetrag des Emissionserlöses:<sup>59</sup> [•]*

Estimated total expenses of the issue:<sup>60</sup> [•]

*Geschätzte Gesamtkosten der Emission:<sup>61</sup> [•]*

## Yield and Historic Interest Rates

### Rendite und Zinssätze der Vergangenheit

Yield:<sup>62</sup> [•]

<sup>53</sup> Include brief explanation of the meaning of the rating if this has previously been published by the rating provider.

<sup>54</sup> *Kurze Erläuterung der Bedeutung des Ratings aufnehmen, sofern zuvor von der Ratingagentur veröffentlicht.*

<sup>55</sup> Indicate whether the rating agency is established in the European Community and is registered under the CRA Regulation. *Angabe, ob die Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß der CRA-Verordnung registriert ist.*

<sup>56</sup> See paragraph "Use of Proceeds" in the Base Prospectus. If reasons for the offer are different from general financing purposes of Covestro include those reasons here.

<sup>57</sup> *Siehe Abschnitt "Use of Proceeds" im Basisprospekt. Sofern die Gründe für das Angebot nicht in allgemeinen Finanzierungszwecken von Covestro bestehen, sind die Gründe hier anzugeben.*

<sup>58</sup> If proceeds are intended for more than one principal use will need to split up and present in order of priority. Not to be split up in the case of Notes with a Specified Denomination of at least EUR 100,000.

<sup>59</sup> *Sofern der Emissionserlös für verschiedene wichtige Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen. Nicht aufzuschlüsseln bei Schuldverschreibungen mit einer festgelegte Stückelung von mindestens EUR 100.000.*

<sup>60</sup> Only required for Notes with a Specified Denomination of less than EUR 100,000. If proceeds are intended for more than one principal use, the total expenses will need to split up accordingly and present according to the priority of the use.

<sup>61</sup> *Nur erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000. Sofern der Emissionserlös für verschiedene wichtige Verwendungszwecke bestimmt sind, sind die Gesamtkosten entsprechend aufzuschlüsseln und entsprechend der Priorität der Verwendungszwecke darzustellen.*

<sup>62</sup> Not required in the case of Floating Rate Notes.

Rendite:<sup>63</sup> [●]

Details of historic EURIBOR rates and the future performance as well as their volatility can be obtained (not free of charge) by electronic means from:<sup>64</sup> [Reuters EURIBOR01] [●]

*Einzelheiten zu vergangenen EURIBOR Sätzen und Informationen über künftige Weiterentwicklungen sowie ihre Volatilität können (nicht kostenfrei) auf elektronischem Weg abgerufen werden unter:*<sup>65</sup> [Reuters EURIBOR01] [●]

## Placing and Underwriting

### Platzierung und Übernahme

Prohibition of Sales to Retail Investors in the European Economic Area:<sup>66</sup> [Applicable][Not applicable]

*Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum:*<sup>67</sup> [Anwendbar][Nicht anwendbar]

Prohibition of Sales to Retail Investors in the United Kingdom:<sup>68</sup> [Applicable][Not applicable]

*Verkaufsverbot an Kleinanleger im Vereinigten Königreich:*<sup>69</sup> [Anwendbar][Nicht anwendbar]

Stabilisation Manager(s): [None][give name]

*Stabilisation Manager(s):* [Keiner][Angabe des Namens]

Method of Placement<sup>70</sup>

*Art der Platzierung*<sup>71</sup>

Syndicated

*Syndiziert*

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place: [give details]

*Name und Anschrift des Koordinators/der Koordinatoren des gesamten Angebots sowie einzelner Angebotsteile und - sofern der Emittentin oder dem Anbieter bekannt – Name und Anschrift derjenigen, die das Angebot in den verschiedenen Ländern platzieren:* [Angabe von Einzelheiten]

<sup>63</sup> Nicht erforderlich im Fall von variabel verzinsten Schuldverschreibungen.

<sup>64</sup> Only required in the case of Floating Rate Notes with a Specified Denomination of less than EUR 100,000.

<sup>65</sup> Nur erforderlich im Fall von variabel verzinsten Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000.

<sup>66</sup> If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document ("KID") will be prepared in the European Economic Area, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

<sup>67</sup> Sind die Schuldverschreibungen eindeutig keine "verpackten" Produkte oder die Schuldverschreibungen sind "verpackte" Produkte und es wird ein Basisinformationsblatt ("KID") im Europäischen Wirtschaftsraum erstellt, so sollte "Nicht anwendbar" ausgewählt werden. Wenn die Schuldverschreibungen "verpackte" Produkte darstellen und kein KID vorbereitet wird, ist "Anwendbar" auszuwählen.

<sup>68</sup> If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the United Kingdom, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

<sup>69</sup> Sind die Schuldverschreibungen eindeutig keine "verpackten" Produkte oder die Schuldverschreibungen sind "verpackte" Produkte und es wird ein KID im Vereinigten Königreich erstellt, so sollte "Nicht anwendbar" ausgewählt werden. Wenn die Schuldverschreibungen "verpackte" Produkte darstellen und kein KID vorbereitet wird, ist "Anwendbar" auszuwählen.

<sup>70</sup> Not required in the case of an issue of Notes with a Specified Denomination of at least EUR 100,000.

<sup>71</sup> Nicht erforderlich im Fall einer Emission von Schuldverschreibungen mit einer Festgelegten Stückelung in Höhe von mindestens EUR 100.000.

If syndicated, names and addresses and underwriting commitments of Lead Manager(s) and Manager(s): [give details]<sup>72</sup>

*Falls syndiziert: Namen und Adressen und Übernahmeverpflichtungen des oder der Lead Manager(s) und der Manager:* [Angabe von Einzelheiten]<sup>73</sup>

Date of Subscription Agreement: [insert date]

*Datum des Übernahmevertrags:* [Datum angeben]

Non-syndicated

*Nicht syndiziert*

If non-syndicated, name and address of Dealer: [give name]

*Falls nicht syndiziert, Name und Adresse des Dealers:* [Angabe des Namens]

The various categories of potential investors to which the Notes are offered: [give details]

*Angabe der verschiedenen Kategorien der potentiellen Investoren, dem die Schuldverschreibungen angeboten werden:* [Angabe von Einzelheiten]

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate such tranche: [not applicable][give details]

*Erfolgt das Angebot gleichzeitig auf den Märkten zwei oder mehrerer Länder und wurde/ wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche:* [nicht anwendbar][Angabe von Einzelheiten]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [not applicable][give details]

*Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist:* [nicht anwendbar][Angabe von Einzelheiten]

Dealer's commission:<sup>74</sup> [•]

*Provision der Dealer:*<sup>75</sup> [•]

## Security Codes and Eurosystem eligibility

### *Wertpapierkennung and EZB-Fähigkeit*

ISIN: [•]

Common Code: [•]

<sup>72</sup> Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.

<sup>73</sup> *Namen und Adressen der Institute einfügen, die bereit sind, eine Emission auf fester Zusagebasis zu übernehmen und Einzelheiten über Institute, die bereit sind ohne feste Zusage oder gemäß Vereinbarungen "zu den bestmöglichen Bedingungen" zu platzieren, falls diese nicht mit den Managern identisch sind.*

<sup>74</sup> Including discretionary fee, if any (insert up to amount). Not required in the case of an issue of Notes with a Specified Denomination of at least EUR 100,000.

<sup>75</sup> *Gegebenenfalls einschließlich sog. 'discretionary fee' (bis zu Betrag angeben). Nicht erforderlich im Fall einer Emission von Schuldverschreibungen mit einer Festgelegten Stückelung in Höhe von mindestens EUR 100.000.*



WKN:	[•]
[CFI:]	[•]
[FISN:]	[•]
[Any other security number:]	[•]
<i>[Sonstige Wertpapierkennung:]</i>	<i>[•]</i>
New Global Note:	[Yes] [No]
<i>New Global Note:</i>	<i>[Ja] [Nein]</i>
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] [Not applicable in the case of a Classical Global Note]
<i>Soll in EZB-fähiger Weise gehalten werden:</i>	<i>[Ja] [Nein] [Nicht anwendbar im Fall einer Classical Global Note]</i>

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]<sup>76</sup>

*[Es wird darauf hingewiesen, dass "Ja" hier lediglich bedeutet, dass die Wertpapiere nach ihrer Begebung bei einem der ICSDs als gemeinsamen Verwahrer verwahrt werden und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystems entweder nach Begebung oder zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]<sup>77</sup>*

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]<sup>78</sup>

*[Während die Bestimmung am Tag dieser Endgültigen Bedingungen mit "Nein" festgelegt wurde, können sich die Eurosystemfähigkeitskriterien für die Zukunft derart ändern, dass die Schuldverschreibungen fähig sein werden diese einzuhalten. Die Schuldverschreibungen können dann bei einer der ICSDs als gemeinsamer Verwahrer hinterlegt (und*

<sup>76</sup> Include explanation in the case of an NGN deposited with one of the ICSDs.

<sup>77</sup> Erläuterung einfügen im Fall einer durch einen der ICSDs verwahrten NGN.

<sup>78</sup> Include explanation in the case of an NGN not deposited with one of the ICSDs.

auf den Namen eines Nominees von einem der ICSDs als gemeinsamer Verwahrer eingetragen) werden. Es ist zu beachten, dass die Schuldverschreibungen selbst dann nicht notwendigerweise als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystems zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.<sup>79</sup>

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Clearstream Banking AG, Frankfurt am Main and that this does not necessarily mean that the Notes will be recognised as eligible collateral by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]<sup>80</sup>

[Es wird darauf hingewiesen, dass "Ja" hier lediglich bedeutet, dass die Schuldverschreibungen nach ihrer Begebung von Clearstream Banking AG, Frankfurt am Main verwahrt werden und dass die Schuldverschreibungen bei ihrer Begebung, zu irgendeinem Zeitpunkt während ihrer Laufzeit oder während ihrer gesamten Laufzeit nicht notwendigerweise als EZB-fähige Sicherheiten anerkannt werden. Eine solche Anerkennung hängt davon ab, ob die Zulässigkeitskriterien des Eurosystems erfüllt sind.]<sup>81</sup>

## Terms and Conditions of the Offer to the Public<sup>82</sup>

### Bedingungen des öffentlichen Angebots<sup>83</sup>

Issue Price at which the Notes will be offered: <sup>84</sup>	[insert percentage rate] per cent.
<i>Emissionspreis, zu dem die Schuldverschreibungen voraussichtlich angeboten werden:</i> <sup>85</sup>	[Prozentsatz einfügen] %
Conditions to which the offer is subject:	[give details]
<i>Bedingungen, denen das Angebot unterliegt:</i>	[Angabe von Einzelheiten]
Total amount of the offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:	[give details]
<i>Gesamtsumme des Angebots, wenn die Summe nicht feststeht, Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum:</i>	[Angabe von Einzelheiten]
Time period, including any possible amendments, during which the offer will be open and description of the application process:	[give details]

<sup>79</sup> Erläuterung einfügen im Fall einer nicht durch einen der ICSDs verwahrten NGN.

<sup>80</sup> Include explanation in the case of Notes deposited with Clearstream, Frankfurt.

<sup>81</sup> Erläuterung einfügen im Fall einer Verwahrung der Schuldverschreibungen durch Clearstream, Frankfurt.

<sup>82</sup> Complete with respect to a public offer of Notes with a Specified Denomination of less than EUR 100,000.

<sup>83</sup> Bei öffentlichem Angebot von Schuldverschreibungen mit einer Festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

<sup>84</sup> Include those expenses contained in the price, to the extent that they are known.

<sup>85</sup> Aufnahme der im Preis enthaltenen Kosten, soweit bekannt.

<i>Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt und Beschreibung des Antragsverfahrens:</i>	[Angabe von Einzelheiten]
Description of possible reduction of subscriptions and manner of refunding excess amount paid by applicants:	[give details]
<i>Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Rückerstattung des zuviel gezahlten Betrages an die Zeichner:</i>	[Angabe von Einzelheiten]
Details of the minimum and/or maximum amount of application:	[give details]
<i>Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung:</i>	[Angabe von Einzelheiten]
Method and time limits for paying up and delivering the Notes:	[give details]
<i>Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung</i>	[Angabe von Einzelheiten]
Manner and date on which results of the offer are to be made public:	[give details]
<i>Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind:</i>	[Angabe von Einzelheiten]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[give details]
<i>Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Übertragbarkeit der Zeichnungsrechte und die Behandlung von nicht ausgeübten Zeichnungsrechten:</i>	[Angabe von Einzelheiten]
Amount of expenses and taxes charged to the subscriber/purchaser:	[not applicable][give details]
<i>Kosten/Steuern, die dem Zeichner/Käufer in Rechnung gestellt werden:</i>	[nicht anwendbar][Angabe von Einzelheiten]
<b>Public Offer and information to be provided regarding the consent by the Issuer:</b>	[not applicable]
<b><i>Öffentliches Angebot und zur Verfügung zu stellende Informationen über die Zustimmung der Emittentin:</i></b>	[nicht anwendbar]
Final placement of the Notes in the following jurisdictions:	[Luxembourg] [,] [and] [Germany] [,] [and] [Austria] [,] [and] [The Netherlands]
<i>Endgültige Platzierung der Schuldverschreibungen in den folgenden Jurisdiktionen:</i>	[Luxemburg] [,] [und] [Deutschland] [,] [und] [,] [Österreich] [und] [die Niederlande]
Offer period during which subsequent resale or final placement of the Notes by Dealers and/or further financial intermediaries can be made:	[Not applicable] [Specify offer period]
<i>Angebotsfrist, während derer die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch die Platzeure oder weitere Finanzintermediäre erfolgen kann:</i>	[Nicht anwendbar] [Einzelheiten zur Angebotsfrist einfügen]

**[Listing application**

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the Euro 5,000,000,000 Debt Issuance Programme of Covestro AG on the Luxembourg Stock Exchange.]

**[Antrag auf Börsennotierung**

*Diese Endgültigen Bedingungen enthalten die Details, die erforderlich sind, um die hierin beschriebenen Schuldverschreibungen des Euro 5.000.000.000 Debt Issuance Programme der Covestro AG an der Luxemburger Wertpapierbörse zu notieren.]*

**Authorisation**

The issue of this Series of Notes was authorised by a resolution of the management board of Covestro AG passed on [●].

**Genehmigung**

*Die Emission dieser Serie von Schuldverschreibungen wurde durch einen Beschluss des Vorstandes der Covestro AG vom [●] genehmigt.*

**[Third Party Information**

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof. The following sources were used [●].]

**[Informationen von Seiten Dritter**

*Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt, dass diese Informationen zutreffend wiedergegeben worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte – keine Fakten weggelassen wurden, deren Fehlen die reproduzierten Informationen unzutreffend oder irreführend gestalten würden; (ii) die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit. Folgende Quellen wurden verwendet [●].]*

Signed on behalf of

Covestro AG

By: \_\_\_\_\_  
Duly authorised

## DESCRIPTION OF THE ISSUER AND THE GROUP

### Group

Covestro AG, together with its subsidiaries, joint ventures and associated entities, forms the Group. Covestro AG is the ultimate parent of the Group.

### Name, Registered Seat (*Sitz*) and Purpose (*Unternehmensgegenstand*) of Covestro AG

Covestro AG is a stock corporation (*Aktiengesellschaft*) organized under German law. Covestro AG was established on August 20, 2015 and was registered with the Commercial Register of the local court of Cologne (*Amtsgericht Köln*), Germany, under docket number 85281 on August 24, 2015 under the legal name "Covestro AG". Covestro AG is the holding company of the Group, which operates under the commercial name "Covestro" and previously operated under the commercial name "Bayer MaterialScience".

Covestro AG's registered office and business address is Covestro AG, Kaiser-Wilhelm-Allee 60, 51373 Leverkusen, Germany (Tel: +49 214 6009 2000). The website of the Issuer is [www.covestro.com](http://www.covestro.com). The information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

Pursuant to section 2 of the articles of association of Covestro AG dated October 13, 2020, the corporate purpose of Covestro AG is manufacturing, marketing and other industrial activities and the provision of services in the area of polymers and chemicals. Covestro AG is authorized to undertake all business which is related to, or directly or indirectly serves, the object of the company. Covestro AG may establish, acquire and take participating interests in other companies, in particular those whose objects fully or partially cover the above-mentioned field. Covestro AG may bring companies, in which it holds participating interests, under its uniform control or confine itself to the administration thereof. Covestro AG may transfer their operations in full or in part to newly established or existing subsidiaries or affiliates.

The legal entity identifier (LEI) of Covestro AG is: 3912005AWHKLQ1CPLV11.

### Fiscal Year

Covestro AG's fiscal year is the calendar year.

### Term and Dissolution

Covestro AG has been founded for an unlimited term and may be dissolved upon a resolution of the general meeting requiring a majority of at least three quarters of the share capital represented during the resolution. The assets of Covestro AG remaining after servicing all liabilities are distributed among the shareholders *pro rata* to their shareholding in Covestro AG pursuant to the provisions of the German Stock Corporation Act (*Aktiengesetz*).

### Shareholder Structure

Covestro AG's share capital as of the date of this Base Prospectus amounts to EUR 193,200,000 divided into 193,200,000 ordinary registered shares with no par value (*Stückaktien*). The share capital of Covestro AG is fully paid up.

The current share capital has been impacted by a capital increase that Covestro successfully completed on October 13, 2020. 10,200,000 no-par value bearer shares were placed through partial utilization of its authorized capital. The gross proceeds amounted to EUR 447 million before commission.

On the basis of the notifications received by Covestro AG as of the date of this Base Prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) and pursuant to information provided by the respective shareholders, the following shareholders directly or indirectly hold more than 3 per cent. of Covestro AG's ordinary shares. The percentage values shown in the table below are based on the amount of voting rights last notified to Covestro AG with regard to the stated reference date by the respective shareholder pursuant to Sections 33 et seqq. WpHG (without taking into account voting rights attached to financial instruments) in relation to Covestro AG's share capital as of the date of this Base Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to Covestro AG without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

## Actual (direct or indirect) ownership of Covestro AG

<u>Shareholder</u>	<u>Share of voting rights</u>
Allianz Global Investors GmbH	5,853,973 voting rights (3.03%)
BlackRock, Inc.	11,979,455 voting rights (6.20%)
Norges Bank	9,547,037 voting rights (4.94%)
T. Rowe Price Group, Inc.	5,908,162 voting rights (3.06%)
<b>Total</b>	<b>33,288,627 voting rights (17.23%)</b>

### Statutory auditors

The independent auditor of Covestro AG for the fiscal year ended December 31, 2020 and 2019, was KPMG AG Wirtschaftsprüfungsgesellschaft, Tersteegenstraße 19-23, 40474 Düsseldorf, Germany ("**KPMG**"). KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

KPMG was selected by the Annual General Meeting of the Issuer on July 30, 2020 as auditor for the fiscal year 2020 on recommendation of the supervisory board of the Issuer, following a selection procedure performed in line with Article 16 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

### Ratings

Moody's Deutschland GmbH ("**Moody's**") has assigned a "Baa2"<sup>86</sup> rating (outlook negative) to Covestro AG.

Notes to be issued under the Programme may be rated or unrated. Where an issue of Notes is rated, a security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any negative change in the credit rating of Covestro AG could adversely affect the trading price of the Notes. Investors should consider each rating individually and obtain additional and more detailed understanding of the significance of the respective credit rating information provided by the respective rating agency.

The Credit rating included or referred to in this Base Prospectus has been issued by Moody's, which is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

### History

Prior to its separation (the "**Separation**"), the Group was part of the German multinational chemical and pharmaceutical company Bayer (the "**Bayer Group**") as a subgroup.

In the process of Separation, the entire MaterialScience business of the Bayer Group was concentrated underneath Covestro Deutschland AG (formerly Bayer MaterialScience Aktiengesellschaft) through several share and asset transactions. The separation of the MaterialScience business is governed by a master agreement (the "**Master Agreement**") between Bayer AG and Covestro Deutschland AG, in which the parties agreed on a number of overarching rules and principles. Pursuant to the principles outlined in the Master Agreement, Covestro Deutschland AG has assumed certain responsibility inter alia for: (i) environmental contamination arising in connection with properties owned by it or its subsidiaries or transferred to it or its subsidiaries as part of the formation of the MaterialScience business or transferred to it or its subsidiaries in the course of the carve-out and reorganization, (ii) warranty and product liability claims of third parties arising out of or in connection with defective products which were put on the market prior to August 31, 2015 and (iii) liabilities resulting from violations of law.

With effect as of September 1, 2015, Bayer AG contributed all shares in Covestro Deutschland AG to the unrestricted capital reserves (*ungebundene Kapitalrücklage*) of Covestro AG. From the date of this contribution the Group operated under the name "Covestro" independently from the Bayer Group.

On September 4, 2015, Bayer announced to proceed with an Initial Public Offering of Covestro AG. Beginning from September 21, 2015 shares in Covestro AG were offered to the public in Germany and Luxembourg and to institutional and

<sup>86</sup> Moody's defines "Baa2" as follows: "Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category". Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

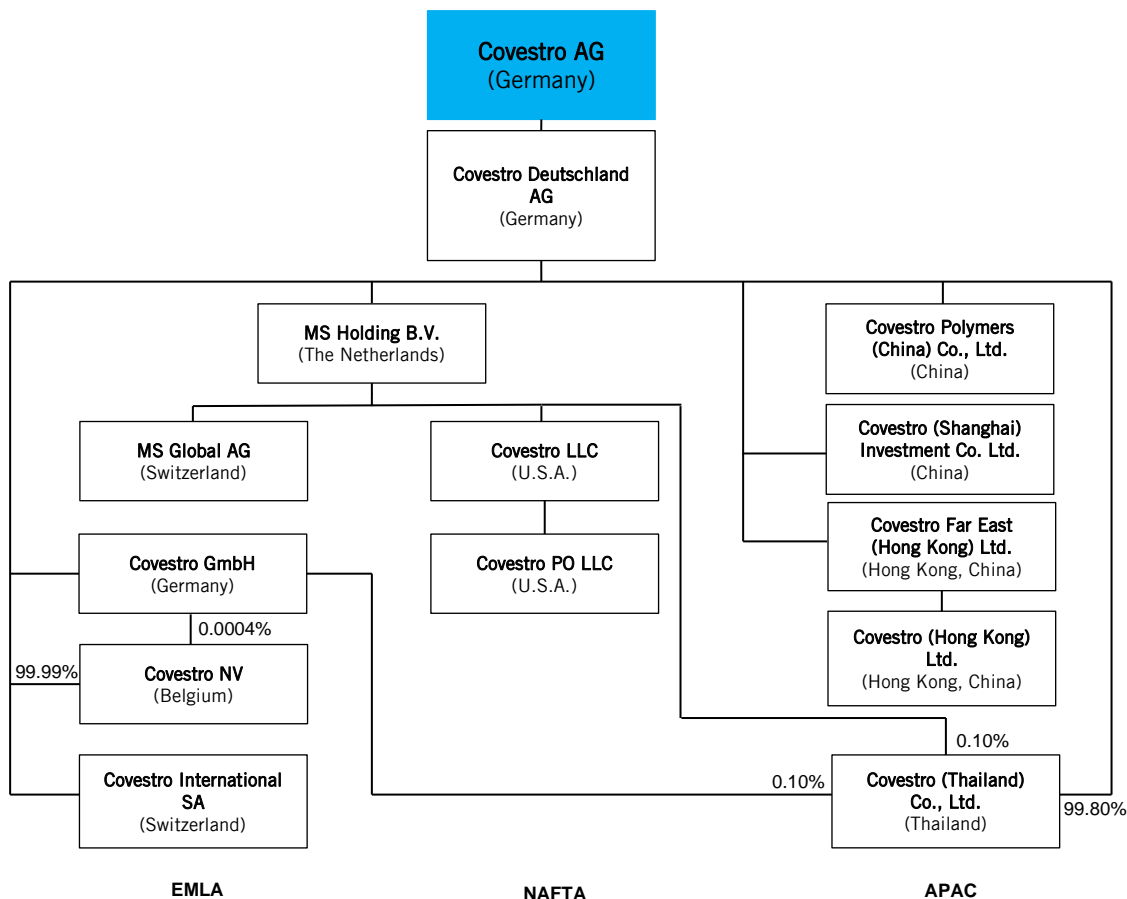
qualified investors in certain other jurisdictions including the United States. The offer concluded on October 2, 2015, the offer price was fixed at EUR 24.00 per share. The gross proceeds from the offering amounted to EUR 1.5 billion.

On October 6, 2015, Covestro AG was listed and traded for the first time on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

### Group Structure

Covestro AG is the parent company of the Group. Covestro AG's business is not conducted by Covestro AG itself but almost entirely by the relevant operating subsidiaries. As of December 31, 2020, the Group includes Covestro AG and 47 consolidated companies worldwide, of which 9 are German companies.

The following chart provides an overview of selected subsidiaries of Covestro AG at the date of the Base Prospectus:



Covestro AG is the stock exchange listed parent company of the Group. Covestro AG and Covestro Deutschland AG have entered into a domination and profit and loss transfer agreement (*Beherrschungs- und Ergebnisabführungsvertrag*) effective as of September 1, 2015. There also are certain profit and loss transfer agreements (*Ergebnisabführungsverträge*) between certain other companies of the Group.

The main operating companies of the Group are Covestro Deutschland AG in Germany, Covestro Polymers (China) Company Limited in China and Covestro LLC in the U.S.A.

Covestro GmbH is a subsidiary of Covestro Deutschland AG and the Group's legal entity for sales services in Germany. Under the internal functional description as Supply Chain Centre (SCC), the company is also responsible for the regional outbound supply chain operations of the business units in EMLA.

Covestro NV in Belgium is a manufacturing company and additionally serves as hub for support- and sales functions. Covestro International SA in Switzerland is responsible for sales of the entire Group's product portfolio in Eastern Europe, the Middle East and Africa, as well as for certain products of the business unit Polyurethanes to certain customers in Western Europe. MS

Holding B.V., The Netherlands, serves as a holding for foreign and domestic affiliated companies as well as hosting of the Dutch sales support activities.

Covestro (Hong Kong) Limited in Hong Kong, China, is engaged in the selling and distribution of the Group's products in the Asia Pacific Region. Covestro Far East (Hong Kong) Limited in Hong Kong, China, is an investment holding company of Covestro (Hong Kong) Limited. Covestro Polymers (China) Co., Limited in China is the main manufacturing company of the Group in China. Covestro (Shanghai) Investment Company Limited is the regional headquarter of Covestro in China. One of its key roles is the responsibility for domestic sales in China.

Covestro LLC in the U.S.A. is the main operating company in the Group in the U.S.A. Covestro PO LLC (formerly Bayer PO LLC) in the U.S.A. is the operational entity for the Group's propylene oxide joint venture with Lyondell Chemical Company in the U.S.A.

## **Business Overview**

Based on its internal market analysis, the Group considers itself one of the world's leading providers of high-tech material solutions. Its activities comprise the production and supply of raw materials for polyurethanes, polycarbonate resins, and raw materials for coatings, adhesives and sealants, as well as selected chemical intermediates. The Group's product portfolio also includes niche products such as thermoplastic polyurethanes ("TPU"), polycarbonate- and TPU-based films, hot cast elastomers and other products tailored to textile, cosmetic and medical applications. The Group has a strong track record of process and product innovation as well as close customer relationships that underpin its tradition of developing market-driven solutions. The products manufactured by the Group are processed by customers to create products used in various end markets, including, in particular, automotive/transport, construction, wood/furniture, electrical/electronics, sports/leisure, cosmetics, health and chemicals.

The Group benefits from a well-invested asset base with what it believes is leading process technology and a total nameplate production capacity of 5,000 kt of core products in its Polyurethanes and Polycarbonates business units, including eight world-scale production sites across Europe, the United States and Asia. The Group's selectively backward integrated production process is aimed at sourcing critical raw materials such as chlorine, propylene oxide and other feedstock internally or through joint ventures, thereby reducing its dependency on external sourcing.

The Group's business combines the benefits of standardized products and customized high-value solutions, which aim to meet the needs of customers as they confront fundamental macro trends such as climate change, increasing mobility, population growth and increasing urbanization. The Group believes that it is well-positioned to capture industry growth driven by such trends due to its competitive advantages. According to the internal market analysis of the Group, the industry is expected to grow due to favourable demand trends over the next five years.

The Group's business is divided into three business units, which are also the Group's three reportable segments:

- The Group's Polyurethanes business unit produces a variety of grades of Methylene diphenyl diisocyanate ("MDI"), Toluene Diisocyanate ("TDI") and polyether polyols mainly for rigid and flexible foams. Rigid foams are primarily used for building insulation, cold-chain insulation and for automotive parts, while flexible foams are primarily used for furniture, mattresses and car seats. The business unit also produces other products such as styrene, Toluene Diamine ("TDA") and raw materials for Elastomer-specialities.
- The Group's Polycarbonates business unit produces polycarbonate resins and compounded resins. Polycarbonates have unique properties that facilitate their use in a wide range of applications in the electrical/electronics, automotive, construction, consumer appliance, medical, packaging and optical media end markets.
- The Coatings, Adhesives and Specialties business unit produces mainly aliphatic isocyanates and their derivatives, aromatic isocyanate derivatives, polyurethane dispersions and other specialties. The business unit produces approximately 2,700 products for a wide range of end markets, including automotive, construction, wood/furniture, packaging and footwear/textiles/clothing and electronics.

All other business activities by the Group that cannot be allocated to one of the three reportable segments are recorded under "All other segments", which mainly includes external net sales of chlorine and certain by-products that are created during the production of chlorine and processing of chlorine during the isocyanate production, in particular caustic soda and hydrochloric acid.

The Group is engaged in continuous programs of research and development of new products and production processes, improvement and refinement of existing products and processes, and development of new applications for existing products, often conducted in close collaboration with customers.



The Group has a regional sales and marketing structure with supply chain centres and local operations supported by an e-commerce platform and regional or local distributors. The Group's sales for each business unit are organized in three regions - EMLA, APAC and NAFTA. In each of these regions, the Group's customers include global, regional and local operating businesses, many of whom are long-term customers of the Group.

In the Fiscal Year 2020, the Group had external net sales of EUR 10,706 million and EBITDA of EUR 1,472 million. The Group defines "**EBITDA**" as EBIT plus amortization and impairment losses on intangible assets, and depreciation and impairment losses in property, plant and equipment, less impairment loss reversals. "**EBIT**" is defined as income after income taxes plus financial result and income tax expense.

The Group is headquartered in Leverkusen, Germany. The Group had 16,501 full-time equivalents on December 31, 2020.

In 2020, Covestro launched the "LEAP" global transformation program. This program is intended to realign structures, processes, and control mechanisms in order to position the Group to the best extent possible. To implement this, Covestro aims to restructure its organization, workflows, and responsibilities. Covestro's plans include structuring its business into standard products on the one hand and specialty products on the other. Furthermore, the program aims to bundle certain areas of competence across the Group with the primary objective of improving the business, especially with a view to sustainability and the circular economy. The measures under the transformation program are scheduled to start in mid-2021 and be completed by the end of the year 2023.

### Selected Consolidated Financial Information

The following selected historical financial information for the Group is based on the audited consolidated financial statements of Covestro AG as of and for the financial year ended December 31, 2020 and December 31, 2019.

#### Consolidated Income Statement

Financial year ended December 31,	2020	2019
<i>(amounts in EUR million; earnings per share in EUR)</i>	<i>(audited)</i>	
Sales	10,706	12,412
Gross profit	2,499	2,754
EBIT <sup>(1)</sup>	696	852
Financial result	(91)	(91)
Income before income taxes	605	761
Income after income taxes	454	557
<i>Basic earnings per share</i>	<i>2.48<sup>(2)</sup></i>	<i>3.02<sup>(3)</sup></i>
<i>Diluted earnings per share</i>	<i>2.48<sup>(2)</sup></i>	<i>3.02<sup>(3)</sup></i>

(1) EBIT: Income after income taxes plus financial result and income tax expense.

(2) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 184,912,207.

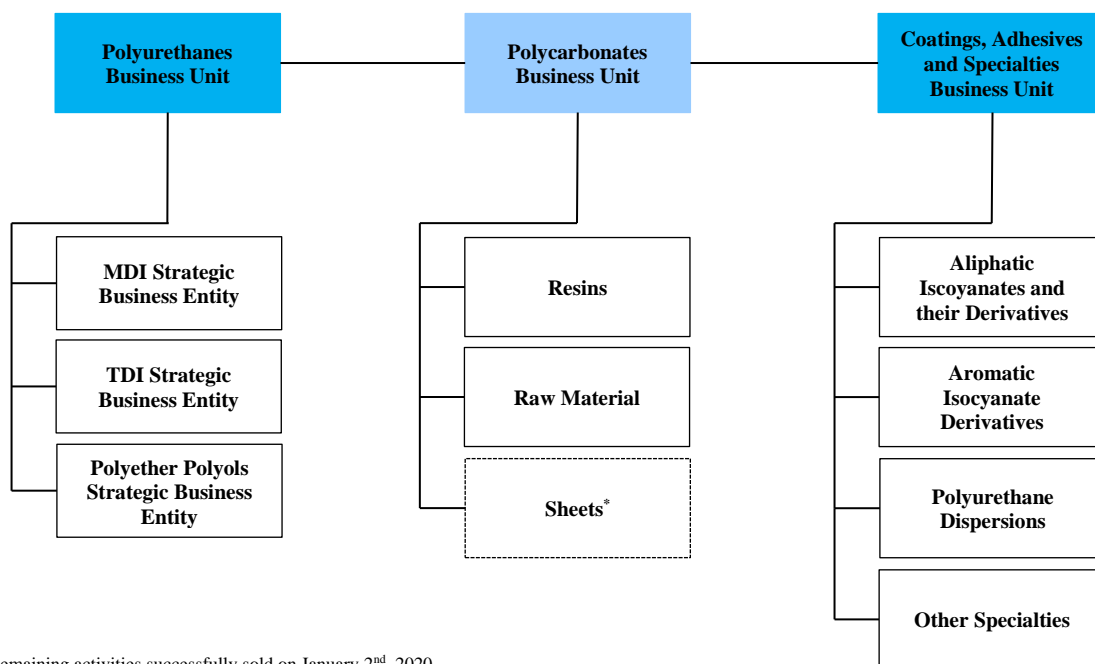
(3) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 182,728,724.

#### Consolidated Statement of Financial Position

	As of December 31, 2020	As of December 31, 2019
<i>(amounts in EUR million)</i>	<i>(audited)</i>	
Noncurrent assets	6,734	6,791
Current assets	6,190	4,727
<b>Total assets</b>	<b>12,924</b>	<b>11,518</b>
Equity	5,644	5,254
Equity attributable to Covestro AG stockholders	5,607	5,207
Noncurrent liabilities	4,916	4,129
Current liabilities	2,364	2,135
<b>Total equity and liabilities</b>	<b>12,924</b>	<b>11,518</b>

#### Business Units and Centrally Organized Sales

The Group conducts its operations through its three business units: Polyurethanes, Polycarbonates, and Coatings, Adhesives and Specialties. The following diagram provides a simplified overview of the Group's operations.



In addition, the Group centrally coordinates the sale of certain by-products created by the Group's operations as raw materials to customers. Such third-party sales primarily consist of sales of chemical intermediates such as chlorine, caustic soda and hydrochloric acid.

#### ***Polyurethanes Business Unit***

The Polyurethanes business unit focuses on the development, production and marketing of polyurethane raw materials, either on a stand-alone basis or as a formulation of an isocyanate and a polyether polyol, i.e. a system. The raw materials and systems ultimately enable customers to produce rigid and flexible polyurethanes. In the Fiscal Year 2020, the Polyurethanes business unit had external net sales of EUR 5,021 million, accounted for 46.90% of total Group net sales and had EBITDA of EUR 625 million. The Polyurethanes business unit is organized into the three strategic business entities MDI, TDI and polyether polyols.

According to the Group's internal market analysis, the business unit is the leading global producer of polyurethane raw materials, the third largest global producer of MDI, the largest global producer of TDI and the second largest global producer of polyether polyols. The business unit's product portfolio includes various grades of MDI, TDI and polyether polyols, which are the key raw materials for the production of polyurethanes. The polyurethanes based on the business unit's raw materials are widely used in a broad range of end markets, including furniture, construction, automotive, appliances, chemicals and others such as footwear for a wide range of applications within those end markets. The business unit's operations are supported by state-of-the-art isocyanate and polyol production technologies, the scale of several of its plants, and its selected backward integration into various key raw materials needed for production.

The business unit operates a global production platform comprising production facilities across Europe, the United States and Asia. The business unit uses a global network of four innovation centres to support customers and drive the development of new products.

#### ***Polycarbonates Business Unit***

The Polycarbonates business unit's focus is on the development, production and marketing of polycarbonates, which are an engineering thermoplastic and are easily worked, molded and thermoformed. The business unit's polycarbonate resins and compounded resins are suitable for standard and high value applications where the Group's ability to provide comprehensive technical service is key. The business unit also produces and sells bisphenol-A, a key raw material to produce polycarbonates. The business unit is also active in application technology development with customers in connection with polycarbonates processing. In the Fiscal Year 2020, the business unit had external net sales of EUR 2,985 million, accounted for 27.88% of total Group net sales and had EBITDA of EUR 553 million.

According to the Group's internal market analysis, the Group's Polycarbonates business unit is the leading global supplier of polycarbonates. Because of their unique properties, polycarbonates are used in a wide range of applications, including those in end markets such as automotive, consumer, appliance, medical packaging, construction, electronics, and optical media.

The Polycarbonates business unit is headquartered in Shanghai, China, and operates a well-invested global network of five world-scale production facilities, thus benefiting from economies of scale and scope. The business unit also operates seven compounding centres, where it produces compounded resins. It also uses a global network of technology centres to develop bespoke polycarbonate formulations for customers.

The Group has successfully closed the sale of its European polycarbonates sheets business effective January 2, 2020. With the sale of its European polycarbonates sheets business, the Group is pursuing its ongoing portfolio optimisation. The divestment follows transactions that were already concluded in North America and India, as well as the conversion of the Guangzhou (China) site into production of speciality films. Thus, the Group has completely sold its polycarbonates sheets business.

#### ***Coatings, Adhesives and Specialties Business Unit***

According to the Group's internal market analysis, the Coatings, Adhesives and Specialties business unit is a global leading supplier of high performance raw materials to the industrial coatings, adhesives, sealants and other specialties industry segments. As a niche specialty material provider, the business unit has strong focus on technology and innovation, which is as a key element to produce highly-value-added products that provide superior performance relative to other, more standard, chemistries. The business unit believes it is the technology leader with respect to the production of isocyanate derivatives for coatings, adhesives and sealants. The business unit produces more than 2,700 products that are primarily based on six monomers, used in various end markets. The business unit's product portfolio includes aliphatic isocyanates and their derivatives, aromatic isocyanate derivatives, and polyurethane dispersions. In addition, the business unit's product portfolio includes a wide range of TPU- and polycarbonate-based specialty films, hot cast elastomers, thermoplastic elastomer resins, products tailored to specialty textile, cosmetic and medical applications, and other products. In the Fiscal Year 2020, the business unit had external net sales of EUR 2,039 million, accounted for 19.05% of total Group net sales and had EBITDA of EUR 341 million.

According to the Group's internal market analysis, the business unit is the leading worldwide producer of aliphatic isocyanate derivatives and polyurethane dispersions. The Group believes that it is a leading supplier for TPU- and polycarbonate-films as well as the number two producer of polyurethane elastomer systems. For its thermoplastic elastomer resin products, the Group considers itself as one of the global top five producers. The business unit's customers are primarily formulators in the industrial coatings, adhesives and sealants industry segment who use the business unit's isocyanate derivatives to cater to the automotive, construction, wood/furniture, packaging and footwear/textiles/clothing end markets. The products of the business unit are critical to the performance of the end products in which they are used, yet form a small proportion of the overall volume and hence cost of the final product.

The Coatings, Adhesives and Specialties business unit operates a global asset base with three world-scale monomer production facilities that are complemented by regional isocyanate derivative production facilities, and additional production facilities for resins, elastomers, specialty films and TPU across EMLA, APAC and NAFTA. The production facilities are capable of providing reliable supply to customers in all regions while fulfilling required quality standards. The production facilities are complemented by eleven technical centres. These laboratories offer technical support and are an important element in facilitating close, long-term relationships with customers.

#### ***Centrally Organized Sales***

To the extent they are not consumed internally, the Group centrally coordinates the sale of by-products created by the Group's operations as raw materials to customers. Such third-party sales primarily consist of sales of chemical intermediates such as hydrochloric acid, caustic soda and chlorine, which amounted to external net sales of EUR 661 million or 6.17% of total net sales of the Group in the Fiscal Year 2020, which are reported under "All other segments". According to the Group's internal market analysis, the Group was one of the largest global producers of chlorine in 2020. Customers typically purchase the Group's chemical intermediates as precursors to their higher-value chemicals, such as plastics, polyurethanes, textile fibers, resins, paints, surfactants, colorants, coatings, pharmaceuticals and agricultural products.

The Group looks forward and backward along its production value chains to find potential efficiencies by examining every input and output of the Group's production operations. The Group uses by-products to a maximum extent as raw material for other internal processes. The majority of by-products created by the Group's operations are consumed internally. The Group believes, that it is one of the most cost-effective producers of hydrochloric acid, caustic soda and chlorine, due to its use of oxygen-depolarized cathode and membrane electrolysis technologies.

The Group is also responsible for licensing and selling oxygen-depolarized cathodes, licensing certain technologies such as the IMPACT technology and leasing certain real estate holdings to third parties.

## **Internal functions**

### ***Sales and Marketing***

The Group has a regional sales and marketing structure in which each business unit independently manages its sales and marketing activities in a similar fashion with respect to the products it manufactures. Each business unit sells its products through its own sales force as well as through distributors. The sale and marketing of certain chemical intermediates is managed centrally by the Group, while others are managed by the relevant business unit.

Allocating the sales and marketing activities to each business unit facilitates a high level of customer proximity and allows for sophisticated marketing strategies. The Group regularly reviews and tailors its marketing activities on the basis of customer satisfaction surveys and spontaneous customer feedback. In order to facilitate its customers' operations and use of the Group's products, the Group also provides technical application support and technical service laboratories.

The Group regularly evaluates the complaints received from customers. Through dialogue with internal and external stakeholders, corrective and preventive measures are taken by the Group where necessary to further increase quality and customer satisfaction, while lowering production error rates and ultimately the incidence of complaints.

### ***Procurement***

The Group relies on the procurement of a wide range of raw materials, technical goods, energy and services in order to produce its products. Procurement and management of operative road transportation and finished goods warehousing services, including transportation network optimization, are handled by the Group's Supply Chain Centres ("SCCs"). The SCCs are responsible for the regional outbound supply chain operations of the business units. They are located in Leverkusen, Germany, covering EMEA plus Latin America through a local hub in Sao Paulo, Brazil, in Hong Kong, China, as well as hubs in several major countries across Asia with responsibility for operations in APAC, and in Pittsburgh, Pennsylvania, United States, for NAFTA with a local hub in Mexico City, Mexico.

The Group looks forward and backward along its production value chain to find potential efficiencies by examining every input and output of the Group's production processes. The Group uses by-products of chemical reactions, which might otherwise have to be sold or disposed of, to the maximum extent as raw materials for other production operations. Certain production facilities of the respective business unit are linked by pipeline, by rail or by waterway to the production facilities of other business units to enable the by-product of one production process to act as a reactant in another production process.

The Group centrally manages and bundles worldwide procurement processes in order to leverage synergies within the Group and to ensure the selection of appropriate suppliers on a global basis, while individual procurement decisions are formed at a local level. The Group's procurement teams act as intermediaries between suppliers and the business units. To support natural currency hedging and to realize logistical advantages, the Group pursues a balanced local and regional sourcing strategy and maximizes regional or worldwide demand where appropriate to generate economies of scale.

The Group has a key supply relationship with Currenta GmbH & Co. OHG ("**Currenta**") that operates the chemical parks in Leverkusen, Dormagen, and Krefeld-Uerdingen in Germany in which the Group has production facilities and other business operations. Currenta provides various services to the Group's operations located at the chemical parks, including utilities such as electricity, water, heat, and wastewater removal.

## **Real Property and Production Facilities**

The Group operates production facilities worldwide and uses land with office buildings, warehouses, research and development facilities, and other facilities in a large number of countries as either owner, holder of hereditary building right or lessee.

### ***Real Property***

The Group has economical ownership of a large proportion of its production sites worldwide. Additionally, the Group currently leases and uses real property located at the chemical parks in Germany pursuant to lease agreements and land use rights with Bayer Real Estate Group or related companies and other third parties regarding other locations.

The headquarters of the Group and the headquarters of the Polyurethanes and Coatings, Adhesives and Specialties business units are located in Leverkusen, Germany, and the headquarters of the Polycarbonates business unit is located in Shanghai, China. The regional headquarters of the Group and business units are located, respectively, in Pittsburgh, Pennsylvania, United States, for North America, Leverkusen, Germany, for Europe and Hong Kong and Shanghai, China, for Asia.

### ***Production Facilities***

The Group operates world-scale plants in key locations to ensure efficient and reliable production, and operates smaller-scale plants in other locations that are dedicated to one business unit or shared between two business units. A local presence allows customized support and tailor-made solutions for local customers. The main production facilities of the Group are located in: Leverkusen, Krefeld-Uerdingen, Brunsbüttel and Dormagen, Germany; Antwerp, Belgium; Baytown, Texas, United States; Map Ta Phut, Thailand and Shanghai, China.

Many of the Group's sites have an extensive history of industrial operations, storage and related activities and some of the Group's buildings have in the past contained and may still contain asbestos or other harmful substances. As is typical for such businesses, soil and ground water contamination have occurred in the past at some sites such as those in Leverkusen, Dormagen and Krefeld-Uerdingen and may occur or be discovered at the Group's sites in the future. The Group also owns a large number of industrial sites containing, in some cases, pre-existing contamination requiring securing or remediation. The Group has been and is likely in the future to be liable for the costs of investigating and cleaning up or stabilising environmental contamination on or from its properties or at off-site locations where it transported, disposed of or arranged for the disposal or treatment of hazardous materials and waste or from disposal activities that predated its purchase of its businesses. At December 31, 2020, the Group had other provisions of EUR 44 million for environmental protection.

### **Investments**

The Group bases its investment decisions on the long-term attractiveness and sustainability of the investment. Investments are expected to be in line with the depreciation level in the next years driven by planned capacity expansions across business units and sites.

For a description of the acquisition of the RFM business from Koninklijke DSM N.V. please refer to the section "*Risk Factors relating to the Issuer and the Group – The benefits that Covestro AG may realise from the acquisition of Resins & Functional Materials business could be materially different from the Group's expectations.*" above.

### **Research and Development**

The Group's research and development activities are intended to maintain and strengthen the position of the Group within the industry and focus on product- and process-related innovation development. The Group's research and development activities are driven by underlying demand for higher quality applications, increased functionality, design flexibility, lower cost production processes and sustainability. In addition, the use of renewable raw materials is also a key objective. The Group believes that new technologies and the use of alternative raw materials can significantly increase the Group's production efficiency and decrease the environmental impact of industrial operations, which will ultimately strengthen the position of the Group. However, the implementation of these innovations may require a substantial change in the Group's asset setup or, occasionally, investment in new production assets. In addition, the Group's research and development objectives aim to secure future leadership with new product variants in life cycles of new and existing applications that build on the Group's expertise in its core technologies.

The Group pursues innovation projects in line with the principles of "People, Planet and Profit", delivering benefits to society, the environment and profit. The Group's perspective covers the whole product life cycle, from raw materials sourcing to production, and product use to end of life.

The Group has a track record in continuously developing improved fire-resistant products, insulation properties to reduce energy consumption, high flow and lightweight solutions or alternative feedstock, leading to greater resource efficiency and environmental sustainability for customers. In the past years, amongst many other Group innovations, the Group has successfully advanced microcell insulation, pultrusion technology, new Bayblend grades suitable for information technology applications, high flow APEC, Makrolon, and Bayblend grades for optimized surfaces and complex parts, waterborne coatings for textiles and specialty films for identification cards.

### **Employees**

In the Fiscal Year 2020, the Group had on average 16,736 employees. The number of employees on either permanent or temporary contracts is stated in full-time equivalents, with part-time employees included on a pro-rated basis in line with their contractual working hours. The figures do not include employees in vocational training.

### **Patents, Trademarks, Licenses**

The Group's global intellectual property strategy aims to protect and enhance the Group's competitive position in the various geographic regions in which it operates. This is achieved by effective management of the Group's intellectual property rights,

including patents, trademarks and know-how. A high priority is placed on protecting innovation and the actual and future business value that the Group can derive therefrom.

### ***Patents and Know-How***

The Group owns a large number of patent families worldwide. The patent portfolio is wide-ranging and covers all business activities of the Group. The Group acquires patent rights by exercising its rights to employee inventions and submitting them for registration, by licensing third-party patents or otherwise acquiring third-party intellectual property rights. In addition to patents, the Group possesses confidential know-how.

### ***Trademarks***

The Group owns hundreds of active trademark families and thousands of trademark registrations/ applications including both the product markings and the corporate marks ("Covestro" and the company logo). In the future, the Group intends, in general, to register new trademarks in all countries in which significant sales of the relevant product are expected.

### ***Licenses***

The Group has a multitude of active licensing agreements with third parties under which it obtains or grants licenses. Licensing agreements may be concluded to provide for freedom of operations, to enhance acceptance of a new technology in the industry, make sustainability solutions available, enable cooperative ventures, or provide for net sales.

The Group has entered into cross-license agreements or non-assertion agreements with some key competitors which cover selected patents and patent applications. Pursuant to these agreements, the contractual parties are allowed to use patents of the counterparty in the fields covered by the respective cross-license agreement.

In addition to cross-license agreements, the Group has granted to and has been granted from competitors or other third parties one-way licenses in certain fields for which the Group receives or pays license fees.

Apart from the intellectual property rights mentioned above, and not taking into consideration Covestro AG's information technology systems, the Group does not hold any significant intellectual property rights and does not depend on patents or licensed materials in order to conduct its business.

### **Sustainability**

As of the date of this Base Prospectus, Covestro has received the following ESG ratings:

Benchmark / Index	Rating Scale	Covestro's Rating					Distinction
		2016	2017	2018	2019	2020	
EcoVadis Sustainable Supply Management	0-100 points (the higher the better)	73			80		Gold <sup>87</sup> (2019)
ISS ESG Prime Corporate ESG Performance	A+ to D- (top score: A+)	B-		B-		B-	"Prime" Status <sup>88</sup> (since 2016)
MSCI ESG Research	AAA to CCC (top score: AAA)	BBB	BBB	A	A	A	
Sustainalytics Company ESG Risk Rating	Until 2019: 0-100 point (the higher the better)	74	75		80		
	After 2019: 0-100 points (the lower the better)				23.3	20.0	

For further information on ESG ratings please refer to the section "Notice – ESG Ratings" above.

### **Litigation**

The Group is, and may become involved, in legal proceedings during the ordinary course of its business activities, both as a plaintiff and as a defendant.

<sup>87</sup> In 2019, EcoVadis awarded "Gold" for the top 5% rated companies (overall score between 62 and 100).

<sup>88</sup> ISS ESG defines Prime-Status as follows: "Prime status is attributed to those companies with an overall rating / ESG performance above the sector-specific prime threshold, which means that they fulfil ambitious absolute performance requirements. In addition to the overall rating, a decile rank indicates performance relative to industry peers."

Covestro AG and its subsidiaries are not, and have not been in the twelve months prior to the date of this Base Prospectus, subject to any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which Covestro AG or the Group is aware, which may have, or have had in the recent past significant effects on Covestro AG and/or the Group's financial position or profitability, except for the following:

#### ***Carbon monoxide pipeline from Dormagen to Krefeld-Uerdingen***

The carbon monoxide pipeline is intended to connect the chemical production sites at Dormagen and Krefeld-Uerdingen and complement the network already existing between Dormagen and Leverkusen. The aim is to ensure a safe and reliable supply of carbon monoxide to and across all sites. Although the pipeline was almost completed by the end of 2009, it cannot currently be put into operation because of ongoing court proceedings. Following confirmation by the Düsseldorf Administrative Court in fiscal 2011 that there were no grounds to challenge the material aspects of the planning permission decision, in particular the safety of the materials used and the legal conformity of the relevant pipeline act (*Rohrleitungsgesetz*), the plaintiffs and the regional government against which legal proceedings had been instituted lodged appeals before the Higher Administrative Court in Münster. In fiscal 2014, the Münster Higher Administrative Court raised no objections in principle to the safety and routing of the pipeline, but questioned the constitutionality of the pipeline act which forms the legal basis for the project. On December 21, 2016, the German Federal Constitutional Court dismissed the corresponding constitutionality question referred to it by the Münster Higher Administrative Court as inadmissible and confirmed the legal opinion of the Group. Subsequently, the Münster Higher Administrative Court again considered the facts of the appeal and, in a decision handed down on August 31, 2020, dismissed the actions against the planning permission decision. The Münster Higher Administrative Court did not permit an appeal against its decision. The plaintiffs can now file a complaint against the denial of leave to appeal with the Federal Administrative Court.

#### ***Civil class action lawsuits over diisocyanates (United States)***

On July 9, 2018, Covestro LLC, Pittsburgh (United States) - as one of numerous other defendants - was served the first of now 12 class action lawsuits initiated by various U.S. MDI and TDI customers. The plaintiffs allege that the defendants have violated various provisions of the Sherman Antitrust Act since January 1, 2015, by acting in coordination to limit production capacities of MDI and TDI and, at the same time, raising prices for these products in the market. On October 3, 2018, the U.S. Judicial Panel on Multidistrict Litigation ruled that all class action lawsuits in pretrial proceedings would be centralized in the District Court for the Western District of Pennsylvania. Discovery in this case is proceeding. Based in essence on the same assertions and the violations of federal consumer protection and antitrust laws allegedly resulting from them, the attorney general of the state of Mississippi filed a separate civil complaint against Covestro LLC and numerous other defendants on behalf of the state and its citizens in September 2019. The Group currently considers these claims to be without merit and will therefore use all legal means to defend itself against these allegations - also in light of the official conclusion in November 2018 of the six-month investigation by the U.S. Department of Justice into possible anticompetitive practices in relation to MDI.

#### **Insurance**

The Group believes that Covestro AG and its subsidiaries have reasonable insurance protection, to the extent customary in the industry.

#### **Material Agreements**

The following section provides a summary of material agreements to which any member of the Group is a party.

#### ***Financing Agreements***

##### ***Facilities Agreement***

On March 17, 2020, Covestro AG entered into a facilities agreement (the "**Facilities Agreement**") with a syndicate of lending banks.

Subsidiaries in which Covestro AG holds directly or indirectly more than 50% of the voting capital may become additional borrowers by means of accession to the contract (*Vertragsbeitritt*) provided that, all lenders have consented to such accession; Covestro AG guarantees for obligations of the additional borrowers. The base currency under the Facilities Agreement is Euro. Optional currencies are US dollar or a currency previously approved for these purposes by the lenders and readily available. The Facilities Agreement provides for a multicurrency revolving credit facility in an amount of EUR 2.5 billion.

The Facilities Agreement contains customary representations, general covenants (including a negative pledge undertaking and restrictions on disposals and mergers, each subject to baskets and/or exceptions) and events of default (including cross-default-

payment and cross-acceleration provisions). No financial covenants are included. The facilities are not secured by any security in rem.

The revolving credit facility is due on March 16, 2026 and has a 1-year extension option subject to lenders consent. The revolving credit facility may be used for general corporate purposes, including working capital purposes, the refinancing of indebtedness and acquisitions. Up to EUR 500 million of the revolving credit commitments may be used as ancillary facilities on a bilateral basis with revolving lenders or their affiliates in the form of overdraft facilities, guarantees, bonding, documentary or stand-by letters of credit facilities, short term loan facilities, derivatives facilities, foreign exchange facilities or any other facility or accommodation required in connection with the business of the Group and which is agreed by Covestro AG with an ancillary lender.

Voluntary prepayments by the borrower are permitted subject to certain customary requirements. A lender may cancel its commitments and demand prepayment of all its participations in any loans outstanding under the Facilities Agreement in case of illegality or a change of control (in each case as described in the Facilities Agreement).

#### *Notes issuances*

In March 2016, Covestro AG issued its first bonds under this Programme with a total volume of EUR 1.5 billion. The bonds comprise two fixed-rate series due in October 2021 (with a coupon of 1.00% and a volume of EUR 500 million) and September 2024 (with a coupon of 1.75% and a volume of EUR 500 million), respectively. A third, floating rate, series with a volume of EUR 500 million matured and was repaid in March 2018.

In June 2020, Covestro AG issued bonds under this Programme with a total volume of EUR 1 billion. The bonds comprise two fixed-rate series due in February 2026 (with a coupon of 0.875 per cent. and a volume of EUR 500 million) and June 2030 (with a coupon of 1.375 per cent. and a volume of EUR 500 million), respectively.

#### *Other*

On March 20, 2020, the Issuer signed a loan with the European Investment Bank (EIB) for EUR 225 million. The loan will provide medium term funding with the goal to strengthen the research and development (R&D) work of Covestro in the areas of sustainability and circular economy within the European Union.

In addition, the Group has uncommitted external central and local financing agreements in place.

On December 31, 2020, the Group had presented warranties and other contingent liabilities in the amount of EUR 6 million and other financial commitments in the amount of EUR 2,084 million.

#### *Joint Venture Agreements*

The Group has entered into a large number of joint venture agreements with partners to support its business in various areas. The most important joint ventures are described below:

##### *Lyondell European Joint Venture*

Covestro AG's affiliate Covestro Polyurethanes B.V. (formerly Bayer Polyurethanes B.V.), a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), and LyondellBasell's affiliate Lyondell PO-11 C.V., a Dutch limited partnership (*commanditaire vennootschap*), established in December 2000 a long-term manufacturing joint venture now called LyondellBasell Covestro Manufacturing Maasvlakte VOF ("**Lyondell European Joint Venture**") in the legal form of a Dutch general partnership (*vennootschap onder firma*) with its seat in Rotterdam, The Netherlands. Lyondell PO-11 C.V. and Covestro Polyurethanes B.V. are the only partners of the Lyondell European Joint Venture (each a "**Partner**" and jointly the "**Partners**"). The Lyondell European Joint Venture owns a grassroots propylene oxide and styrene monomer plant near Rotterdam, The Netherlands, employing proprietary technology of one of LyondellBasell's affiliates which is licensed to the Partners. Its business comprises the production of propylene oxide and a styrene monomer for the account of the Partners. Each Partner holds a 50% interest in the Lyondell European Joint Venture and corresponding percentage of voting rights, participates in 50% of its profits and losses and is entitled to offtake 50% of the propylene oxide and styrene monomer produced.

The general partnership agreement generally prohibits Covestro Polyurethanes B.V. from transferring its interest in the Lyondell European Joint Venture without the consent of Lyondell PO-11 C.V., subject to certain exceptions. In this context, Bayer AG and LyondellBasell's affiliate Lyondell Chemical Company entered into an agreement which governs the relationship of the parent companies of the Partners with regard to the Lyondell European Joint Venture and which contains certain transfer restrictions regarding the direct or indirect transfer of interests in the Partners.



Pursuant to a consent and release agreement dated August 28, 2015, between Bayer AG, Covestro AG, Lyondell Chemical Company as well as certain affiliates of Bayer AG and Lyondell Chemical Company (the "**Consent Agreement**"), Lyondell Chemical Company and certain of its respective affiliates consented to certain transactions in connection with the Separation and certain transactions subsequent to the Separation. On August 31, 2015, Covestro AG acceded to the Consent Agreement.

#### *Lyondell US Joint Venture and Lyondell Technology Joint Venture*

Covestro AG's affiliate, Covestro PO LLC (formerly BAYPO Limited Partnership), a Delaware limited partnership, and LyondellBasell's affiliate, PO Offtake LP, a Delaware limited partnership, established in March 2000 PO JV, LP, a Delaware limited partnership (the "**Lyondell US Joint Venture**"), as a long-term joint venture for the production and offtake of propylene oxide with manufacturing facilities located in Texas, United States. Covestro AG's indirect interest of approximately 39.4% in the Lyondell US Joint Venture represents ownership of an in kind portion of the propylene oxide production of the Lyondell US Joint Venture. LyondellBasell indirectly holds the remaining interest of approximately 60.6% in the Lyondell US Joint Venture.

Simultaneously with the establishment of the Lyondell US Joint Venture, Bayer AG's affiliate, BIPPO Corporation, a Delaware corporation, and LyondellBasell's affiliates, Lyondell POTechGP, Inc. and Lyondell POTechLP, Inc., both Delaware corporations, established in March 2000 Technology JV, LP, a Delaware limited partnership (the "**Lyondell Technology Joint Venture**"), as a long-term joint venture for the joint development and licensing of technology relating to the production process of propylene oxide under the Lyondell US Joint Venture. Covestro AG holds an indirect 50% interest with LyondellBasell indirectly holding the remaining 50% interest of the Lyondell Technology Joint Venture.

Covestro PO LLC is generally prohibited from transferring its ownership interests in the Lyondell US Joint Venture and the Lyondell Technology Joint Venture or withdrawing from either joint venture without the consent of LyondellBasell's affiliate for the respective joint venture except under certain circumstances. In the context of the establishment of the Lyondell US Joint Venture and the Lyondell Technology Joint Venture, Bayer AG, Bayer Corporation and LyondellBasell's affiliate Lyondell Chemical Company agreed transfer restrictions regarding the direct and indirect transfer of interests in the entities party to the Lyondell US Joint Venture and the Lyondell Technology Joint Venture.

Pursuant to the Consent Agreement, Lyondell Chemical Company and certain of its affiliates consented to certain transfers of interests and assignments of agreements related to the Lyondell European Joint Venture, the Lyondell US Joint Venture and the Lyondell Technology Joint Venture. In particular, Lyondell Chemical Company consented to the transfer of interests in Covestro Polyurethanes B.V. and Covestro PO LLC in connection with the Separation. Additional consent is needed in the event of a sale or disposal of shares in Covestro AG subsequent to Separation by the Bayer Group or Covestro AG in certain limited circumstances. Pursuant to the Consent Agreement, the LyondellBasell affiliates may request certain changes to the payment terms of the agreements concluded in connection with the Lyondell European Joint Venture, the Lyondell US Joint Venture and the Lyondell Technology Joint Venture in case of a significant change in the rating of Covestro AG and if certain other requirements are fulfilled. By acceding to the Consent Agreement, Covestro AG has assumed the existing guarantees for performance of certain affiliates under certain agreements connected with the Lyondell European Joint Venture, the Lyondell US Joint Venture and the Lyondell Technology Joint Venture.

#### *Sumika Covestro Urethane Co., Ltd., JV in Japan*

Sumika Covestro Urethane Co., Ltd. ("**SCU**") is a stock company under the laws of Japan (*kabushiki kaisha*) and was established as a 50%/50% joint venture between Bayer AG and Sumitomo Chemical Co., Ltd. ("**Sumitomo**"). Shares in SCU were originally held by Bayer AG and Sumitomo, but the shares held by Bayer AG were transferred from Bayer AG to Bayer Ltd. in 1999. The shareholding ratio has been changed to 60%/40% in December 2000, of which Bayer Ltd. holds 60%. After a reorganization, Bayer MaterialScience Ltd. (which is now Covestro Japan Ltd.) has become a shareholder holding 60%. The current parties to the joint venture agreement are Covestro Deutschland AG and Sumitomo.

SCU's business purpose is (i) to manufacture and sell polyurethanes products and (ii) to sell (as agent) pigment, dye and chemical industry products. SCU has constructed and operated its plant facilities within the premise of Sumitomo's Ehime works in Ehime, Japan, for the production of those products, and Bayer AG has licensed to SCU special processes for the production of such products. The license agreement for such processes was transferred from Bayer AG to Covestro Deutschland AG.

#### *DIC Covestro Polymer Ltd. JV in Japan*

DIC Covestro Polymer Ltd. ("**DCP**") was established in the year 2000 as a 50%/50% joint venture between Dainippon Ink & Chemicals, Inc. (today DIC Corporation, "**DIC**") and Bayer Ltd. (the shares in DCP were later transferred to Bayer MaterialScience Ltd., today Covestro Japan Ltd., "**CJL**"). In the assessment of Covestro, DCP is a leading company in the Japanese TPU industry.

On November 29, 2018, Group announced that CJL will become the majority stakeholder in DCP by raising its stake in the joint venture from 50% to 80%. This transaction was successfully completed and the shareholding ratio between CJL and DIC has been changed to 80%/20% from April 1, 2019.

DIC continues to support the success of DCP with its industry network, strong brand name, and as a reliable local partner. Production and R&D by DCP is carried out at Sakai plant located in the DIC facility in Sakai, Osaka Prefecture, getting support from DIC such as supplying feedstocks and providing services on site.

#### ***Agreements with the Bayer Group***

As a previously wholly owned subsidiary of Bayer AG, the Group has and, in the past, had various relationships with the Bayer Group and its direct and indirect subsidiaries and will continue to have - modified and reduced - relationships with Bayer Group in the future. In particular, the Group received for a transitional period certain services relating to human resources, real estate, IT, intellectual property, legal, compliance, procurement, trade and customs compliance, treasury and other areas and was part of the cash management system and global insurance cover from the Bayer Group up and until the Group built up its own resources for these areas.

#### ***Master Agreement between Covestro Deutschland AG and Bayer AG***

Bayer AG and Covestro Deutschland AG entered into a master agreement (the "**Master Agreement**"), dated August 24, 2015. Pursuant to this Master Agreement, both parties intend, among other things, to conclusively determine the apportionment of liability as between Covestro Deutschland AG and the Bayer Group, in particular in the areas of environmental contamination, product liability, violations of the law and employment, and establish certain reciprocal rules of conduct and duties of cooperation for the period following the Separation. The Master Agreement also contains provisions with regard to release of securities, IT resources and data as well as subsidies, and treatment of confidential information and personal data. In a later and separate agreement with Bayer AG, Covestro AG has undertaken the obligation to ensure that Covestro Deutschland AG as well as other companies of the Group will adhere to the provisions of the Master Agreement as amended from time to time.

#### ***Purchase Agreement regarding pension liabilities between Bayer AG and Covestro AG***

In the context of the restructuring of Bayer AG's activities in 2003 into the three subgroups Bayer HealthCare, Bayer CropScience and Bayer MaterialScience, Bayer AG and Bayer Polymers Aktiengesellschaft (renamed to Bayer MaterialScience Aktiengesellschaft and as of September 1, 2015 Covestro Deutschland AG) entered on March 11, 2003 into a hive-down and transfer agreement (*Ausgliederungs- und Übernahmevertrag*). According to this hive-down and transfer agreement, pension liabilities of certain employees attributable to the Polymers activities were transferred to Covestro Deutschland AG. Pension liabilities with respect to employees whose employment contracts terminated prior to July 1, 2002 were not transferred to Covestro Deutschland AG and remained with Bayer AG, but Covestro Deutschland AG assumed the obligation to reimburse payments to be made in this context by Bayer AG ("**Reimbursement Claims**").

On August 28, 2015, Bayer AG and Covestro Deutschland AG entered into a purchase agreement pursuant to which Covestro Deutschland AG purchased the Reimbursement Claims from Bayer AG for an amount of EUR 216,646,281.

If and to the extent that Covestro Deutschland AG should realize certain tax benefits due to the fact that the competent tax authorities deviate from the joint understanding of Bayer AG and Covestro Deutschland AG with respect to the tax treatment of the purchase of the Reimbursement Claims, Covestro Deutschland AG shall pay on an after-tax basis the net present value of such tax benefits to Bayer AG. In such case, the parties have agreed on principles regarding the calculation of the net present value of such tax benefits and on a payment mechanism in instalments.

#### ***Intellectual Property Rights***

Covestro Deutschland AG and Bayer AG have entered into agreements with regard to patents, utility models, registered designs, trademarks and domains.

#### ***Control Termination Agreement between Bayer AG and Covestro AG***

Bayer AG and Covestro AG concluded a control termination agreement with effect as of September 30, 2017, as part of which Bayer AG undertook to refrain from exercising certain voting rights at the Covestro Annual Stockholders' Meeting. The agreement ensured that there was no longer a requirement to fully consolidate Group in Bayer AG's consolidated financial statements.

### *Real Estate Purchase Agreements between real estate companies of Group and real estate companies of Bayer Group*

Due to the exertion of certain contractual repurchase rights reserved by Bayer Group in the underlying carve-out agreements on January 19, 2018 and pursuant to five notarized real estate purchase agreements dated September 13, 2018, pre-defined infrastructure property at the chemical sites in Leverkusen, Dormagen and Krefeld-Uerdingen was sold and transferred based upon pre-formulated agreements from the two real estate companies of Group to Bayer Real Estate GmbH. The properties were sold together with all rights and significant fixtures related thereto and any appurtenances relating to the relevant parcels as well as operating equipment belonging to the parcels and buildings, to the extent that the sellers own these items. The properties were sold subject to a disclaimer of liability by the sellers with respect to the size, quality and features of the infrastructure property. Specifically, the sellers disclaim any liability for any latent or hidden qualitative defects. Possession, use and risk and encumbrances, as well as general duties to maintain safety in any respect on the property, were transferred on December 1, 2018. The conveyance of title in performance of the agreements will be made as soon as the relevant land register requirements are met. Environmental liability remains split between Group and Bayer Group as outlined in the Master Agreement.

### *Agreement on the inclusion of a further guarantor in the complemented foundation stock*

Covestro AG, Rheinische Pensionskasse VVaG ("**RPK**") and Bayer AG concluded an agreement on the inclusion of Covestro AG as further guarantor in addition to Bayer AG in the complemented foundation stock of the RPK with effect as of August 1, 2019. In accordance with said agreement, Covestro AG provides an interest-bearing framework loan of up to EUR 11 million for the complemented foundation stock in order to support the long-term risk-bearing capacity of the RPK, particularly to ensure that it can meet its obligations arising from insurance policies on a permanent basis as well as its solvency requirements in the long term. The amount of the framework loan for the complemented foundation stock corresponds to the share of the pension fund's benefit obligations (pro rata actuarial reserve) to the employees/beneficiaries assigned to Covestro in the total obligation (actuarial reserve) of the pension fund, calculated by an actuary in accordance with actuarial principles.

### **Pension Schemes**

The Group provides retirement benefits for most of its employees in various countries, either directly or by contributing to privately or publicly administered funds or other institutions. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country, with benefits generally being based on employee compensation and years of service. The obligations of the Group relate both to existing retirees' pensions and to pension entitlements of future retirees. In Germany, there are three main pension systems in place, two closed pension systems (oldest system until December 31, 2004 and its succeeding plan between January 1, 2005 and December 31, 2020) and one newly launched system being open for new entrants since January 1, 2021 ("**Pensionsplan2021**"). The first and oldest pension system for entries until December 31, 2004 was made up of a three-layer arrangement, (i) the basic pension (*Grundrente Bayer Pensionskasse*) provided by Bayer-Pensionskasse VVaG, (ii) the additional pension (*Zusatzrente*) based on a direct pension promise and (iii) the third pension provision layer (*Dritte Versorgungsstufe*) based on a direct pension promise. The third pension provision layer offers matching components (voluntary employee contributions and corresponding employer matching contributions). The second pension system consists of two layers and provides pension entitlements for persons who joined the Bayer/Covestro Group in Germany on or after January 1, 2005. The basic pension is granted via RPK and employees and employer both contribute a certain percentage of the base salary. Future pension payments from this plan are based on contributions and the return on plan assets, and a guaranteed interest rate applies. Above the social security contribution ceiling (West) for the statutory pension insurance plan, the pension system is supplemented by a further direct pension promise with matching components (voluntary employee contributions and corresponding employer matching contributions).

Pensionsplan2021 has been established for new employees since January 1, 2021. RPK members (second pension system) have been offered to switch to the Pensionsplan2021. Similar to the second pension system employees and employer contribute a certain percentage of the base salary and for salaries above the social security contribution ceiling (West) for the statutory pension insurance plan, the pension system is supplemented by a further direct pension promise with matching components. The financing way is a direct pension promise with an internal Contractual Trust Agreement ("**CTA**"). Normally, the Pensionplan2021 is fully funded via the CTA and no accruals have to be shown in the IFRS balance sheet.

As of December 31, 2020, the present value of the Group's pension and other post-employment benefits obligations (defined benefit obligations) was EUR 5,258 million and the fair value of the plan assets was EUR 3,137 million with a net defined benefit liability of EUR 2,121 million. Germany is the country with the highest net defined benefit liability amounting to EUR 1,860 million. Currently, certain direct German pension liabilities (e.g. for certain parts of employees' retirement income, deferred compensation etc.) are partially funded within a contractual trust arrangement with Metzler Trust e.V.

Bayer Business Services GmbH and Covestro Deutschland AG have established a service agreement on the administration of company pension schemes. Pursuant to this agreement, Bayer Business Services GmbH will provide support services such as

actuarial valuation, assisting pensioners, processing of compensation payments and providing consulting on pension schemes and on the statutory pension insurance.

## **Management and Supervisory Bodies of Covestro AG**

### ***General***

The governing bodies are the management board (*Vorstand*), supervisory board (*Aufsichtsrat*) and general shareholders' meeting (*Hauptversammlung*). The powers of these entities are determined by the German Stock Corporation Act (*Aktiengesetz*), the German Corporate Governance Codex (*Deutscher Corporate Governance Kodex*), the articles of association (*Satzung*), the internal rules of procedure (*Geschäftsordnung*) of the supervisory board and of the management board and by the code of conduct (*Verhaltenskodex*) of the management board.

The management board of Covestro AG (the "**Management Board**") is responsible for managing the company in accordance with applicable law, the articles of association, the internal rules of procedure for the Management Board, including the business distribution plan (*Geschäftsverteilungsplan*) and the code of conduct (*Verhaltenskodex*) of the Management Board. The Management Board represents the company in dealings with third parties.

The supervisory board of Covestro AG (the "**Supervisory Board**") appoints the members of the Management Board and is entitled to dismiss them for good cause. The Supervisory Board advises and oversees the Management Board on the management of the company, but is not itself authorized to manage the company, as set out in the German Stock Corporation Act (*Aktiengesetz*). However according to Section 7 paragraph 1 of the articles of association certain types of business undertaken by the Management board require the prior approval of the Supervisory Board. The Supervisory Board is authorized to determine which types of business are subject to such restriction.

### ***Applicable Corporate Governance Rules***

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) (the "**Code**"), as adopted in February 2002 and last amended December 16, 2019, includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and the auditing of financial statements. While the recommendations or suggestions of the Code are not mandatory, the German Stock Corporation Act (*Aktiengesetz*) requires the management and supervisory boards of a listed company to disclose each year which recommendations were not or will not be followed and to explain the reasons for the non-compliance. This disclosure must be made permanently publicly accessible. However, deviations from the suggestions contained in the Code need not be disclosed.

- The main recommendations of the Code in the current version include the following:
- The remuneration of members of the management board should contain a fixed component and a component based on economic performance, and a cap should be specified and individual information is to be provided in the notes to the consolidated financial statements in reference to remuneration of the individual members of the management board.
- The members of the management board shall disclose any conflicts of interest to the supervisory board.
- The supervisory board shall form committees; in particular, an audit committee should be set up to deal with issues of accounting and risk management, the necessary independence of the auditor, and the awarding of audit engagements to auditors, as well as the determination of the special areas emphasized in the audit and the agreement on fees.
- The number of former members of the management board on the supervisory board shall be limited, and services on governing entities of major competitors of the company and advisory activities for major competitors of the company by members of the supervisory board shall be restricted.
- Transparency in dealings with shareholders shall be ensured; this includes the use of appropriate communication media such as the Internet and publication of the most important dates for regularly recurring announcements to shareholders with sufficient advance notice, additional use of English on websites, and the issuance of interim reports.
- Transactions with related parties shall be disclosed in the notes to the financial statements.
- A declaration of independence concerning business, financial, personal, or other relationships between the auditor and the company shall be obtained before engaging the auditors, and regular reports shall be made concerning the independence of the auditors.

As of the date of the Base Prospectus, Covestro AG complies with all recommendations of the Code.

### **Board of Management**

The Supervisory Board determines the number of Management Board members which must consist of at least two persons according to the articles of association. The Supervisory Board may appoint one Management Board member as chair and another member as deputy chair. Currently, the Management Board of Covestro AG consists of four members with Dr. Markus Steilemann appointed as chair.

The following table lists the members of the Management Board and their respective responsibilities.

<b>Name</b>	<b>Area of Responsibility</b>	<b>Principal Outside Board Memberships</b>
Dr. Markus Steilemann (Chair)	Chief Executive Officer <ul style="list-style-type: none"> <li>• Communications,</li> <li>• Corporate Audit,</li> <li>• Human Resources,</li> <li>• Strategy,</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Steering Board and President of PlasticsEurope,</li> <li>• Vice-President of German Chemical Industry Association (<i>Verband der Chemischen Industrie</i>, VCI),</li> <li>• Member of the Board of Trustees of the German Chemical Industry Fund (<i>Kuratorium Fond der Chemischen Industrie</i>),</li> <li>• Member of the Steering Committee of the CAT Catalytic Center Aachen,</li> <li>• Member of the Steering Committee Covestro-Tongji Innovation Academy, Beijing,</li> <li>• Member of the Committee for Research, Science and Education of the German Chemical Industry Fund,</li> <li>• Chairman of the Board of SusChem,</li> <li>• Director of the Board of Sumika Covestro Urethane,</li> <li>• Member of the Board of The European Chemical Industry Council (CEFIC),</li> <li>• Member of the Board of Directors of the International Council of Chemical Associations (ICCA),</li> <li>• Member of the Board of the Alliance to End Plastics Waste (AEPW),</li> <li>• Member of the World Plastics Council (WPC),</li> <li>• Member of the Board of Trustees of the Aachen Engineers' Award</li> <li>• World Economic Forum (WEF): Chair of the Chemical Industry Governors Community</li> </ul>
Sucheta Govil	Chief Commercial Officer <ul style="list-style-type: none"> <li>• Business Units Polyurethanes, Polycarbonates and Coatings, Adhesives, Specialties,</li> <li>• Central Marketing,</li> <li>• Innovation Management &amp; Commercial Services,</li> <li>• Supply Chain Centers EMLA, NAFTA and APAC</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director at Eurocell plc</li> </ul>

<b>Name</b>	<b>Area of Responsibility</b>	<b>Principal Outside Board Memberships</b>
Dr. Thomas Toepfer	Chief Financial Officer <ul style="list-style-type: none"> <li>• Accounting,</li> <li>• Controlling,</li> <li>• Finance,</li> <li>• Investor Relations,</li> <li>• CFO Greater China and USA,</li> <li>• Information Technology,</li> <li>• Portfolio Development,</li> <li>• Taxes,</li> <li>• Law, Intellectual Property &amp; Compliance,</li> <li>• Labour Director (<i>Arbeitsdirektor</i>)</li> </ul>	-
Dr. Klaus Schäfer	Chief Technology Officer <ul style="list-style-type: none"> <li>• Production &amp; Technology Polyurethane, Polycarbonates and Coatings, Adhesives, Specialities,</li> <li>• Global Project Engineering,</li> <li>• Site Management NRW, Baytown and Caojing,</li> <li>• Procurement,</li> <li>• Health, Safety, Environment &amp; Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Presidium of Weltenergierrat-Deutschland e.V.,</li> <li>• Member of Committees in the German Chemical Industry Association (<i>Verband der Chemischen Industrie</i>, VCI) and the European Chemical Industry Council (CEFIC)</li> <li>• Member of the Board of VIK (<i>Verband der Industriellen Energie- und Kraftwirtschaft e.V.</i>),</li> <li>• Chairman of the Board of DECHEMA,</li> <li>• Member of the Supervisory Board of TÜV Rheinland AG,</li> <li>• Member of German National Hydrogen Council</li> <li>• Member of the Advisory Board of Energy and Climate Policy and Innovation Council e.V. (EPICO)</li> </ul>

Intellectual Property Management is part of the execution of the Covestro innovation strategy for which Markus Steilemann has responsibility and is supported by the Corporate Function Law, Intellectual Property and Compliance which falls under the responsibility of the Chief Financial Officer.

The members of the Management Board may be contacted at the business address of Covestro AG.

### ***Supervisory Board***

The Supervisory Board consists of 12 members (six shareholder representatives and six employee representatives). The shareholder representatives are elected by the shareholders at the general shareholders' meeting.

The Supervisory Board has formed the following committees from among its members:

<b>Presidial Committee</b>	<b>Nominations Committee</b>	<b>Audit Committee</b>	<b>Human Resources Committee</b>
Dr. Richard Pott (Chair) Petra Kronen	Dr. Richard Pott (Chair) Ferdinando Falco Beccalli	Prof. Dr. Rolf Nonnenmacher (Chair) Dr. Christine Bortenlänger	Dr. Richard Pott (Chair) Petra Kronen
Petra Reinbold-Knape Regine Stachelhaus	Regine Stachelhaus	Petra Kronen Irena Küstner Petra Reinbold-Knape Patrick W. Thomas	Dr. Ulrich Liman Regine Stachelhaus

### ***Presidial Committee***

This comprises the Chair and Vice Chair of the Supervisory Board along with a further stockholder representative and a further employee representative. The Presidial Committee serves primarily as the mediation committee pursuant to the German Codetermination Act. It has the task of submitting proposals to the Supervisory Board on the appointment of members of the Board of Management if the necessary two-thirds majority is not achieved in the first vote at a plenary meeting. Certain

decision-making powers in connection with capital measures, including the power to amend the Articles of Incorporation, have also been delegated to this committee.

#### *Nominations Committee*

This committee carries out preparatory work when an election of stockholder representatives to the Supervisory Board is to be held. It suggests suitable candidates for the Supervisory Board to propose to the Annual Stockholders' Meeting for election. The Nominations Committee is composed of three members, namely the Chairperson of the Supervisory Board as committee chairperson, the other stockholders' representative in the Presidial Committee of the Supervisory Board and an elected further stockholders' representative.

#### *Audit Committee*

The Audit Committee comprises three stockholder representatives and three employee representatives. The Chair of the Audit Committee in the reporting year, Prof. Dr. Rolf Nonnenmacher, satisfies the statutory requirements concerning expertise in the field of accounting and auditing that at least one member of the Supervisory Board and the Audit Committee is required to possess and is independent pursuant to Section D.4 of the German Corporate Governance Code. The Audit Committee meets regularly four times a year. It monitors the accounting process and is responsible for examining the financial statements, consolidated financial statements and management reports and for discussing the quarterly and half-yearly reporting with the Board of Management. On the basis of the auditor's report, the Audit Committee develops proposals for resolutions by the Supervisory Board relating to the confirmation of the financial statements, the approval of the consolidated financial statements and the use of the distributable profit. The Audit Committee is also responsible for the company's relationship with the external auditor. It submits a proposal to the full Supervisory Board concerning the auditor's appointment and is authorized to award the audit contract to the audit firm appointed on behalf of the Supervisory Board and to agree the auditor's remuneration. It also suggests areas of focus for the audit and monitors the quality of the audit as well as the independence and qualifications of the auditor. In addition, the Audit Committee monitors the effectiveness of the internal control system, the risk management system, the internal audit system and the compliance function.

#### *Human Resources Committee*

On this committee, too, there is parity of representation between stockholders and employees. It consists of the Chair of the Supervisory Board and three other members. The Human Resources Committee prepares the personnel decisions of the full Supervisory Board, which resolves on appointments or dismissals of members of the Board of Management. The Human Resources Committee resolves on behalf of the Supervisory Board on the service contracts of the members of the Board of Management. However, it is the task of the full Supervisory Board, based on the recommendations submitted by the Human Resources Committee, to resolve on the total compensation of the individual members of the Board of Management and the respective compensation components, as well as to regularly review the compensation system. The Human Resources Committee also discusses the long-term succession planning for the Board of Management.

The current members of the Supervisory Board of Covestro AG, their principal occupations and their principal board memberships outside the Group, respectively, are as follows:

<b>Name/Function</b>	<b>Membership in the Supervisory Board</b>	<b>Position</b>	<b>Memberships on other supervisory boards and memberships in comparable supervising bodies of German or foreign corporations</b>
Dr. Richard Pott (Chair)	Member of the Supervisory Board since August 2015	<ul style="list-style-type: none"> <li>Member of various supervisory boards</li> </ul>	<ul style="list-style-type: none"> <li>Chair of the Supervisory Board of Covestro Deutschland AG</li> <li>Member of the Supervisory Board of Freudenberg SE</li> <li>Member of the Supervisory Board of SCHOTT AG</li> </ul>
Petra Kronen (Vice Chair)	Member of the Supervisory Board since October 2015	<ul style="list-style-type: none"> <li>Chair of the Works Council of Covestro at the Uerdingen site</li> <li>Chair of the General Works Council of Covestro</li> <li>Vice Chair of Covestro-European Forum</li> <li>Employee of Covestro Deutschland AG</li> </ul>	<ul style="list-style-type: none"> <li>Vice Chair of the Supervisory Board of Covestro Deutschland AG</li> <li>Member of the Supervisory Board of Bayer Beistandskasse VVaG</li> </ul>

<b>Name/Function</b>	<b>Membership in the Supervisory Board</b>	<b>Position</b>	<b>Memberships on other supervisory boards and memberships in comparable supervising bodies of German or foreign corporations</b>
Ferdinando Falco Beccalli	Member of the Supervisory Board since October 2015	<ul style="list-style-type: none"> <li>Chair of the Board of Falco Capital AG</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> </ul>
Dr. Christine Bortenlänger	Member of the Supervisory Board since October 2015	<ul style="list-style-type: none"> <li>Executive Member of the Board of Deutsches Aktieninstitut e.V.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> <li>Member of the Supervisory Board of MTU Aero Engines AG</li> <li>Member of the Supervisory Board of Siemens Energy AG (since September 2020)</li> <li>Member of the Supervisory Board of Siemens Energy Management GmbH (since September 2020)</li> <li>Member of the Supervisory Board of TÜV SÜD AG</li> </ul>
Irena Küstner	Member of the Supervisory Board since October 2015	<ul style="list-style-type: none"> <li>Chair of the Works Council of Covestro at the Leverkusen site</li> <li>Chair of the Group Works Council of Covestro</li> <li>Vice Chair of the General Works Council of Covestro</li> <li>Employee of Covestro Deutschland AG</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> </ul>
Dr. Ulrich Liman	Member of the Supervisory Board since January 2018	<ul style="list-style-type: none"> <li>Chair of the Managerial Employees' Committee of Covestro Deutschland AG</li> <li>Manager of Covestro Deutschland AG</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> </ul>
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board since August 2015	<ul style="list-style-type: none"> <li>Member of various supervisory boards</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> <li>Member of the Supervisory Board of Continental AG</li> <li>Member of the Supervisory Board of ProSiebenSat.1 Media SE</li> </ul>
Petra Reinbold-Knape	Member of the Supervisory Board since January 2020	<ul style="list-style-type: none"> <li>Member of the Executive Committee of the German Mining, Chemical and Energy Industrial Union (IG BCE)</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG (since January 2020)</li> <li>Member of the Supervisory Board of Bayer AG</li> </ul>
Regine Stachelhaus	Member of the Supervisory Board since October 2015	<ul style="list-style-type: none"> <li>Member of various supervisory boards</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Supervisory Board of Covestro Deutschland AG</li> <li>Member of the Supervisory Board of CECONOMY AG</li> <li>Member of the Supervisory Board of Leoni AG</li> <li>Member of the Supervisory Board of SPIE Deutschland und Zentraleuropa GmbH</li> <li>Director of SPIE SA, France</li> </ul>



Name/Function	Membership in the Supervisory Board	Position	Memberships on other supervisory boards and memberships in comparable supervising bodies of German or foreign corporations
Marc Stothfang	Member of the Supervisory Board since February 2017	<ul style="list-style-type: none"> <li>• Chair of the Works Council of Covestro at the Brunsbüttel site</li> <li>• Chair of Covestro-European Forum</li> <li>• Employee of Covestro Deutschland AG</li> </ul>	None
Patrick W. Thomas	Member of the Supervisory Board since July 2020	<ul style="list-style-type: none"> <li>• Member of various supervisory boards</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Supervisory Board of Covestro Deutschland AG</li> <li>• Non-Executive Director (Chair) of Johnson Matthey plc, United Kingdom</li> <li>• Non-Executive Director of Akzo Nobel N.V., Netherlands</li> </ul>
Frank Werth	Member of the Supervisory Board since September 2016	<ul style="list-style-type: none"> <li>• District Manager of the German Mining, Chemical and Energy Industrial Union (IG BCE) – district Leverkusen</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Supervisory Board of Covestro Deutschland AG</li> </ul>

The members of the Supervisory Board may be contacted at the business address of Covestro AG.

#### **Conflicts of Interest**

Covestro AG has not been notified or otherwise been informed by any of the members of the Management Board or any member of the Supervisory Board about any potential conflicts of interest between any duties to Covestro AG of the members of the Management Board and of the Supervisory Board and their private interests and/or other duties.

#### **Recent Events**

The RFM Acquisition is expected to close in the second quarter of 2021. For a description of the RFM Acquisition please refer to the section "*Risk Factors relating to the Issuer and the Group – The benefits that Covestro AG may realise from the acquisition of Resins & Functional Materials business could be materially different from the Group's expectations.*" above.

There were no other recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.

#### **Significant Changes**

There have been no significant changes with regard to the financial position or the financial performance of Covestro AG since December 31, 2020.

#### **Trend Information**

There has been no material adverse change in the prospects of Covestro AG since December 31, 2020.

#### **Consolidated Financial Information**

The following historical financial information for the Group is based on the audited consolidated financial statements of Covestro AG as of and for the financial years ended December 31, 2020 and December 31, 2019, which are both incorporated by reference in this Base Prospectus, and should be read together with them. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The consolidated financial statements of the Group were audited by KPMG and issued with unqualified auditor's reports.

*Consolidated Income Statement*

Financial year ended December 31,

(amounts in EUR million; earnings per share in EUR)

	2020	2019
	<i>(audited)</i>	
<b>Sales</b>	<b>10,706</b>	<b>12,412</b>
Cost of goods sold	(8,207)	(9,658)
<b>Gross profit</b>	<b>2,499</b>	<b>2,754</b>
Selling expenses	(1,195)	(1,380)
Research and development expenses	(262)	(266)
General administration expenses	(310)	(372)
Other operating income	63	181
Other operating expenses	(99)	(65)
<b>EBIT<sup>(1)</sup></b>	<b>696</b>	<b>852</b>
Equity-method loss	(13)	(22)
Result from other affiliated companies	1	2
Interest income	26	40
Interest expense	(73)	(85)
Other financial result	(32)	(26)
<b>Financial result</b>	<b>(91)</b>	<b>(91)</b>
<b>Income before income taxes</b>	<b>605</b>	<b>761</b>
Income taxes	(151)	(204)
<b>Income after income taxes</b>	<b>454</b>	<b>557</b>
of which attributable to noncontrolling interest	(5)	5
of which attributable to Covestro AG stockholders (net income)	459	552
<i>Basic earnings per share</i>	<i>2.48<sup>(2)</sup></i>	<i>3.02<sup>(3)</sup></i>
<i>Diluted earnings per share</i>	<i>2.48<sup>(2)</sup></i>	<i>3.02<sup>(3)</sup></i>

(1) EBIT: Income after income taxes plus financial result and income tax expense.

(2) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 184,912,207.

(3) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 182,728,724.

*Consolidated Statement of Financial Position*

<i>(amounts in EUR million)</i>	<b>As of December 31, 2020</b>	<b>As of December 31, 2019</b>
	<i>(audited)</i>	
<b>Noncurrent assets</b>	<b>6,734</b>	<b>6,791</b>
Goodwill	255	264
Other intangible assets	109	114
Property, plant and equipment	5,175	5,286
Investments accounted for using the equity method	173	192
Other financial assets	32	32
Other receivables	65	52
Deferred taxes	925	851
<b>Current assets</b>	<b>6,190</b>	<b>4,727</b>
Inventories	1,663	1,916
Trade accounts receivable	1,593	1,561
Other financial assets	1,144	27
Other receivables	295	359
Claims for income tax refunds	55	104
Cash and cash equivalents	1,404	748
Assets held for sale	36	12
<b>Total assets</b>	<b>12,924</b>	<b>11,518</b>
<b>Equity</b>	<b>5,644</b>	<b>5,254</b>
Capital stock of Covestro AG	193	183
Capital reserves of Covestro AG	3,925	3,487
Other reserves	1,489	1,537
<b>Equity attributable to Covestro AG stockholders</b>	<b>5,607</b>	<b>5,207</b>
Equity attributable to noncontrolling interest	37	47
<b>Noncurrent liabilities</b>	<b>4,916</b>	<b>4,129</b>
Provisions for pensions and other post-employment benefits	2,123	1,965
Other provisions	218	230
Financial liabilities	2,277	1,601
Income tax liabilities	88	95
Other liabilities	31	32
Deferred taxes	179	206
<b>Current liabilities</b>	<b>2,364</b>	<b>2,135</b>
Other provisions	155	203
Financial liabilities	622	151
Trade accounts payable <sup>(1)</sup>	1,241	1,431
Income tax liabilities	74	69
Other liabilities <sup>(1)</sup>	262	267
Liabilities directly related to assets held for sale	10	14
<b>Total equity and liabilities</b>	<b>12,924</b>	<b>11,518</b>

(1) Reference information was restated accordingly, see note 4.1 "Change in presentation of rebates granted to customers" to the audited consolidated financial statements as of December 31, 2020 of the Issuer.

*Consolidated Statement of Cash Flows*

**Financial year ended December 31,**

*(amounts in EUR million)*

	<b>2020</b>	<b>2019</b>
	<i>(audited)</i>	
Income after income taxes	454	557
Income taxes	151	204
Financial result	91	91
Income taxes paid	(155)	(296)
Depreciation, amortization, impairment losses and impairment loss reversals	776	752
Change in pension provisions	25	49
(Gains)/losses on retirements of noncurrent assets	8	(51)
Decrease/(increase) in inventories	160	322
Decrease/(increase) in trade accounts receivable	(106)	238
(Decrease)/increase in trade accounts payable <sup>(1)</sup>	(154)	(123)
Change in other working capital <sup>(1)</sup> , other noncash items	(16)	(360)
<b>Cash flows from operating activities</b>	<b>1,234</b>	<b>1,383</b>
Cash outflows for additions to property, plant, equipment and intangible assets	(704)	(910)
Cash inflows from sales of property, plant, equipment and other assets	6	6
Cash inflows from divestitures	(3)	51
Cash outflows for noncurrent financial assets	(16)	(15)
Cash inflows from noncurrent financial assets	7	2
Cash outflows for acquisitions less acquired cash	-	(11)
Interest and dividends received	30	40
Cash inflows from/(outflows for) other current financial assets	(1,089)	(1)
<b>Cash flows from investing activities</b>	<b>(1,769)</b>	<b>(838)</b>
Reacquisition of treasury shares	444	-
Reissuance of treasury shares	4	7
Dividend payments and withholding tax on dividends	(221)	(442)
Issuances of debt	1,775	444
Retirements of debt	(719)	(591)
Interest paid	(79)	(86)
<b>Cash flows from financing activities</b>	<b>1,204</b>	<b>(668)</b>
<b>Change in cash and cash equivalents due to business activities</b>	<b>669</b>	<b>(123)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>748</b>	<b>865</b>
Change in cash and cash equivalents due to changes in scope of consolidation	1	(1)
Change in cash and cash equivalents due to exchange rate movements	(14)	7
<b>Cash and cash equivalents at end of period</b>	<b>1,404</b>	<b>748</b>

(1) Reference information was restated accordingly, see note 4.1 "Change in presentation of rebates granted to customers" to the audited consolidated financial statements as of December 31, 2020 of the Issuer.

### ***Core Volume Growth and Additional Performance Measures***

The Issuer has provided core volume growth and certain alternative performance measures ("APMs") in this Base Prospectus because it believes they provide investors with additional information to assess the economic situation of the Group's business activities.

The Issuer uses APMs to assess the business performance of the Group. These APMs are not defined in the International Financial Reporting Standards ("IFRS"). They should be considered as supplement to, not a replacement for, the performance measures determined in accordance with IFRS. The calculation methods and reconciliation of the non-IFRS sales and earnings APMs to the figures reported in the financial statements are presented below. The calculation methods for the APMs may vary from those of other companies, thus limiting the extent of the overall comparability. These alternative performance measures should not be viewed in isolation or employed as an alternative to the financial indicators determined in accordance with IFRS and presented in the consolidated financial statements for purposes of assessing the Group's net assets, financial position and results of operations.

The following are the APMs relevant to the Group:

- EBITDA
- Return on capital employed (ROCE)
- Free operating cash flow (FOCF)
- Net financial debt

The Issuer uses return on capital employed (ROCE) to assess profitability in the context of the Issuer's internal management system. EBITDA is also calculated as an additional indicator of profitability. Free operating cash flow (FOCF) is a key factor in the presentation of the liquidity position that indicates the Issuer's ability to generate a cash surplus and finance its activities. Net financial debt gauges the Group's financial condition and financing requirements.

### ***Core Volume Growth***

Core volume growth refers to the core products in the Polyurethanes, Polycarbonates and Coatings, Adhesives, Specialities segments. It is calculated as the percentage change in externally sold volumes in thousand tons compared with the prior year. The Group also takes advantage of business opportunities outside its core business, for example the sale of raw materials and by-products such as hydrochloric acid, sodium hydroxide solution and styrene. These transactions are not included in core volume growth. Reference values calculated based on the definition of the core business effective March 31, 2020.

<b>Financial year ended December 31,</b>	<b>2020</b>	<b>2019</b>
	<hr/> <i>(unaudited)</i>	
Core volume growth <sup>(1)</sup>	-5.6%	2.0%

(1) Reference values calculated on the basis of the definition of the core business effective March 31, 2020.

### ***EBIT and EBITDA***

EBIT is a measure used in the calculation of EBITDA. EBIT represents the share of the income after income taxes plus financial result and income tax expense attributable to the Group's core business after elimination of the influence of variable tax rates and/or various financing activities.

EBITDA is EBIT plus amortization and impairment losses on intangible assets, and depreciation and impairment losses on property, plant and equipment, less impairment loss reversals. In addition, EBITDA is adjusted for possible distortions arising from various depreciation/amortization methods and measurement options, and therefore represents earnings from operating business activities.

### Calculation of EBIT

Financial year ended December 31,

(amounts in EUR million)

	2020	2019
	(unaudited)	
<b>Sales</b>	<b>10,706</b>	<b>12,412</b>
Cost of goods sold	(8,207)	(9,658)
<b>Gross profit</b>	<b>2,499</b>	<b>2,754</b>
Selling expenses	(1,195)	(1,380)
Research and development expenses	(262)	(266)
General administration expenses	(310)	(372)
Other operating income	63	181
Other operating expenses	(99)	(65)
<b>EBIT<sup>(1)</sup></b>	<b>696</b>	<b>852</b>
<b>Financial result</b>	<b>(91)</b>	<b>(91)</b>
<b>Income before income taxes</b>	<b>605</b>	<b>761</b>
Income taxes	(151)	(204)
<b>Income after income taxes</b>	<b>454</b>	<b>557</b>

(1) EBIT: Income after income taxes plus financial result and income tax expense.

### Calculation of EBITDA

Financial year ended December 31,

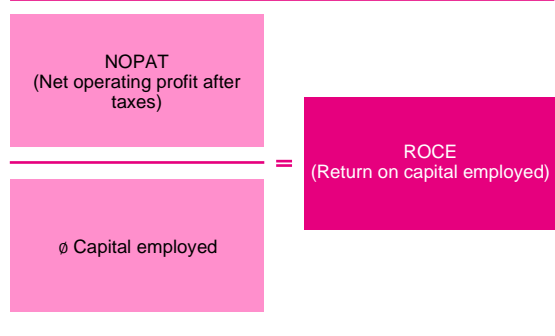
(amounts in EUR million)

	2020	2019
	(unaudited)	
<b>EBIT</b>	<b>696</b>	<b>852</b>
Depreciation, amortization, impairment losses and impairment loss reversals	776	752
<b>EBITDA</b>	<b>1,472</b>	<b>1,604</b>

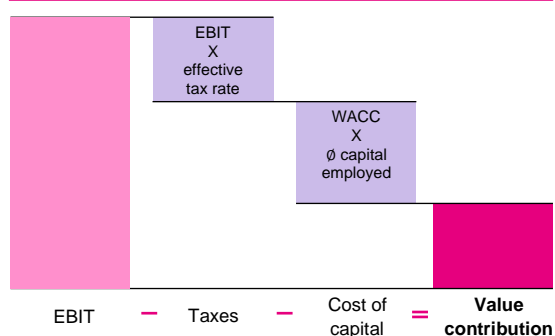
### Return on Capital Employed (ROCE)

The foremost objective of the Group is to steadily increase enterprise value. Value is generated if Group earnings exceed the cost of capital. The Issuer uses return on capital employed (ROCE) as the central value-based management metric. Return on capital employed (ROCE) measures profitability and is calculated as the ratio of EBIT, adjusted for special items as needed, after taxes ("NOPAT" = net operating profit after taxes) to the average capital employed. If the return on capital employed (ROCE) exceeds the weighted average cost of capital ("WACC"), the company is earning a premium on its cost of capital.

#### Calculation of the Return on Capital Employed



#### Calculation of the Value Contribution



### Calculation of average capital employed

The capital employed is the interest-bearing capital required by the company for its operations. It is calculated from operating noncurrent and current assets less non-interest-bearing liabilities. Non-interest-bearing liabilities include, for example, trade accounts payable and current provisions. The average capital employed is determined using the capital employed at the beginning and end of the relevant period.

	December 31, 2020	December 31, 2019	January 1, 2019	Effects of IFRS 16	December 31, 2018 <sup>(1)</sup>
<i>(amounts in EUR million)</i>					
Goodwill	255	264	256	-	256
Other intangible assets	109	114	77	-	77
Property, plant and equipment <sup>(2)</sup>	5,175	5,286	5,069	660	4,409
Investments accounted for using the equity method	173	192	214	-	214
Other noncurrent financial assets <sup>(3)</sup>	5	7	8	-	8
Other receivables <sup>(4)</sup>	309	376	361	-	361
Deferred taxes <sup>(5)</sup>	253	221	256	-	256
Inventories	1,663	1,916	2,213	-	2,213
Trade accounts receivable	1,593	1,561	1,786	-	1,786
Claims for income tax refunds	55	104	55	-	55
Assets held for sale <sup>(6), (7)</sup>	36	12	1	-	-
<b>Gross capital employed</b>	<b>9,626</b>	<b>10,053</b>	<b>10,296</b>	<b>660</b>	<b>9,635</b>
Other provisions <sup>(8)</sup>	(360)	(422)	(721)	-	(721)
Other liabilities <sup>(9)</sup>	(269) <sup>(10)</sup>	(284) <sup>(10)</sup>	(335) <sup>(10)</sup>	-	(335)
Deferred tax liabilities <sup>(11)</sup>	(177)	(204)	(153)	-	(153)
Trade accounts payable	(1,241) <sup>(10)</sup>	(1,431) <sup>(10)</sup>	(1,536) <sup>(10)</sup>	-	(1,536)
Income tax liabilities	(162)	(164)	(279)	-	(279)
Liabilities directly related to assets held for sale <sup>(12), (13)</sup>	(7)	(8)	-	-	-
<b>Capital employed</b>	<b>7,410</b>	<b>7,540</b>	<b>7,272</b>	<b>660</b>	<b>6,611</b>
<b>Average capital employed</b>	<b>7,475</b>	<b>7,406</b>			

(1) Reference information was not restated for financial reporting standard IFRS 16.

(2) As of January 1, 2019, this also contains the lease liabilities from initial application of IFRS 16.

(3) Other noncurrent financial assets were adjusted for nonoperating assets.

(4) Other receivables were adjusted for nonoperating and financial receivables.

(5) Deferred taxes were adjusted for deferred taxes from defined benefit plans and similar obligations.

(6) Assets held for sale have been included in the calculation of capital employed since January 1, 2019. The prior-year figures were not restated.

(7) Assets held for sale were adjusted for nonoperating and financial assets.

(8) Other provisions were adjusted for provisions for interest payments.

(9) Other liabilities were adjusted for nonoperating and financial liabilities.

(10) Reference information was restated accordingly. See note 4.1 "Change in presentation of rebates granted to customers" in the notes to the consolidated financial statements as of December 31, 2020 of the Issuer.

(11) Deferred tax liabilities were adjusted for deferred tax liabilities from defined benefit plans and similar obligations.

(12) Liabilities directly related to assets held for sale have been included in the calculation of capital employed since January 1, 2019. The prior-year figures were not restated.

(13) Liabilities directly related to assets held for sale were adjusted for nonoperating and financial liabilities.

### Calculation of the cost of capital

WACC reflects the expected return on the company's capital comprising both equity and debt. The cost of equity factors used in WACC are calculated by addition of the risk-free interest rate and the risk premium for an equity investment. The Group uses the returns on long-term German government bonds as the risk-free interest rate. We derive this risk premium from capital market information for comparable listed companies.

The cost of debt factors is calculated by addition of the risk-free interest rate and a risk premium on debt capital that the Group calculates using the financing costs of comparable companies, less the tax benefit of interest incurred on borrowed capital. Calculation of the cost of capital generally has a long-term perspective; short-term fluctuations are evened out. The after tax capital cost factor for the Group was 7.3% in fiscal 2020 (previous year: 6.8%).

*Calculation of the net operating profit after taxes ("NOPAT") and value contribution*

The absolute value generation of the company is measured by the metric value contribution. This is the difference between NOPAT and the cost of capital. The latter is calculated by multiplying the average capital employed by WACC. A positive value contribution means that value has been generated.

NOPAT is the operating result after taxes. Taxes are determined by multiplying the effective tax rate by EBIT.

<b>Financial year ended December 31,</b>	<b>2020</b>	<b>2019</b>
<i>(amounts in EUR million if not otherwise indicated)</i>	<i>(unaudited)</i>	
EBIT	696	852
Effective tax rate <sup>(1)</sup>	25.0 %	26.8%
Taxes <sup>(2)</sup>	(174)	(228)
<b>NOPAT</b>	<b>522</b>	<b>624</b>
WACC	7.3%	6.8%
Average capital employed	7,475	7,406
<b>Cost of capital</b>	<b>546</b>	<b>(504)</b>
<b>Value contribution</b>	<b>(24)</b>	<b>120</b>
<b>ROCE</b>	<b>7.0%</b>	<b>8.4%</b>

(1) The calculation of the effective tax rate is presented in note 13 "Taxes" to the audited consolidated financial statements as of December 31, 2020 of the Issuer.

(2) The imputed income taxes used in the calculation of NOPAT are determined by multiplying EBIT by the effective tax rate.

*Free Operating Cash Flow (FOCF)*

Free operating cash flow (FOCF) is the operating cash flow less cash outflows for additions to property, plant, equipment and intangible assets. Free operating cash flow serves in particular to pay dividends and interest and to repay debt.

*Calculation of Free Operating Cash Flow*

<b>Financial year ended December 31,</b>	<b>2020</b>	<b>2019</b>
<i>(amounts in EUR million)</i>		
<b>EBITDA</b>	<b>1,472</b>	<b>1,604</b>
Income taxes paid	(155)	(296)
Change in pension provisions	25	49
(Gains) losses on retirements of noncurrent assets	8	(51)
Change in other working capital, other noncash items	(116)	77
<b>Operating cash flows</b>	<b>1,234</b>	<b>1,383</b>
Cash outflows for additions to property, plant, equipment and intangible assets	(704)	(910)
<b>Free operating cash flow</b>	<b>530</b>	<b>473</b>

*Net Financial Debt*

Net financial debt equals the sum of all financial liabilities less cash and cash equivalents, current financial assets and receivables from financial derivatives.



*Calculation of Net Financial Debt*

**Financial year ended December 31,**

*(amounts in EUR million)*

	<b>2020</b>	<b>2019</b>
	<i>(unaudited)</i>	
Bonds	1,990	997
Liabilities to banks	227	10
Lease liabilities	672	735
Liabilities from derivatives	9	10
Other financial liabilities	1	-
Receivables from derivatives	(13)	(15)
<b>Financial liabilities</b>	<b>2,886</b>	<b>1,737</b>
Cash and cash equivalents	(1,404)	(748)
Current financial assets	(1,126)	-
<b>Net financial debt</b>	<b>356</b>	<b>989</b>

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes by the Issuer will be used for general corporate purposes unless stated otherwise in the applicable Final Terms.

## **TAXATION WARNING**

The tax legislation of the state of residence of a prospective purchaser of Notes and the Issuer's country of incorporation may have an impact on the income received from the Notes.

**Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes.**

## SUBSCRIPTION AND SALE

### Underwriting

The Notes may be issued on a continuous basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of offers to the public pursuant to the Prospectus Regulation, as specified in the relevant Final Terms, or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche of Notes will be stated in the relevant Final Terms.

The Issuer and the Dealers have entered into a dealer agreement dated March 12, 2021 (the "**Dealer Agreement**") which sets out, *inter alia*, the arrangements under which Notes, issued under the Programme, may from time to time be agreed to be purchased by any one or more Dealers from the Issuer. Any such agreement will, *inter alia*, contain provisions dealing with the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer(s) and the commissions or any other agreed deductibles payable or allowable by the Issuer in respect of such purchase.

Further, the Dealer Agreement provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. A subscription agreement prepared in relation to a particular Tranche of Notes will typically be dated on or about the date of the relevant Final Terms applicable to such Tranche of Notes.

### Method for determining the issue price and the process for its disclosure

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

### Selling Restrictions

#### *General*

Each Dealer has represented and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefore.

#### *United States of America (the "United States")*

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### ***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes specify the "*Prohibition of Sales to Retail Investors in the European Economic Area*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to Retail Investors in the European Economic Area*" as "*Not Applicable*", in relation to each Member State of the EEA (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State ("**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided** that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### ***United Kingdom***

#### ***Prohibition of Sales to UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies "*Prohibition of Sales to Retail Investors in the United Kingdom*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "*Prohibition of Sales to Retail Investors in the United Kingdom*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### *Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Switzerland**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that with regard to Switzerland this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described therein. The Notes may not be publicly offered directly or indirectly, in, into or from Switzerland within the

meaning of the Swiss Financial Services Act ("**FinSA**") and will not be admitted to trading on any trading venue (SIX Swiss Exchange Ltd. or on any other exchange or any multilateral trading facility) in Switzerland.

Neither this Base Prospectus, nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA or has been approved by a Swiss review body within the meaning of article 52 of the FinSA, and no such prospectus has been or will be prepared for, or in connection with, the offering of the Notes. No "Key Information Document" (*Basisinformationsblatt*) according to the FinSA or any other equivalent document under the FinSA has been prepared in relation to the Notes.

### ***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA; (2) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### ***Canada***

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## GENERAL INFORMATION

### Supplements to this Base Prospectus

The Issuer has undertaken, unless it is not intended to issue Notes under the Programme for the time being, that if at any time during the duration of the Programme, if there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any investment in the Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and the rights attaching to the Notes, to prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a replacement Base Prospectus for use in connection with any subsequent offering of Notes.

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus.

If the Terms and Conditions (as set out in the Base Prospectus) are modified or amended in a manner which would make the Base Prospectus, supplemented, inaccurate or misleading, a new prospectus will be prepared to the extent required by law.

### Interests of the Dealers

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

Interests of persons involved in a specific issue of Notes under the Programme will be set out in the relevant Final Terms.

### Authorisation

The establishment of the Programme was authorised by a resolution of management board (*Vorstand*) of Covestro AG dated December 10, 2015 and a resolution of the supervisory board (*Aufsichtsrat*) of Covestro AG passed on December 4, 2015.

The dates of the respective resolutions by the governing bodies of Covestro AG regarding the issuance of a series of Notes are set out in each Final Terms.

### Clearing Systems

The Notes have been accepted for clearance through the Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ("**Euroclear**") and Clearstream Banking S.A., 42 Avenue JF Kennedy L-1855, Luxembourg ("**Clearstream, Luxembourg**") and Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream, Frankfurt**"). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

Notes potentially eligible as collateral for the Eurosystem monetary policy and intraday credit operations may be (i) deposited with either Clearstream, Frankfurt or (ii) issued in a form compliant with the new global note structure for international bearer debt securities and will be kept in safe custody with a common safekeeper ("**CSK**") to Euroclear and Clearstream, Luxembourg, the International Central Securities Depositories (the "**ICSDs**").

If Notes will be issued in the new global note structure this will be set out in the relevant Final Terms.

### Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 3912005AWHKLQ1CPLV11.



### **Consent to the use of the Base Prospectus**

Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Base Prospectus in Luxembourg, Germany, Austria and/or The Netherlands for the subsequent resale or final placement of the relevant Notes during the respective offer period (all as specified in the applicable Final Terms) during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Base Prospectus is still valid in accordance with Article 12(1) of the Prospectus Regulation.

The Base Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Base Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the website of the Issuer ([www.covestro.com](http://www.covestro.com)). When using the Base Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by a Dealer and/or a further financial intermediary the Dealer and/or the further financial intermediary, shall provide information to investors on the terms and conditions of the Notes at the time of that offer.**

**Any Dealer and/or a further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.**

### **Documents Available**

For so long as any Notes issued under this Programme are outstanding (and in the case of the following items (i) and (iii), for a period of at least ten years commencing with the publication of this Base Prospectus), electronic versions of the following documents are available on the Issuer's website:

- (i) this Base Prospectus and any supplement to this Base Prospectus (accessed by using the hyperlink: "<https://www.covestro.com/en/investors/debt/debt-issuance-program>");
- (ii) the articles of incorporation of the Issuer (accessed by using the hyperlink: "[https://www.covestro.com/-/media/covestro/country-sites/global/documents/company/management/corporate-governance/20190424\\_covestro\\_ag\\_articles\\_of\\_incorporation.pdf?la=en](https://www.covestro.com/-/media/covestro/country-sites/global/documents/company/management/corporate-governance/20190424_covestro_ag_articles_of_incorporation.pdf?la=en)"); and
- (iii) the documents incorporated by reference into this Base Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Base Prospectus, any document incorporated by reference and any supplement to this Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In addition, electronic versions of the contracts relating to a joint representative of the Noteholders of a Series of Notes pursuant to § 14 of the Terms and Conditions, where applicable, will be made available on the Issuer's website.

### **Third Party Information:**

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Dealer has independently verified any such information and neither the Issuer nor any Dealer accepts any responsibility for the accuracy thereof.

## DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Base Prospectus and which have been filed with the CSSF, are incorporated by reference into this Base Prospectus:

- (i) Annual Report 2020 of the Group (the "**Annual Report 2020**"), containing the English language translation of the respective German language audited consolidated financial statements of Covestro AG as of and for the year ended December 31, 2020 and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof; and
- (ii) Annual Report 2019 of the Group (the "**Annual Report 2019**"), containing the English language translation of the respective German language audited consolidated financial statements of Covestro AG as of and for the year ended December 31, 2019 and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof.
- (iii) Extract from the base prospectus of Covestro AG relating to the EUR 5,000,000,000 debt issuance programme dated March 12, 2020 (the "**Base Prospectus 2020**").
- (iv) Extract from the base prospectus of Covestro AG relating to the EUR 5,000,000,000 debt issuance programme dated February 26, 2016 (the "**Base Prospectus 2016**").

The non-incorporated parts of such documents, i.e. the pages not listed in the tables below, are either not relevant for the investor or covered elsewhere in the Base Prospectus.

**(i) Extracted from: Covestro – Annual Report 2020**

Consolidated Income Statement.....	page 187
Consolidated Statement of Comprehensive Income.....	page 188
Consolidated Statement of Financial Position.....	page 189
Consolidated Statement of Cash Flows.....	page 190
Consolidated Statement of Changes in Equity .....	page 191
Notes to the Consolidated Financial Statement.....	pages 192 - 271
Independent Auditor's Report .....	pages 274 - 280

**(ii) Extracted from: Covestro – Annual Report 2019**

Consolidated Income Statement.....	page 148
Consolidated Statement of Comprehensive Income.....	page 149
Consolidated Statement of Financial Position.....	page 150
Consolidated Statement of Cash Flows.....	page 151
Consolidated Statement of Changes in Equity .....	page 152
Notes to the Consolidated Financial Statement.....	pages 153 - 227
Independent Auditor's Report .....	pages 229 - 234

**(iii) Extracted from: Base Prospectus 2020**

Terms and Conditions of the Notes.....	pages 27 - 85
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**(iv) Extracted from: Base Prospectus 2016**

Terms and Conditions of the Notes.....	pages 65 - 118
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All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Electronic versions of the documents incorporated by reference are also available on the website of the Issuer (<https://www.covestro.com>) and can be accessed by using the following hyperlinks:

1. Covestro – Annual Report 2020:

*<https://report.covestro.com/annual-report-2020/servicepages/downloads/files/covestro-ar20-entire.pdf>*

2. Covestro – Annual Report 2019:

*[https://report.covestro.com/annual-report-2019/servicepages/downloads/files/covestro\\_ar19\\_entire.pdf](https://report.covestro.com/annual-report-2019/servicepages/downloads/files/covestro_ar19_entire.pdf)*

3. Covestro – Base Prospectus 2020:

*<https://www.covestro.com/-/media/covestro/country-sites/global/documents/investors/debt/debt-issuance-program/covestro-debt-issuance-program-base-prospectus-2020.pdf?la=en>*

4. Covestro – Base Prospectus 2016:

*<https://www.covestro.com/-/media/covestro/country-sites/global/documents/investors/debt/debt-issuance-program/2021/covestro--base-prospectus-2016.pdf?la=en>*

## NAMES AND ADDRESSES

### ISSUER

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51373 Leverkusen  
Germany

### FISCAL AGENT AND PAYING AGENT

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Germany

### DEALERS

**BofA Securities Europe SA**  
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**Citigroup Global Markets Europe AG**  
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Germany

**Citigroup Global Markets Limited**  
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United Kingdom

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### AUDITOR

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*To the Dealers as to German law*

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