VOLKSWAGEN

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

(public limited liability company (naamloze vennootschap) under the laws of the Netherlands)

EUR 1,000,000,000 Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2028
Issue Price: 100%

EUR 750,000,000 Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2032
Issue Price: 100%

guaranteed on a subordinated basis by

VOLKSWAGEN AKTIENGESELLSCHAFT

(a stock corporation (Aktiengesellschaft) incorporated under the laws of the Federal Republic of Germany)

Volkswagen International Finance N.V. (the "**Issuer**" or "**VIF**") will issue EUR 1,000,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on September 6, 2028 (the "**NC5 Notes**") and EUR 750,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on September 6, 2032 (the "**NC9 Notes**" and, together with the NC5 Notes, the "**Notes**" and each a "**Series**") in a denomination of EUR 100,000 each on September 6, 2023 (the "**Issue Date**") at an issue price of 100% of their specified denomination in respect of the NC5 Notes and 100% of their specified denomination in respect of the NC9 Notes (the "**Offering**"). Each Series of Notes is unconditionally and irrevocably guaranteed, on a subordinated basis, by Volkswagen Aktiengesellschaft (the "**Guarantor**" or "**Volkswagen AG**" and together with its consolidated subsidiaries, the "**Volkswagen Group**" or "**Volkswagen**") (the "**Guarantee for the NC5 Notes**" and the "**Guarantee for the NC9 Notes**" respectively, and together the "**Guarantees**").

The NC5 Notes shall bear interest on their specified denomination (i) from and including September 6, 2023 (the "**NC5 Interest Commencement Date**") to but excluding September 6, 2028 (the "**NC5 First Call Date**") at a rate of 7.500% per annum; (ii) from and including the NC5 First Call Date to but excluding September 6, 2033 (the "**First NC5 Step-up Date**") at the relevant 5-year swap rate for the relevant Reset Period (as defined herein) plus a margin of 429.2 basis points per annum (no step-up); (iii) from and including the First NC5 Step-up Date to but excluding September 6, 2048 (the "**Second NC5 Step-up Date**") at the relevant 5-year swap rate for the relevant Reset Period plus a margin of 454.2 basis points per annum (including a 25 basis points step-up); and (iv) from and including the Second NC5 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole at the relevant 5-year swap rate for the relevant Reset Period plus a margin of 529.2 basis points per annum (including a further 75 basis points step-up). During each such period interest is scheduled to be paid annually in arrear on September 6 of each year (each an "**NC5 Interest Payment Date**"), commencing on September 6, 2024.

The NC9 Notes shall bear interest on their specified denomination (i) from and including September 6, 2023 (the "**NC9 Interest Commencement Date**") to but excluding September 6, 2032 (the "**NC9 First Call Date**") at a rate of 7.875% per annum; (ii) from and including the NC9 First Call Date to but excluding September 6, 2033 (the "**First NC9 Step-up Date**") at the relevant 9-year swap rate for the relevant Reset Period (as defined herein) plus a margin of 478.3 basis points per annum (no step-up); (iii) from and including the First NC9 Step-up Date to but excluding September 6, 2052 (the "**Second NC9 Step-up Date**") at the relevant 9-year swap rate for the relevant Reset Period plus a margin of 503.3 basis points per annum (including a 25 basis points step-up); and (iv) from and including the Second NC9 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole at the relevant 9-year swap rate for the relevant Reset Period plus a margin of 578.3 basis points per annum (including a further 75 basis points step-up). During each such period interest is scheduled to be paid annually in arrear on September 6 of each year (each an "**NC9 Interest Payment Date**"), commencing on September 6, 2024.

The Issuer is entitled to defer payments of interest on any Interest Payment Date (as defined in the Terms and Conditions) ("**Arrears of Interest**") and may pay such Arrears of Interest voluntarily at any time, but only has to pay such Arrears of Interest under certain circumstances as laid out in the terms and conditions of the NC5 Notes (the "**NC5 Note Terms and Conditions**") or the terms and conditions of the NC9 Notes (the "**NC9 Note Terms and Conditions**" and, together with the NC5 Note Terms and Conditions, the "**Terms and Conditions**"), as applicable.

Each Series of Notes is redeemable, in whole but not in part, at the option of the Issuer at their specified denomination plus accrued and unpaid interest and upon payment of any outstanding Arrears of Interest on the NC5 First Call Date for the NC5 Notes and on the NC9 First Call Date for the NC9 Notes and on any respective Interest Payment Date thereafter. The Issuer may also redeem each Series separately in whole but not in part at any time before the respective first call dates following a Rating Event, an Accounting Event, a Tax Deductibility Event or a Gross-up Event at the Early Redemption Amount (each as defined in the applicable Terms and Conditions). Additionally, the Issuer may redeem each Series separately, in whole but not in part, if any of the Issuer, the Guarantor or any of the Guarantor's subsidiaries has, severally or jointly, purchased or redeemed at least 80% of the aggregate principal amount of the Notes of such Series.

Each of the Series will initially be represented by a temporary global note, without interest coupons, which will be exchangeable in whole or in part for a permanent global note without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Notes are issued in bearer form with a denomination of EUR 100,000 each ("**Specified Denomination**").

The Notes are rated BBB- by S&P Global Ratings Europe Limited ("**S&P**") and Baa2 by Moody's Deutschland GmbH ("**Moody's**" and, together with S&P, the "**Rating Agencies**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies (as amended) (the "**CRA Regulation**"). In general, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a rating agency established in the European Union or in the United Kingdom and registered under the CRA Regulation. A list of credit rating agencies registered under the CRA Regulation is available for viewing at the ESMA's website. That list is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 1129/2017 of the European Parliament and of the Council of June 14, 2017 (as amended, the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.LuxSE.com).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer nor of the quality of the securities that are the subject of this Prospectus. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer Article 6(4) of Luxembourg Law of July 16, 2019 on Prospectuses for securities (the "**Prospectus Law**"). Investors should make their own assessment as to the suitability of investing in the Notes.

Prospective investors should be aware that an investment in the Notes involves a risk and that, if certain risks, in particular those described under "*Risk Factors*" occur, the investors may lose all or a very substantial part of their investment.

This document does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this document, see "*Selling Restrictions*".

This Prospectus will be valid until August 30, 2024 and may in this period be used for admission to trading of the Notes on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange and at the latest upon expiry of the validity period of this Prospectus.

Joint Bookrunners

BNP PARIBAS | **Citigroup** | **Commerzbank** | **Mizuho** | **Santander Corporate & Investment Banking**

The date of this Prospectus is August 30, 2023

IMPORTANT NOTICES

RESPONSIBILITY STATEMENT

Each of Volkswagen International Finance N.V. (the "**Issuer**" or "**VIF**") with its corporate domicile in Amsterdam, the Netherlands, and Volkswagen Aktiengesellschaft (the "**Guarantor**", "**VWAG**" or "**Volkswagen AG**" and, together with its direct and indirect subsidiaries and joint ventures at the date of this Prospectus, "**Volkswagen**" or the "**Volkswagen Group**") having its corporate domicile in Wolfsburg, Germany, accepts responsibility for the information contained in and incorporated by reference into this Prospectus including the English language translations of the Terms and Conditions and the Guarantees and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

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

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

To the fullest extent permitted by law, neither the Joint Lead Managers nor any other person mentioned in this Prospectus, except for the Issuer and the Guarantor, is responsible for the information contained in this Prospectus 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. The Joint Lead Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and of the Guarantor. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer, the Guarantor or the Joint Lead Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

US SELLING RESTRICTIONS

The offer, sale and delivery of the Notes and the Guarantees and the distribution of this Prospectus in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Joint Lead Managers to inform themselves about and to observe any such restrictions. In particular, the Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes and the Guarantees may not be offered, sold or delivered within the United States of America (the "**United States**") or to U.S. persons. For a further description of certain restrictions on offerings and sales of the Notes and the Guarantees and distribution of this Prospectus (or of any part thereof) see "*Selling Restrictions*."

NOTICE

No person is authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Issuer, the Guarantor or BNP Paribas, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Mizuho Securities Europe GmbH, and Banco Santander, S.A. (together, the "**Joint Lead Managers**" or the "**Managers**"). Neither the delivery of this Prospectus nor any offering or sale of any Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor or any of its affiliates since the date of this Prospectus, or that the information herein is correct at any time since its date.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements, in particular statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the captions "Description of the Guarantor" and "Description of the Issuer" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, potential synergies to be realized in connection with potential acquisitions, plans and expectations regarding developments in the business of the Issuer, the Guarantor and the Volkswagen Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer and the Guarantor, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Guarantor assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Notes offered hereby and does not constitute an offer to sell or a solicitation of an offer to buy any Notes offered hereby to any person in any jurisdiction in which it is unlawful to make any such offer or solicitation to such person.

CURRENCY

In this Prospectus all references to "**€**", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, and all references to "**U.S.$**", "**$**" or "**USD**" are to United States dollars.

PRESENTATION OF FINANCIAL DATA

The consolidated financial statements of Volkswagen Aktiengesellschaft as of and for the years ended December 31, 2022 and December 31, 2021 (respectively, the "**2022 Group Financial Statements**" and the "**2021 Group Financial Statements**", and together, the "**Group Financial Statements**") were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (*Handelsgesetzbuch, HGB*) and were audited. The condensed interim consolidated financial statements of Volkswagen Aktiengesellschaft as of and for the six-month period ended June 30, 2023 (the "**Group Interim Financial Statements**" and, together with the Group Financial Statements, the "**VWAG Financial Statements**") were prepared in accordance with IFRS on interim financial reporting (IAS 34) and were unaudited but reviewed.

In the Group Interim Financial Statements the Volkswagen Group applied IFRS 17 “Insurance Contracts” as of January 1, 2023 for the first time. The transition was conducted using the full retrospective approach, unless using that approach was impracticable. This was the case when not all of the required historical information, in particular for multiyear contracts, was available without undue cost and effort. In these instances, the Volkswagen Group generally used the modified retrospective approach. Prior-period comparative figures as of December 31, 2022 and for the six-month period ended June 30, 2022 in the Group Interim Financial Statements have been adjusted accordingly. For more information see Note “Accounting policies” – “IFRS 17 – Insurance Contracts” to the Group Interim Financial Statements.

The financial statements of VIF as of and for the years ended December 31, 2022 and December 31, 2021 (respectively, the "**Financial Statements 2022 of VIF**" and the "**Financial Statements 2021 of VIF**", and together the "**VIF Annual Financial Statements**") were prepared in accordance with IFRS and in accordance with section 9, Book 2 of the Dutch Civil Code and were audited. The condensed interim financial statements of VIF as of and for the six-month period ended June 30, 2023 (the "**VIF Interim Financial Statements**", and together with the Financial Statements 2022 of VIF and the Financial

Statements 2021 of VIF, the "**VIF Financial Statements**", and together with the VWAG Financial Statements, the "**Financial Statements**") were prepared in accordance with IFRS on interim financial reporting (IAS 34) and were unaudited.

Unless otherwise specified, the financial information analysis included or incorporated by reference in this Prospectus is based on the Financial Statements. Where financial information in the tables of this Prospectus is labeled "audited", it has been taken from the Group Financial Statements or the VIF Annual Financial Statements. The label "unaudited" is used to indicate that financial information in the tables of this Prospectus has not been taken from the Group Financial Statements or the VIF Annual Financial Statements but has been taken or derived from the Group Interim Financial Statements, or the VIF Interim Financial Statements or from Volkswagen's or the Issuer's accounting records or management reporting or is based on calculations of figures from the aforementioned sources. Unless otherwise indicated, the 2022 and 2021 financial figures included in this Prospectus have been taken or derived from the 2022 Group Financial Statements or the Financial Statements 2022 of VIF. Not all figures may be comparable.

The financial information and related discussion and analysis included or incorporated by reference in this Prospectus are presented in euro except as otherwise specified.

Gross margin, operating result, operating return on sales, research and development ratio ("**R&D ratio**") in the Automotive Division, capex in the Automotive Division, capex as a percentage of sales revenue in the Automotive Division, net cash flow in the Automotive Division and net liquidity in the Automotive Division are not recognized financial measures under IFRS ("**Non-GAAP measures**") and should, for this reason, not be considered as an alternative to the applicable IFRS financial measures. These Non-GAAP measures may not be comparable to similarly titled financial measures as presented by other companies due to differences in the way of calculation.

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 (the "**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**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA 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.

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 UK 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, as amended (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 UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET ASSESSMENT

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET ASSESSMENT

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, 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**"); and (ii) all channels for distribution of the Notes are appropriate. Any Distributor should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

BENCHMARKS REGULATION

From their respective first call date, interest amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), which is currently provided by European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**").

ROUNDING

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as subtotals or totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

GREEN BONDS

Neither the Issuer, nor the Guarantor, nor the Joint Bookrunners makes any representation as to the suitability of any Green Bonds (as defined below), including the listing or admission to trading thereof on any dedicated "green", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), to fulfil any present or future investor expectations or requirements with respect to investment criteria or guidelines which any investor or its investments are required to comply with under its own bylaws or other governing rules or investment portfolio mandates. The Joint Bookrunners have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for projects or assets in the Eligible Green Portfolio (as defined below), any verification of whether such projects or assets meet such criteria or the monitoring of the use of (net) proceeds of the Notes (or amounts equal thereto).

Investors should refer to the Green Finance Framework (see for further information section "*Use of Proceeds*" below) which further specifies the eligibility criteria for the Eligible Green Portfolio based on the recommendations included in the voluntary process guidelines for issuing green bonds published by the International Capital Market Association ("**ICMA**") (the "**2021 ICMA Green Bond Principles**"), the independent second party opinion by Sustainalytics thereto, which is published on Volkswagen's website (https://www.volkswagen-group.com/en/green-finance-15752), and any public reporting by or on behalf of the Issuer in respect of the use of the (net) proceeds of the Notes for further information. None of the Joint Bookrunners makes any representation as to the suitability or contents of the Green Finance Framework.

Neither the Green Financing Framework nor the second party opinion by Sustainalytics thereto, which the Guarantor publishes on its website, nor the Guarantor's group management report are incorporated into or form part of this Prospectus.

STABILIZATION

In connection with the issue of the Notes, BNP Paribas (or persons acting on its behalf) may over-allot notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may cease at any time, but it must end no later than the earlier of 30 calendar days after the date of the receipt of the proceeds of the issue by the Issuer and 60 calendar days after the date of the allotment of the Notes. Such stabilizing shall be in compliance with all laws, directives, regulations and rules of any relevant jurisdiction.

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1. RISK FACTORS

Prospective investors should carefully review the following risk factors in conjunction with the other information contained in this Prospectus before making an investment in the Notes. If these risks materialize, individually or together with other circumstances, they may have a material adverse effect on Volkswagen's business, results of operations and financial condition. The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer and the Guarantor may be unable to fulfill their respective obligations under the Notes and the Guarantees for reasons other than those described below. Additional risks not currently known to the Issuer or the Guarantor or that they currently believe are immaterial may also adversely affect Volkswagen's business, results of operations and financial condition. Should any of these risks materialize, the trading price of the Notes could decline, the Issuer and the Guarantor may not be able to fulfill their respective obligations under the Notes and the Guarantees, and investors could lose all or a part of their investment.

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective purchaser may not rely on the Issuer, the Guarantor, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

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

Risk Factors regarding Volkswagen International Finance N.V.

1.1 Finance Subsidiary

The Issuer is an indirect wholly owned subsidiary of Volkswagen AG. All Notes to be issued by the Issuer are unconditionally and irrevocably guaranteed by Volkswagen AG in respect of principal and interest payments. Accordingly, the ability of the Issuer to fulfil its obligations under the Notes is affected, substantially, by the same risks as those that affect the business and operations of Volkswagen AG and/or its consolidated subsidiaries. Therefore, references in this section to risk factors affecting Volkswagen AG and/or its consolidated subsidiaries shall be considered risk factors affecting the Issuer (if applicable).

Volkswagen AG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks which could affect Volkswagen AG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. In addition, risks that are not yet known or assessed as not material can influence profitability, cash flows and financial position.

Risk Factors regarding Volkswagen Aktiengesellschaft and Volkswagen Group

1.2 Macroeconomic, sector specific, markets and sales risks

1.2.1 *Demand for Volkswagen's products and services depends upon the overall economic situation and sector specific requirements; restrictions on trade and increasingly protectionist tendencies can result in a negative trend in markets and impact Volkswagen's unit sales.*

The sales volume of Volkswagen's products and services depends upon the general global economic situation. Economic growth and developments in advanced economies and emerging markets have been adversely affected by volatility in the financial and commodity markets, restrictions on trade, increasingly protectionist tendencies and structural deficits, which pose a threat to the performance of both advanced economies and emerging markets. There may also be decreased demand in certain important sales regions or countries in the future, such as Western Europe, Germany or China, for example due to geopolitical developments, changes in requirements that must be observed in order to operate in certain jurisdictions, a decline in the population that impacts the economic situation or consumer purchasing power in such regions or countries or slower economic growth than in previous years, which could result in lower sales volumes and demand for financial services or otherwise negatively impact the financial position and results of operations of the Group. In addition, there are increasing environmental challenges, for example relating to climate change and natural disasters, that affect individual countries and regions to varying degrees. Furthermore, the worldwide transition from an expansionary monetary policy to a more restrictive one also presents risks for the macroeconomic environment. In particular, inflation rates in many economies worldwide have risen significantly since 2021. Further increases in inflation rates and actions taken by central banks and other state actors to combat rising inflation rates, including raising interest rates, have negatively affected economic growth, have led or may lead to regional or global economic recessions, and may lead to declines in consumer spending and confidence and increase borrowing costs. In addition, high levels of public and private debt, movements in major currencies, volatile energy and commodity prices as well as political and economic uncertainty have in the past and may in the future have a negative impact on consumption, damaging the macroeconomic environment. Certain business areas within the Volkswagen Group, such as Power Engineering, can be particularly affected by changes in the economic environment, which can result in changes in customer demand or the cancellation of existing orders. Such developments could materially adversely impact Volkswagen's sales revenue, net assets, cash flows, financial condition and results of operations.

Particular risks to the economic environment, international trade and demand for Volkswagen's products and services may arise from increasing protectionist sentiment in Volkswagen's key markets and the introduction of further tariff and non-tariff barriers or similar measures due to increasing protectionist tendencies or because of other political reasons. For example, trade tensions between the United States and China, or a reorientation of United States economic policy in an effort to strengthen its domestic value chain could have such an impact. Other domestic policies, such as the United States Inflation Reduction Act of 2022, which provides financial incentives for U.S. consumers to buy North American-assembled electric cars, may have a further negative impact on Volkswagen's sales and results of operations. For example, the United States Inflation Reduction Act of 2022 could have a negative impact on the volume of Audi sales in North America since Audi does not currently assemble battery electric vehicles in the respective free trade zone. Any introduction of additional regional or international trade barriers, including customs duties, minimum local content requirements, changes in taxation which have similar effects, or withdrawal from or renegotiation of multilateral trade agreements, could adversely impact Volkswagen's business and results of operations. Any retaliatory measures by regional or global trading partners could further adversely affect global economic growth and have an adverse impact on Volkswagen's business activities, net assets, financial position and results of operations.

Furthermore, geopolitical tensions and conflicts, along with signs of fragmentation in the global economy, are a further major risk factor to the performance of individual countries and regions. In light of the existing, strong global interdependence of major markets, local developments could have adverse effects on the world economy. Any escalation of the tensions between for example the United States and China or escalation of the conflicts in Eastern Europe, the Middle East, South and East Asia or Africa and especially the current conflict between Russia and Ukraine, for example, have caused and may continue to cause upheaval on the global energy and commodity markets, supply chains and trade and exacerbate migration trends and cause declines for Volkswagen's products and services. See also "*Macroeconomic, sector specific, markets and sales risks – The continuing impact to the global economy, energy supplies, and energy-intensive sectors from the Russian-Ukraine conflict and the sanctions imposed by numerous countries and multinational entities in response thereto is uncertain but may have negative implications for Volkswagen's operations.*". The same applies to violent conflicts, terrorist activities, cyber-attacks and the spread of infectious diseases, such as the coronavirus ("**SARS-CoV-2**") pandemic, which have resulted and may continue to result in unexpected, short-term market reactions and declines in demand for Volkswagen's products and services.

A deteriorating macroeconomic environment may also disproportionately reduce demand for premium, sport and luxury vehicles, which have typically been the most profitable products for Volkswagen Group. Stagnating economic growth or declines or economic disruptions in countries and regions that are major economic centers or are relevant to the global supply chain, in particular the United States and China, have an immediate effect on the global economy and thus pose a key risk for Volkswagen's businesses. The economic development of some emerging economies is also being hampered primarily by dependence on energy and commodity prices and capital inflows, but also by sociopolitical tensions. See also "*Legal Risks – Volkswagen is exposed to political, economic, tax and legal risks in numerous countries*."

1.2.2 ***The continuing impact to the global economy, energy supplies, and energy-intensive sectors from the Russian-Ukraine conflict and the sanctions imposed by numerous countries and multinational entities in response thereto may have negative implications for Volkswagen's operations.***

As of the date of this Prospectus, the Russia-Ukraine conflict has had and will likely continue to have a negative impact on the Volkswagen Group's business. The conflict resulted in increased uncertainty in respect of developments in the global economy and prompted large sections of the community of Western states to impose sanctions on a wide range of Russian state and corporate entities and individuals, ranging from extensive trade embargoes to asset freezes to the exclusion of certain Russian banks from the global financial system; on the other hand, Russia has cut, or limited to a significant extent, exports of energy goods to European countries. This has caused and may continue to cause bottlenecks in the Volkswagen Group's supply chains and parts shortages, volatility in commodity and energy prices and fluctuations in exchange rates. As of the date of this Prospectus, it is not possible to conclusively assess the specific effects that this conflict will have on Volkswagen's business. Nor is it possible to predict with sufficient certainty to what extent a further escalation of the Russia-Ukraine conflict could impact the global economy and the growth of the automotive industry in the future.

While the Volkswagen Group does not have any material subsidiaries or equity investments in Ukraine, its operations have been and may continue to be affected by disruptions to counterparties and third-party suppliers located in the region. The timing of any disposals by the Volkswagen Group of any of its companies in Russia and related regulatory and/or judicial approval may take longer than anticipated or expose the Group to foreign exchange risk in the event of a delay in the closing of such transactions. Other obstacles may also emerge, such as restrictions on financial intermediaries' involvement in Russian business transactions. As of June 30, 2023, comprehensive loss allowances on assets of production facilities and financial services companies were recognized, as were risk provisions, especially for third-party expenses expected from the discontinuation of activities in Russia. Overall, total expenses of around €2 billion were recognized in 2022 as a direct result of the Russia-Ukraine conflict, which are reported in cost of sales and in the other operating result. In relation to the net assets, financial position and results of operations of the Volkswagen Group, the business activities of the Volkswagen Group in these two countries are insignificant; however, there is a risk that a further escalation of the conflict could have a material adverse effect on the results of operations, financial position and net assets of the Group. The full scope of the short and long-term implications of the Russia-Ukraine conflict and the related sanctions are difficult to predict at this time. However, the ongoing conflict has caused and may continue to cause, or contribute to, adverse effects on the global economy as well as general worsening of the macroeconomic environment in Europe, Asia and the U.S. (including the risk of recession).

Furthermore, the conflict has resulted and may further result in direct severe adverse impacts on large consumers of natural gas and energy-intensive sectors specifically (e.g., heavy industry such as steel and aluminium metallurgy, automotive, and chemical manufacturers). European countries have relied to a significant extent on oil and natural gas sourced from Russia and plans to reduce this exposure require an extended period of time to take effect. Depending on developments in the Russia-Ukraine conflict, these risks may become particularly acute during colder weather. Russia has previously cut the delivery of natural gas to various European countries and has progressively reduced, or for periods of time, paused entirely, deliveries of natural gas to other European countries, including Germany, and could potentially entirely cut off the supply of natural gas to certain countries. These measures as well as potential measures may further trigger supply chain issues and energy-shortages, as well as production stoppages in the short term, and in the long-term may lead to a reduction in overall competitiveness, rising unemployment and economic recession in Volkswagen's key markets.

In the event of natural gas supply shortages, industrial corporations that use natural gas may face significant negative impacts if they are unable to meet their energy needs from other sources at acceptable prices, or at all. Affected industrial corporations could include Volkswagen and its suppliers. Volkswagen's customers could also be adversely affected by natural gas shortages or increased natural gas prices and may choose to delay or forgo purchasing its products as a result. In such cases, Volkswagen's business, financial condition and results of operations would be materially and adversely affected.

Contemplated or implemented emergency plans on the part of certain governments may lead to oil and natural gas rationing if Russia further disrupts or halts supplies, and disrupted trade flows may lead to limited oil and gas supplies in the EU, in the short or long-term. As of the date of this Prospectus, EU member states, and in particular Germany, have provided emergency financing to a number of major energy companies to avoid their collapse and have introduced further measures to support certain other energy-intensive companies. Furthermore, national and local government authorities (in particular in Germany) have taken steps in order to reduce energy consumption in the public and private sector. Further, in the event of worsening natural gas supply, national governments may introduce gas rationing plans or measures which permit further market and non-market based measures to prioritize natural gas supply to protected consumers (e.g., private households, essential social services and certain district heating). Government measures rationing gas supplies may cause industrial gas consumers such as the Group and many of its Europe-based suppliers who rely on gas to carry on their manufacturing activities to be unable to meet their energy needs. This could lead to production stoppages, factory shutdowns, a decline in output, delayed product development and decreased sales and sales revenue of the Group or such affected suppliers.

Volkswagen may also experience a rise in commodity prices for various raw materials (e.g., steel, aluminium and battery raw materials) as well as increased dealer and/or supplier claims and disputes due to a lower amount of delivered vehicles or a decrease in the purchase of supplier parts. Furthermore, if any of the above risks materialize, Volkswagen may not be able to adjust its production capacity in a sufficient and timely manner if demand fluctuates beyond the limits of Volkswagen's organizational and technical flexibility. Volkswagen may not be able to sufficiently reduce its fixed and variable operational costs and defer its own external liabilities, which could potentially materially adversely affect Volkswagen's financial position.

The above risks may also have the effect of heightening Volkswagen's other business risks, such as those relating to cyber-security, supply chain, inflationary and other volatility in prices of goods and materials, and the condition of the markets including as related to Volkswagen's ability to access additional capital, any of which could negatively affect Volkswagen's business. Because of the highly uncertain and dynamic nature of these events, it is not currently possible to estimate the total impact of the Russia-Ukraine conflict on Volkswagen's business, financial condition, results of operations and cash flows in a long-term perspective.

1.2.3 ***The larger share of Western Europe, particularly Germany, and of China in Volkswagen's sales exposes Volkswagen to these regions' overall economic development and competitive pressures. The material deterioration of economic conditions and financial markets in these regions caused by the SARS-CoV-2 pandemic and different effects of the Russia-Ukraine conflict on these regions have resulted and may continue to result in a marked decline in consumer demand and investment activity and has significantly adversely affected and may continue to affect Volkswagen's business.***

In 2022, Volkswagen delivered 33% of its passenger cars and light commercial vehicles to customers in Western Europe. In particular, in 2022, 13% of total Volkswagen's passenger cars and light commercial vehicles deliveries were to customers in Germany. In the same year, Volkswagen delivered 40% of its passenger cars and light commercial vehicles to customers in China. A sustained decrease in demand for Volkswagen's products, especially for battery electric vehicles, and services in Western Europe, especially in Germany, or in China would have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations. This also applies to the commercial vehicle market, in which demand is particularly dependent on economic developments.

A decline in consumer demand or in product prices in Western Europe, Germany or China would have a material adverse effect on Volkswagen's business, financial position and results of operations. The effects of the SARS-CoV-2 pandemic and Russia-Ukraine conflict caused a significant worldwide economic downturn, affecting among others, Europe, Germany and China. This resulted in risks for Volkswagen's trading and sales companies, such as in relation to efficient inventory management and ability to maintain a profitable dealer network. The pandemic also caused a severe decline in demand for automobiles and other goods, which could lead to significant prolonged long-term economic weakness or recession and declines in automobile demand. This has had and could continue to have material adverse effects on Volkswagen's sales revenue, net assets, cash flows, financial condition and results of operations.

1.2.4 ***Volkswagen faces strong competition in all markets, which may lead to a significant decline in unit sales or price deterioration.***

The markets in which Volkswagen conducts business are marked by intense competition, and Volkswagen expects competition in the international automotive market to intensify further in the coming years. In previous years, before the SARS-CoV-2 pandemic, this led to considerable price reductions and increase of incentives offered by individual automobile manufacturers.

Volkswagen expects that the automotive industry will experience significant and continued transformation over the coming years. In the long term, the electrification of vehicles is expected to play an important role and the earnings contribution per vehicle for battery electric vehicles may be lower than that for vehicles with internal combustion engines. This will require Volkswagen to be responsive not only to its traditional competitors but also to new industry entrants and evolving trends in mobility. New participants are seeking to disrupt the industry's historic business model through the introduction of new technologies, products or services, new business models or new modes of transportation and car ownership. Competitive pressure will therefore encompass a wider range of competitors, products and services, including those that may be outside Volkswagen's current main business, such as autonomous vehicles, car sharing concepts and transportation as a service. If Volkswagen does not accurately assess, prepare for and respond to these challenges, its competitive position could erode, and its business could be harmed.

Competitive pressure, particularly in the automotive markets in Western Europe, the United States, China, Brazil and India may further intensify due to cooperation between existing manufacturers or the market entry of new manufacturers, particularly from the United States, China or India, or an expansion of production by existing manufacturers or due to governmental regulations. In addition, Volkswagen's competitors may increasingly attempt to serve the Western European market with their spare production capacity or new product offers oriented towards European consumers. Alongside this, China's automotive industry is intensely competitive, with many domestic and foreign manufacturers attempting to maintain or grow their market share, for example, through marketing incentives. Such competition in China is especially acute in the market for battery electric vehicles, where some Chinese consumers may prefer brands other than Volkswagen, including those of domestic manufacturers. A further increase in competitive pressures in Western European or Chinese markets could result in falling prices and decreasing demand for Volkswagen's vehicles, which could adversely affect sales, operating margins and cause a loss of market share. Intensified competition could reduce the number of Volkswagen's marketable products and services, as well as the prices and margins Volkswagen can obtain, which would negatively affect Volkswagen's market position and could materially adversely affect Volkswagen's general business activities, net assets, financial position and results of operations.

1.2.5 *A decline in retail customers' purchasing power or in corporate customers' financial situation and willingness to invest as well as increased price pressure could significantly adversely affect Volkswagen's business.*

Demand for vehicles for personal use generally depends on consumers' net purchasing power and their confidence in future economic developments, while demand for vehicles for commercial use by corporate customers (including fleet customers) primarily depends on the customers' financial condition, their willingness to invest (which is affected by expected future business prospects), available financing, satisfaction with current products, and changes in mobility demand. A decrease in potential customers' disposable income or their financial condition will generally have a negative impact on vehicle sales. For example, the material deterioration in the global economy and financial markets, including increases in unemployment levels, rising inflation and interest rates, and partial declines in income and personal wealth caused by the SARS-CoV-2 pandemic and the Russia-Ukraine conflict, have to some extent, led to and may continue to lead to significant declines in demand for automobiles.

A weak macroeconomic environment and higher inflation, combined with restrictive lending and a low level of consumer sentiment, reduces consumers' willingness to buy, lease or finance a vehicle. Government intervention, such as tax increases, can have a similar effect. This tends to lead to existing and potential customers refraining from new vehicle purchases or, if the purchases are made, to potentially choose cheaper and less well-equipped vehicles.

Special sales incentives and increased price pressures in the new car business also influence price levels in the used car market, with a negative effect on vehicle resale values. This may have a negative impact on the profitability of the used car business in Volkswagen's dealer organization including Volkswagen's Financial Services Division.

1.2.6 *Demand for Volkswagen products, in particular hybrid and electric vehicles, is driven to a certain extent by government support schemes, tax breaks and other third-party incentives*

Volkswagen believes that demand for certain vehicles in the Volkswagen Group's product range is partly driven by third-party incentives such as rebates, tax-breaks and other environmental government schemes. This applies in particular to hybrid and electric vehicles.

Government sales supporting schemes, such as temporary tax breaks, could for a given period encourage customers to make vehicle purchases earlier than originally planned, generating the risk that future revenues will be reduced accordingly. Alternatively, government sales support schemes may focus on market segments which are not beneficial for Volkswagen. Furthermore, such supporting schemes may terminate and/or new schemes may provide less incentives for customers to purchase Volkswagen products. This may have a negative impact on the demand for Volkswagen vehicles and adversely affect Volkswagen's general business activities, net assets, financial position and results of operations.

1.2.7 *Volkswagen's commercial success depends on its own and its competitors' efforts in Asia, North America, South America and Central and Eastern Europe.*

Volkswagen believes that its future growth will, to a considerable extent, depend on demand for products and services of the Volkswagen Group from China, and more generally in growth markets in Central and Eastern Europe, South America, Asia and North America. Accordingly, Volkswagen has increased its investments in these regions and intends to make further investments there in the future. This also applies to Volkswagen's Financial Services Division.

However, a number of growth markets have high customs barriers or minimum local content requirements for production, for example, presenting challenges to Volkswagen's plans. Furthermore, several Volkswagen competitors, in particular major Asian manufacturers, have also considerably expanded their production capacity or are in the process of doing so in these relevant regions. These facilities primarily serve the respective local markets, where demand for automobiles strongly depends on local economic growth.

If local economic growth and demand for Volkswagen's products weaken, Volkswagen may sell fewer products in these markets or obtain lower prices than expected. A decline in, or lack of, economic growth in such local markets could also lead to significantly intensified price competition, rising inventories and excess production capacity. This could significantly decrease Volkswagen's revenue and income. For example, the impact of the SARS-CoV-2 pandemic on local economic growth in these markets, particularly in Asia, has caused, and may continue to cause a significant decline in demand for Volkswagen's products and services, causing Volkswagen to sell fewer products in these markets and/or obtain lower prices than expected. Furthermore, due to a lack of economic growth and resulting price competition, Volkswagen may not realize a return on investments in these markets at all or realize it later than planned, which may have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

Volkswagen's future growth plans significantly depend on the market development in China. Volkswagen operates in the Chinese market mainly through a number of joint ventures. An economic slowdown or new, unfavorable government policies (including ceasing subsidies) — such as regulations setting quotas for new energy vehicles (e.g., battery electric vehicles and plug-in hybrid electric vehicles) — may affect the demand for automobiles. In addition, restrictions on vehicle registrations in metropolitan areas — such as those in effect, for example, in Beijing, Shanghai and Guangzhou — may be extended to other major cities in China. This could have a material adverse effect on Volkswagen's sales in China.

1.2.8 *Changing consumer preferences and governmental regulations with respect to modes of transportation could limit Volkswagen's ability to sell Volkswagen's traditional product lines at current volume levels.*

Many consumers today are more focused on acquiring smaller, more fuel efficient and environmentally friendly vehicles, including hybrid and electric models. The size, performance and accessories features of the passenger cars and light commercial vehicles that Volkswagen sells have an impact on Volkswagen's profitability. Generally, larger vehicles in higher vehicle categories with higher engine power contribute more to Volkswagen's operating result than smaller vehicles in lower vehicle categories with lower engine power. It is technically demanding and cost intensive for Volkswagen to develop engines that are smaller and more efficient, but which maintain the same performance. On the other hand, the high level of customer interest in sports utility vehicles (SUV) could impact the carbon dioxide ("**CO_2**") balance of Volkswagen's fleet and Volkswagen could incur higher costs in meeting the applicable CO_2 targets. Volkswagen also faces growing pressure for enhanced digitalization and automated driving features in addition to increasing regulatory requirements. Implementing such changes involves, among other things, technical challenges, the burden of meeting changing customers' preferences, as well as increased costs. For competitive reasons Volkswagen may only be able to pass these costs on to customers to a limited extent, if at all, which could affect Volkswagen's profitability.

In the past, Volkswagen observed that private and commercial users were increasingly open to alternative modes of transportation to the detriment of self-owned vehicles, especially in connection with growing urbanization. While this trend has reversed partly as a result of the SARS-CoV-2 pandemic, it is unclear whether the reversal will continue long-term.

A change in consumer preferences or governmental regulations away from transport by automobile, as well as a trend towards smaller vehicles or vehicles equipped with smaller engines, alternative drivetrains or other technical enhancements could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.2.9 *Volkswagen's multiple brand strategy may result in overlap in the sales approach, which could lead to weakening of the brands and there could be other developments or restrictions in certain jurisdictions which limit the ability of Volkswagen to successfully deploy its brand strategy.*

In the Automotive Division, Volkswagen has several brands, some of which serve similar customer segments. Additionally, the trend of increasing number of body styles (for example, cross-over body styles) based on customer expectations and competitive actions increases the risk of an overlap in the marketing approach, which can have a negative effect on the overall position and market share of the individual brands. This risk can be intensified by Volkswagen's modular strategy, which provides the same platforms and components for certain segments.

A shift in demand in the volume market in which Volkswagen simultaneously offers many brands and models, for example, in the compact vehicle class, would necessitate additional marketing activities to broaden brand perception and create higher differentiation among brands.

These risks may lead to internal cannibalization, loss of sales or additional expenses associated with higher investment to reposition affected models or brands, which could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

Volkswagen may also face other limitations in certain jurisdictions which inhibit its overall brand strategy. Any delay or unanticipated legal or other complication related to planned brand deployment as part of Volkswagen's overall strategy could have a negative impact on Volkswagen's general business activities and results of operations.

1.2.10 *Volkswagen is dependent on the sale of vehicles to corporate customers (including fleet customers) and is therefore dependent on their economic situation and preferences.*

Corporate customers, including fleet customers, generate more stable incoming orders than retail customers. Fleet customers need vehicles to travel, distribute their goods and services and visit their customers. They rely on cars, light commercial vehicles, trucks and busses for their daily work and in most cases, they provide a specific budget for the acquisition of the vehicles, generating stable incoming orders. Fleet registrations of Volkswagen Group passenger vehicles as a share of total registrations in Europe amounted to 42.4% in 2022 for the overall market. The fleet customer business is characterized by increasing concentration and internationalization, such that the loss of individual fleet customers could result in relatively high volume losses.

Although Volkswagen does not depend on any individual corporate customer, corporate customers, in aggregate, represent an important customer group. Therefore, Volkswagen is dependent on this customer segment's economic situation and any worsening of such situation or worsening of the wider macroeconomic environment may deter corporate customers from investing in or from the leasing of vehicles for commercial use leading to a postponement of fleet renewal contracts. For example, the sensitivity of this customer group to the material deterioration of the global economy and the financial markets resulting from the SARS-CoV-2 pandemic (and the resulting shift from business travel to online meetings) has caused and may continue to cause Volkswagen to sell significantly fewer vehicles to such corporate customers. Sales in Volkswagen's truck business are particularly sensitive to economic developments due to the transportation sector's strong cyclicality. The resulting production fluctuations require significant flexibility on the part of truck producers, given the even higher complexity of the product offering with respect to trucks as compared to passenger vehicles. In addition, if Volkswagen sells fewer vehicles to corporate customers, the Financial Services Division may conclude fewer leasing or financing agreements.

Furthermore, due to the higher number of vehicles purchased by corporate customers compared to individual customers, large corporate customers are generally granted larger discounts. There is a risk that Volkswagen may only be able to partially offset discounts to corporate customers, if at all.

Corporate customers tend to include CO_2 restrictions in relation to exhaust emissions into their company policies. There is a risk that large corporate customers will reduce or eliminate purchases of Volkswagen products if the Volkswagen Group is not able to offer products with sufficiently low exhaust emissions values. Additionally, corporate customers are increasingly interested in new forms of mobility as well as mobile online services. There is a risk that Volkswagen could lose sales if the Volkswagen Group's shift to new mobility concepts does not proceed in a timely manner.

A decline in sales to corporate customers could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.2.11 ***Issues in relation to exhaust emissions have negatively affected and may continue to affect brand image or brand confidence.***

The reputation of the Volkswagen Group and its brands is one of its most important assets and forms the basis for the Volkswagen Group's long-term business success. Volkswagen's attitude and strategic orientation with regard to issues such as integrity, ethics and sustainability are the focus of public attention. However, misconduct or criminal acts by individuals and the resulting damage to Volkswagen's reputation can never be completely prevented. In addition, media reactions can have a negative impact on the image of Volkswagen Group and its brands. This effect could be exacerbated by inadequate crisis communication.

Reputational issues may adversely impact Volkswagen's business, revenues, net assets, cash flows, financial condition and results of operations. See also "*Legal Risks – Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.*"

1.2.12 ***The SARS-CoV-2 pandemic has had a material adverse effect on Volkswagen's business, affecting sales, production and supply chains, and employees. Further, the SARS-CoV-2 pandemic has caused, and may continue to cause, directly or indirectly, severe disruptions in the European and global economy and financial markets and could potentially create widespread business continuity issues.***

The scale and duration of the SARS-CoV-2 pandemic severely impacted global financial and energy and commodity markets and regional and global economies, pushing most into recession, including Volkswagen's primary markets and the locations of its principal operations, Germany and Europe as a whole, North and South America and China and Asia as a whole.

Measures taken by governments to control the spread of the pandemic have caused and may continue to cause a material deterioration of the global economy and the financial markets, with serious negative consequences for both advanced economies and emerging markets, including all of Volkswagen's core markets, disrupting global supply chains and affecting production output, affecting consumer demand and spending, and adversely impacting a number of industries, including the automobile industry. The resurgence of SARS-CoV-2, or novel mutations thereof, in a number of countries worldwide or the extended duration of impacts from this or another pandemic could further negatively impact financial and energy and commodity markets and regional and global economies.

The effects of the SARS-CoV-2 pandemic have had and may continue to have a material adverse effect on the demand for and sales of Volkswagen's products and services, its business and results of operations. The duration and intensity of the pandemic, national responses thereto, the resulting economic consequences, and the shape of the economic recovery in different regions could individually or together adversely impact Volkswagen's ability to successfully operate in the future. For example, the impact of the SARS-CoV-2 pandemic on global demand, supply chains and commodity and raw material markets as well as the resulting slowdowns or suspensions in production due to lockdowns have affected Volkswagen's business and results of operations. Sales and operations in specific regions or for particular Volkswagen Group brands may be more severely impacted than others depending on differences in the development of the pandemic in different regions and the respective governmental responses thereto. While production, sales revenue and operating results for the Volkswagen Group partially recovered in 2022, the impacts of the SARS-CoV-2 pandemic on Volkswagen's business, financial position and results of operations may continue.

As a result of the SARS-CoV-2 pandemic and an ensuing decline in vehicle sales in the automotive industry, leading semiconductor manufacturers reassigned their production capacities to other customer sectors which maintained or saw increases in demand, such as consumer electronics. This subsequently resulted in a semiconductor shortage in the automotive industry. Such supply chain issues or other indirect impacts from the pandemic may continue to persist even after the direct impacts have declined.

Future epidemics or pandemics could potentially cause further significant damage to the global economy and to Volkswagen's business. SARS-CoV-2 continues to present material uncertainty and risk and has had and could continue to have material adverse effects on Volkswagen's sales revenue, net assets, cash flows, financial condition and results of operations.

1.3 Research and development risks

1.3.1 *The automotive industry faces a process of transformation with far-reaching changes and Volkswagen's future business success depends on its ability to develop new, attractive and energy-efficient products; failure to develop products in line with demand and regulations, especially in view of e-mobility, software and digitalization trends could materially impact Volkswagen's operations.*

Customers are increasingly focusing on lower fuel consumption and exhaust emissions when they make a purchasing decision. Alternative drive technologies (for example electric or hybrid powertrains) are becoming more important both due to growing customer demand for local zero emissions mobility and for compliance with the highest legal requirements. Recently, many car companies, including Volkswagen, are developing autonomous driving technologies and introducing electric and/or hybrid automobiles and automotive digitalization products and services.

A significant factor for Volkswagen's future success is its ability to recognize such trends early enough to react accordingly and thus strengthen Volkswagen's position in the existing product and service range and the market segments it already serves, as well as enabling it to expand into new market segments. Volkswagen encounters research and development challenges as its products become more complex and as it introduces new, more environmentally friendly technologies. Primarily due to increasingly stringent emission and consumption regulations, it may have difficulties in achieving stated efficiency targets and fulfilling fleet average targets without loss of quality or decline in profitability. See also: "*Volkswagen is subject to a range of different environmental regulatory and legal requirements worldwide that are constantly changing; and not meeting CO_2-related regulations could lead to substantial fees, penalties, damages and other materially adverse effects.*".

Volkswagen is pursuing developments in electric mobility and planning further extensive investments – including in battery technology and digitalization – to expand its electric car model range. This plan entails considerable risk, including: uncertainties regarding future regulations and the extent of governmental support; uncertainties regarding the widespread adoption by consumers of electric vehicles and their performance: availability of the necessary charging infrastructure; Volkswagen's ability to react to cyber-attacks and cyber-crime in an appropriate time and manner; Volkswagen's technological and organizational capabilities to shift from a traditional car manufacturer into a provider of sustainable mobility, availability of supply of required materials (such as lithium or cobalt) and components (in particular safe and reliable batteries); and Volkswagen's ability to sufficiently increase its capacity to serve the new market with comprehensive products and mobility services. In particular, Volkswagen has invested and will continue to invest heavily in its software subsidiary CARIAD SE ("**CARIAD**") as part of the development of a unified

Volkswagen technology and software platform, and Volkswagen may not recoup or benefit from these investments should there be failures or delays in developing the platform, issues with its roll-out or customer acceptance difficulties, among other potential issues.

Volkswagen has entered into a variety of cooperative arrangements to research and develop new technologies, particularly for alternative drive and energy source technologies, such as high-performance lithium ion batteries for electric cars. Nevertheless, Volkswagen may not achieve its objectives for electrification of its product range and other future technological advances or may not achieve an acceptable return on investment or profitability at the historical levels in the new market segments.

Volkswagen's competitors or their joint ventures may develop better solutions and be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality or at a lower cost. This could lead to increased demand for competitors' products and result in a loss of Volkswagen's market share. Furthermore, if Volkswagen's financial condition deteriorates, for example as a result of rising interest rates, the capital required for making future investments in research and development may not be readily available.

As a result of the intensity of automotive competition and the pace of technological developments, Volkswagen faces continual pressure to develop new products and improve existing products in shorter time. If Volkswagen miscalculates, delays recognition of, or fails to adapt its products and services to trends, legal and customer requirements in individual markets or other changes in demand, Volkswagen's unit sales could drop. Volkswagen cannot eliminate this risk, even with extensive market research. If Volkswagen makes fundamental or repeated miscalculations over the long term, it could lose customers and the reputation of its affected brands could suffer. Such miscalculations could also lead to unprofitable investments and associated costs.

Recent progress in the development of electric vehicles and new software driven technologies like autonomous driving, will lead to a major shift of revenue and profit pools and therefore to a fundamental change in the automotive business. As part of its mid- and long-term strategic initiatives, such as the "NEW AUTO" initiative introduced in 2021, Volkswagen is targeting a re-alignment from a vehicle manufacturer to a global software-driven mobility provider, requiring the development of a unified battery cell, the expansion of charging infrastructure and new energy services, as well as the development of mobility solutions for owned and shared vehicles.

If Volkswagen is unable to successfully execute is strategic initiatives, encounters delays in bringing new vehicle models to market or if customers do not accept Volkswagen's new models, or if the other risks mentioned above occur, this could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.3.2 *Volkswagen faces challenges in connection with stricter processes/requirements for vehicle approval (homologation) and new test procedures.*

The potential introduction of more stringent emission and fuel consumption regulations like EU7 for the European market will impose additional material cost increases for the Internal Combustion Engine ("**ICE**"), Mild Hybrid Electric Vehicle ("**mHEV**") and Plug-in Hybrid Electric Vehicle ("**PHEV**") portfolios and pose increased implementation challenges and risks once the regulation content and implementation timing is confirmed by the European Commission. Other jurisdictions may adopt similarly more stringent emissions and fuel consumption regulations. The costs of compliance with regulatory requirements continue to be considerable, given the expected increased scrutiny, periodic regulatory changes, the need to develop new harmonized internal standards to comply with regulations, and stricter enforcement by regulators globally. In the past, Volkswagen was required and may in the future be required to devote significant resources to conduct the product compliance management activities for the current, future and past vehicle portfolio. Although such activities are intended to mitigate the risks posed they may not always be successful in doing so.

A violation of applicable regulations could lead to the imposition of penalties, fines, damages, recalls, restrictions on or revocations of Volkswagen's permits and licenses (including vehicle certifications or other authorizations that must be in place before a particular vehicle may be sold in the authorizing jurisdiction), restrictions on or prohibitions of business operations, reputational harm and other adverse consequences. This, in turn, could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.3.3 *Volkswagen faces regulatory risks and greater competition in vehicle aftermarkets resulting from EU regulations.*

Volkswagen maintains a European-wide distribution network with selected dealers and workshops based on standardized contracts that are adapted to European and local laws. For the distribution of new motor vehicles, Volkswagen uses quantitative and qualitative selection criteria in accordance with the Vertical Block Exemption Regulation (EU) No. 2022/720 ("**VBER**"), which entered into force on June 1, 2022 and replaced the former Vertical Block Exemption Regulation (EU) No. 330/2010. Generally, Volkswagen is entitled to limit the number of dealers to those who fulfil qualitative criteria. However, Volkswagen may be required to self-assess its situation and potentially change its distribution contracts to admit further dealers into its network in markets where Volkswagen's market share exceeds 40%.

Additionally, Volkswagen is obliged to grant access to technical information for independent market participants in accordance with the Euro 5/Euro 6 legislation (Regulation (EU) No. 566/2011, Regulation (EC) No. 715/2007 and Regulation (EC) No. 692/2008). Due to the amendment of the Euro 5/Euro 6 legislation in the form of Regulation (EC) No. 2018/858 effective September 1, 2020, Volkswagen must grant independent operators access to technical information that goes beyond the previous requirements. The expansion of independent market participants' access to such information causes additional expenses in connection with the review of existing arrangements and other costs that Volkswagen must incur in order to adapt to the new regulation. The regulations described above could also expose Volkswagen to greater competition in the aftermarkets.

The European Commission has prolonged the Motor Vehicle Block Exemption Regulation (461/2010, MVBER) for five years, meaning that it will be applicable until May 31, 2028. It has also updated the "Supplementary Guidelines on Vertical Restraints in Agreements on the Sale and Repair of Motor Vehicles and the Distribution of Motor Vehicle Spare Parts" to EU Regulation 461/2010 (the "**Supplementary Guidelines**"). The Supplementary Guidelines clarify that data generated by vehicle sensors may be an essential input for the provision of repair and maintenance services. Thus the existing principles for the provision of technical information have been extended to explicitly cover vehicle-generated data and the Supplementary Guidelines clarify that Article 102 of the Treaty on the Functioning of the European Union ("**TFEU**") may be applicable where a supplier unilaterally withholds this input from independent operators. It is not yet possible to predict whether and to what extent Volkswagen AG will be affected by corresponding claims of independent market operators and what economic effects these claims may have.

For example, Germany initiated a change in the national design law which came into force in December 2020, restricting or abolishing design protection for spare parts for repair purposes parts by introducing a "repair clause". Furthermore, the European Commission plans to end design protection for visible vehicle parts. If this plan is implemented, it could adversely affect Volkswagen's genuine parts business. The developments in Germany or possible further restriction or abolitions of design protection for replacement parts could have a negative impact on the Volkswagen Group's genuine parts business.

1.4 Operational risks

1.4.1 *Any unauthorized control or manipulation of Volkswagen's in-vehicle systems could impact the safety of Volkswagen customers and reduce confidence in Volkswagen's products.*

Volkswagen's vehicles contain increasingly complex IT systems. These systems control various vehicle functions including engine, transmission, safety, steering, navigation, acceleration, braking, and window and door lock functions. Hackers have reportedly attempted, and may attempt in the future, to gain unauthorized access to modify, alter and use such systems to gain control of, or to change, vehicles' functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicle.

Any unauthorized access to or control of Volkswagen's vehicles or their systems or any loss of data, or undiscovered software flaws or other malfunctions, could impact the safety of Volkswagen's customers or security of their private data, reduce confidence in Volkswagen's products, or result in legal claims or proceedings, liability or regulatory penalties. In addition, regardless of their veracity, reports of unauthorized access to vehicles, their systems or data could negatively affect Volkswagen's brand and reputation, and harm its business, results of operations, financial condition and prospects.

1.4.2 ***Volkswagen operates complex IT systems and is exposed to risks in the areas of cyber security and new regulatory requirements for IT.***

Volkswagen operates comprehensive and complex IT systems. IT risks exist in relation to confidentiality, data integrity and availability, and can arise in the form of unauthorized access to, modification of and extraction of sensitive electronic corporate or customer data as well as limited systems availability as a consequence of downtime and disasters.

Volkswagen collects and stores sensitive data, including intellectual property, proprietary business information, proprietary business information of Volkswagen's dealers and suppliers, as well as personally identifiable information of customers and employees, in data centers (both internal and cloud-based) and on IT networks. The secure operation of these systems and products, and the processing and maintenance of the information processed by these systems and products, is critical to Volkswagen's business operations and strategy. The importance and complexity of electronically processed data continues to increase, and applicable data protection laws place onerous obligations on Volkswagen's IT systems. The Volkswagen Group, as a globally active enterprise, is subject to the growing stringent national and international data protection requirements, including the EU General Data Protection Regulation (GDPR), Chinese laws such as the Cyber Security Law (CCSL) or Personal Information Protection Law (PIPL) or California Customer Privacy Act (CCPA). In addition, new regulation on data sharing and trustworthy artificial intelligence systems is currently being prepared by national and international governance bodies, such as the EU Data Act and the EU Artificial Intelligence Act. New vehicle and software development requirements are also the focus of increasing cyber security guidelines and standards in the EU, United States and China. In addition, Volkswagen Group is providing more services (business services as well as car and customer-oriented services through private and public clouds), thus increasing the Group's dependencies on third parties such as cloud vendors. Development and provisioning of cloud software and services is characterized by rapid iterations and rollouts. As a result, there is an increased risk that existing IT compliance and testing procedures will not adequately mitigate IT and information security risks.

Systems and products may be vulnerable to damage, disruptions or shutdowns caused by attacks by hackers, computer viruses, or breaches due to errors or malfeasance by employees, contractors and others who have access to these systems and products or otherwise be subject to IT downtime or other interruptions. Further, software and hardware of some of Volkswagen's established IT systems are no longer supported by their vendors, which increases the difficulty of ensuring that they continue to operate properly and securely. The occurrence of any of these events could compromise the operational integrity of these systems and products and could result in the compromise or loss of the information processed by these systems and products. Such events could result in, among other things, the loss of proprietary data, interruptions or delays in Volkswagen's business operations, reputational damage or damage to Volkswagen's financial performance and to its relationships with customers and suppliers, legal claims or proceedings, or other liability or regulatory penalties. Volkswagen has experienced such events in the past and, although past events were immaterial, future events may occur and lead to material adverse effects.

Where economically reasonable, Volkswagen Group intends to harmonize various IT systems. There are risks inherent in non-uniform IT systems, such as compatibility issues for both hardware and software or the necessity to train personnel for different systems. Additionally, numerous essential functional processes in the development, production and sales of vehicles and components depend on computer-controlled applications and cannot be carried out without properly functioning IT systems and IT infrastructure. Volkswagen expects further integration and implementation of the Internet of Things (IoT) infrastructure that may increase the dependency between Volkswagen's infrastructure and that of its partners. Malfunctions or errors in internal or external IT systems and networks could have adverse effects on Volkswagen's operations, harm Volkswagen's reputation and expose it to regulatory actions or litigation.

Volkswagen's efforts to mitigate these risks may turn out to be inadequate. The costs (including any insurance) of protecting against IT risks are high and could further increase in the future.

1.4.3 ***If Volkswagen is unable to obtain automotive parts and components from suppliers at a reasonable price or at all, for example, due to a supply bottleneck, particularly within a limited***

supplier environment, Volkswagen's procurement, production, transport and service chains could be interrupted or impaired.

Volkswagen's business depends, among other things, on the timely availability of automotive parts and components. In addition, the smooth flow of Volkswagen's production depends on the quality of the parts, components, commodities and other materials, as well as reliable and timely delivery by suppliers.

Volkswagen generally sources automotive parts and components from several suppliers, however, in some cases, Volkswagen relies on one or a few suppliers for the delivery of certain parts, components and other materials and it faces risks should the suppliers be unable or unwilling to fulfil delivery obligations. This could have a material financial impact on the Volkswagen Group. Supply risks arise particularly in the area of battery cell production due to the increasing demand for battery cells, semiconductors and the dependence of automotive manufacturers on a limited pool of suppliers, technological developments and the service life of battery cells. There is a risk that looming supply breakdowns may not be recognized early enough and that countermeasures may not be initiated in time to maintain adequate production levels. Since Volkswagen applies a modular component concept in vehicle production, Volkswagen's risk is increased because individual components are used in several different models and brands.

For example, in 2021 and 2022, the international semiconductor shortage had, and may continue to have, a material effect on Volkswagen's ability to obtain automotive parts and components from suppliers. This affected production at Volkswagen plants and caused shortfalls in deliveries of Volkswagen cars to consumers during the past two years. Due to the limited market capacity and a long production lead time, there is an ongoing supply risk for semiconductors, which has caused and could continue to cause production issues for Volkswagen until supply recovers. This has affected and may continue to affect Volkswagen's competitive position, in particular regarding hybrid and electric vehicles.

In addition, quality problems may necessitate technical measures involving a considerable financial outlay where costs cannot be passed on to the supplier or can only be passed on to a limited extent. Although Volkswagen has implemented a thorough evaluation process for suppliers of critical parts (i.e. parts required at high volumes across different brands), risks that suppliers may be unable or unwilling to fulfil delivery obligations persist. This effect may be exacerbated by Volkswagen's increasingly local production, in particular in countries such as Brazil, India, China and the United States, where Volkswagen uses regionally-based suppliers whose ability to deliver may be adversely affected by regional conditions and events. Concentrating on only a few financially strong suppliers gives rise to the risk of insufficient competition. Examples include consolidation of the local supply base in different regions as well as exchange rate fluctuations. The availability of parts from local suppliers in these markets may be at risk and resorting to sources outside these regions could have an adverse impact on production cost due to unfavorable exchange rates, local content requirements and import duties.

Weakening growth in the global economy, ongoing trade disputes and shifts in customer demand – especially the technological shift toward e-mobility – along with the resulting changes in order volume from suppliers are posing challenges for Volkswagen's suppliers, resulting in an increased need for financing. The SARS-CoV-2 pandemic and the Russia-Ukraine conflict, in particular, has had, and may continue to have, a material effect on Volkswagen's ability to obtain automotive parts and components from suppliers. Some of Volkswagen's suppliers have experienced and could continue to experience financial distress or file for insolvency as a result. Financial distress in the supply chain has resulted and may continue to result in delivery bottlenecks, a loss of quality and price increases. Additionally, if vehicle sales decline significantly across the automotive market, competition in the automotive industry will increase, which could have a significant adverse effect on the financial position of some of Volkswagen's suppliers. Moreover, as demand for automotive vehicles along with other electronic goods reliant on semiconductors recovered in 2021, automotive manufacturers, including the Volkswagen Group, experienced and continue to experience semiconductor shortages, alongside other supply chain disruptions, negatively affecting Volkswagen's production.

Furthermore, Volkswagen is also facing different environmental and social risks in its complex globally fragmented supply chains. New legislation and stakeholders such as fleet customers, investors or non-governmental organizations are calling for a contribution from Volkswagen to address sustainability issues upstream in its supply chains and establish a thorough human rights and environmental due diligence scheme. New technologies such as electro mobility will change the composition of materials required for the vehicle fleet. Metals used for high voltage batteries necessary for electric vehicles are partly produced in countries with low sustainability performance and weak enforcement of national labor and environmental laws, which increases the risk of violations of Volkswagen's sustainability requirements. Future legislation can also increase financial risks due to fines, import restrictions or exclusion from public procurement tenders. Social or environmental problems could result in reputational damage to Volkswagen or instability of material supply.

1.4.4 *Volkswagen is exposed to risks arising from procurement of raw materials and energy, potentially impacting its procurement, production, transport and service chains.*

Prices of certain raw materials, such as steel, aluminum, copper, lead, coking coal, crude oil, magnesium, precious metals and rare earth elements have remained highly volatile. Rises in demand for raw materials or other issues affecting our suppliers' ability to provide such materials could create a shortage of the raw materials that are important for Volkswagen's production and further price increases. In addition, the accelerated use of new technologies, such as electrified powertrains, could increase Volkswagen's procurement risks. An industry-wide shift to electro mobility could lead to bottlenecks in supplies and price increases of certain critical materials, such as lithium, rhodium or cobalt, which could limit Volkswagen's ability to scale the new technologies profitably. Furthermore, the technological transformation will require significant changes to Volkswagen's supply chain, as it increasingly sources parts and supplies designed for new technologies. Such planned changes may not always be successful. These risks could lead to higher manufacturing costs for end products, parts and components.

A shortage of raw materials and energy sources could arise from decreases in extraction and production due to natural disasters, political instability or unrest, or other events such as violent confrontations, such as the current conflict between Russia and Ukraine, epidemics or pandemics such as the SARS-CoV-2 pandemic or production limits imposed in extracting and producing countries. For example, China, which is currently the predominant producer of rare earth elements, has limited the export of such elements in the past and is increasingly using other mechanisms, such as an export licensing system or the imposition of higher raw material duties, which could limit access to such elements. Similarly, geopolitical risks exist with respect to supplies of cobalt, a key metal for battery production.

If the prices for these or other raw materials, including energy, increase and if Volkswagen is not able to pass such increases on to customers, or if Volkswagen is unable to ensure its supply of scarce raw materials, Volkswagen may face higher component and production costs that could in turn negatively affect future profitability and cash flows.

1.4.5 *Volkswagen's future business success depends on its ability to maintain high quality and Volkswagen may incur substantial costs as a result of having to comply with government-prescribed standards for vehicles and components.*

In order to maintain high quality standards for its products and to comply with government-prescribed standards, such as safety, security, emissions or environmental standards, Volkswagen incurs substantial costs for monitoring and quality assurance. In particular, there are numerous legal requirements regarding the use, handling and storage of substances and mixtures (including restrictions concerning chemicals, heavy metals, biocides and persistent organic pollutants), of increasing relevance as a result of the automotive industry's transition to e-mobility solutions. Nevertheless, Volkswagen's vehicles and components, but also components sourced from suppliers as well components or designs Volkswagen itself supplies to third parties may breach applicable standards and require Volkswagen to take remedial measures (see for example the Takata recalls under "*Volkswagen is exposed to risks in connection with product-related guarantees and warranties as well as the provision of voluntary services, in particular in relation to recall campaigns*.")

In the past, Volkswagen was required and may in the future be required to implement service measures or recall vehicles if there are defects irregularities or critical security vulnerabilities in parts or components that Volkswagen sources externally or manufactures in-house. Volkswagen may need to develop new technical solutions that require governmental authorization. These measures could be costly and time-consuming, which may lead to warranty-related provisions and expenses that exceed existing provisions.

In addition, product recalls or cyber-attacks can harm Volkswagen's reputation and cause it to lose customers, particularly if the recalls cause consumers to question the quality, safety, security or reliability of Volkswagen's products. There is a risk that competent authorities may impose, among other things, waste disposal orders and/or fines against Volkswagen.

Product safety, product security and other defects can subject Volkswagen to investigations, fines for non-compliance, customer complaints and litigation with substantial financial consequences. Volkswagen continues to face investigations in connection with the diesel issue, as described under "*Legal Risks – Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.*" In the future, it cannot be ruled out that Volkswagen may experience further quality issues in relation to emissions or otherwise.

Product quality significantly influences consumers' decision to purchase vehicles. Customers increasingly demand that Volkswagen assumes the costs of repairs even after the guarantee period has expired.

A decline in Volkswagen's product quality or customer perception of such decline could harm the image of Volkswagen's selected brands or Volkswagen's image as a prime manufacturer, which in turn could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.4.6 *Volkswagen may not be able to adjust its production capacity sufficiently and timely in response to certain scenarios.*

Production capacity for each vehicle project is planned several years in advance on the basis of expected sales developments. Future sales are subject to a wide range of factors, including market dynamics and cannot be estimated with certainty. In particular, the ongoing transformation in the automotive industry makes it more difficult to forecast future sales of electric, hybrid and traditional vehicles, which increases the risk of Volkswagen's production planning. If Volkswagen's sales forecasts prove to be too optimistic, there is a risk that available capacity is underutilized, while pessimistic forecasts could lead to capacity being insufficient to meet demand.

Various factors can cause overall demand for vehicles or demand for particular vehicle models to fluctuate. This requires Volkswagen to continuously adjust production capacity at its many facilities worldwide. As the range of Volkswagen's models grows, while at the same time product lifecycles become shorter, the number of new vehicle start-ups and the risks related to production planning at Volkswagen's sites increase. The processes, quality and technical systems used for this are complex and there is thus a risk that vehicle deliveries could be delayed, negatively affecting demand and consumer satisfaction.

Volkswagen utilizes certain measures such as flexible work hours and production network configuration to calibrate production capacity. However, Volkswagen or its suppliers may not be able to adjust production capacity sufficiently and timely or may only be able to do so at an increased overall cost if demand fluctuates beyond the limits of their organizational and technical flexibility. For example, the SARS-CoV-2 pandemic had a material impact on Volkswagen's production, leading to the slowdown or temporary closure of Volkswagen facilities worldwide at the start of the pandemic. This has presented financial challenges for Volkswagen, as it is challenging to reduce fixed operation costs in line with the decrease in sales revenue. Further outbreaks of the SARS-CoV-2 pandemic, or other events such as violent confrontations, such as the current conflict between Russia and Ukraine, may cause these measures to be re-imposed or further measures to be necessary in the future.

In addition, in certain scenarios Volkswagen may not be able to adjust production capacity as planned for political, regulatory or legal reasons. Any restructuring measures could lead to significant one-time costs. If Volkswagen's competitors can react more effectively, they could gain market share, which could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.4.7 *Unforeseen business interruptions to production facilities may lead to production bottlenecks or downtime, and deviations from planning in connection with large projects may hinder their realization.*

Volkswagen has numerous production facilities worldwide. The production facilities may be disrupted or interrupted. These disruptions or interruptions can occur for reasons beyond Volkswagen's control (such as airplane crashes, terrorism, epidemics, such as the SARS-CoV-2 pandemic, or natural catastrophes) or for other reasons (such as fire, explosion, release of substances harmful to the environment or health, or strikes). Operational disruptions and interruptions may lead to significant production downtimes. For example, SARS-CoV-2 resulted in regional, national and international restrictions on the business activities of Volkswagen and its suppliers and the unavailability of critical workforce in 2020 and 2021, contributing to the decision to slow down or suspend production at Volkswagen's facilities worldwide at certain times, which affected Volkswagen's business, financial position and results of operation. In addition, since the beginning of 2021, a significant shortage of semiconductor capacities has led to various supply bottlenecks in the automotive industry, affecting production.

Volkswagen believes that it maintains a suitable level of insurance with respect to these risks based on a cost benefit analysis. However, insurance may not fully cover the aforementioned scenarios. Special risks may arise during large projects, which are often only identified during the course of such projects. In particular, risks may arise from contracting deficiencies, mistakes in costing, post-contracting changes in economic and technical conditions, deviations in product launches (e.g., launch costs, start of production date), weaknesses in project management, quality defects or unnoticed product malfunctions, and poor performance on the part of subcontractors.

Any production downtime or stoppage, or deviation from planning in connection with a large project, can have a material adverse effect on Volkswagen's reputation and general business operations. In the case of insufficient insurance coverage, any of these can also have a material adverse effect on Volkswagen's net assets, financial position and results of operations.

1.5 Environmental and Social risks

1.5.1 *Volkswagen is subject to a range of different environmental regulatory and legal requirements worldwide that are constantly changing; and not meeting CO_2-related regulations could lead to substantial fees, penalties, damages and other materially adverse effects.*

Volkswagen's business operations worldwide are subject to comprehensive and constantly changing government regulations. This includes automobile design, manufacture, marketing and after-sales services or measures undertaken to encourage customer loyalty to the vehicle and brand following sale, including vehicle recycling, vehicle registration and operation regulations, and activities in the financial services sector. Further, Volkswagen is subject to numerous regulatory requirements on the national and international level regarding the use, handling and storage of various substances (including restrictions or prohibitions on the use of chemicals, heavy metals, biocidal products and persistent organic pollutants) in the manufacturing process and their use in Volkswagen's products, including the use of parts provided by suppliers, as well as in car-related infrastructure designed or built by Volkswagen (i.e., e-charging stations).

Volkswagen must comply with various regulatory requirements that are not always homogeneous, and which are subject to increasing governmental scrutiny and enforcement. Volkswagen is in continuous discussions with the relevant regulators on the interpretation of regulatory requirements and from time to time may need to take measures to address the results of these discussions. This applies in particular to regulatory requirements for the protection of the environment, health and safety. Vehicles are particularly affected by regulatory requirements concerning fuel economy, CO_2 and other emission limits (such as NOx), as well as tax regulations in relation to CO_2 or fuel consumption-based motor vehicle tax models. Due to different limits in various countries, Volkswagen is often unable to market a vehicle with the same specifications worldwide. In addition, the operation of older vehicles (including Volkswagen's own products) has in the past been restricted in major Volkswagen markets (Germany, United States, France, China, etc.) by a lowering of regulatory limits (e.g., driving bans in cities for older diesel vehicles) after the vehicle's sale in response to, among other things, local air quality and may be further restricted in particular cities or regions.

For example, the European Commission has imposed increasingly strict regulations regarding CO_2 emissions of all passenger cars (calculated on a fleet average) offered for sale in the European Union. The specific emission targets for all new passenger car and light commercial vehicle fleets for brands and groups in the EU for 2020 and subsequent years are set out in Regulation (EU) No 2019/631. Adopted and published by the EU in 2019, the regulation states that, from 2020 onward, the EU fleet wide target for the average emissions of new passenger cars must be no higher than 95g CO_2/km. Up to and including 2020, European fleet legislation was complied with on the basis of the New European Driving Cycle ("**NEDC**"). From 2021 onward, the NEDC target value was replaced by a WLTP target value through a process defined by lawmakers; this change has not led to additional tightening of the target value. A similar approach applies to new light commercial vehicles, where a target of 147g CO_2/km applied to the entire fleet from 2020 onward.

The targets described above will be tightened as from 2025 (Regulation (EU) 2023/851): for new European passenger car fleets, a reduction of 15% in CO_2 emissions will therefore be required from 2025 and a reduction of 55% from 2030 compared to 2021 levels. For new light commercial vehicle fleets, the required reductions will be 15% from 2025 and 50% from 2030 compared to 2021 levels. From 2035, a CO_2 reduction target of 100% will then apply to new passenger car and light commercial vehicle fleets. In each case, the starting point is the WLTP fleet value in 2021. These targets can only be achieved through a growing proportion of electric vehicles within the fleet. If the respective fleet-wide target is not fulfilled, the Commission may impose an excess emissions premium, amounting to €95 per excess gram of CO_2 per newly registered vehicle.

At the same time, regulations governing fleet fuel consumption of new vehicles are being developed or introduced outside the European Union, for example in Brazil, Canada, China, India, Japan, Mexico, Saudi Arabia, South Korea, Switzerland, Taiwan, the United Kingdom and the United States. The fuel consumption regulations in China for the period 2021 to 2025 set a phasing in target of 4.6 liters/100 km (WLTP) by 2025. In addition to this legislation on fleet consumption, a so-called "new energy vehicle ("**NEV**") quota" applies in China, requiring every manufacturer to increase the share of electric vehicles in its total production and import volume. The NEV credit quota for 2022 was 16%, to be fulfilled through battery-electric vehicles, plug-in hybrids, or fuel cell vehicles. For 2023, it is increasing by two percentage points to 18%, and a further rise is under discussion for 2024 and 2025. There is no indication as to possible targets after 2025. Finally, in the United States, current federal fleet consumption regulation and greenhouse gas emissions rules are subject to litigation and as a result, are undergoing review and are likely to be revised. Further, California has recently completed updates to its regulations regarding pollutants and Zero Emissions Vehicles (ZEVs) for 2026 through 2035; these regulations are also likely to be subject to challenge.

Commercial vehicles are also increasingly subject to ever stricter environmental regulations all around the world, particularly to regulations relating to climate change and vehicle emissions. For example, with Regulation (EU) 2019/1242 of June 20, 2019, which specifies CO_2 emission standards for new heavy commercial vehicles with a permitted gross weight of over 16 tonnes, the EU has set manufacturers very ambitious targets for reducing CO_2 emissions within the next decade. The CO_2 emissions from such vehicles must be reduced by 15% by 2025 and 30% by 2030 compared to a reference value for a monitoring period from July 2019 to June 2020. If emissions exceed these targets, vehicle manufacturers will be liable to substantial premiums amounting to €4,250 per excess gram of CO_2/ton-kilometer (tkm) per vehicle for the period from 2025 to 2029 and €6,800 per excess gram of CO_2/tkm per vehicle for the period from 2030 onward.

The target of a greenhouse gas emissions reduction of 30% by 2030 set out in the regulation was revised at the beginning of 2023. The European Commission proposes a 45% CO_2 emissions reduction compared to the 2019 reference value by 2025, scaling up to 65% by 2035 and 90% by 2040. In the European Green Deal, the Commission defined the goal of achieving climate neutrality by 2050. Targeting a general reduction in EU CO_2 emissions of at least 55% (previously 40%) compared to 1990 levels by 2030, this represents a big challenge for the entire transport sector. The revision of CO_2 emission requirements for heavy-duty vehicles planned in the EU for spring 2023 and the proposals for a new Euro 7 standard that have already been published could further exacerbate these challenges.

Future legislative measures in connection with the European Green Deal or otherwise at the level of the European Union, its Member States or other countries (including their political subdivisions such as individual states, cities or municipalities) may also pose risks for Volkswagen, such as risks from the obligation to take back end-of-life vehicles and batteries, expected restrictions outlined in the Chemicals Strategy for Sustainability communication published by the European Commission in October 2020, obligations in connection with the EU's Circular Economy Action Plan adopted in March 2020 or risks arising from an integrated energy and climate protection program that could require alterations in permitted or favored fuel sources to be used in vehicles or could result in significant changes to requirements governing permissible air emissions from vehicles. Volkswagen expects that in order to comply with fuel economy and emission control requirements, it will be required to offer a significant volume of hybrid or electric vehicles, as well as implement new technologies for conventional internal combustion engines, all at increased cost levels. There is no assurance that Volkswagen will be able to produce and sell vehicles that use such technologies profitably or that customers will purchase such vehicles in the sufficient quantities for Volkswagen to comply with applicable regulations.

Moreover, Volkswagen has been the target of and may in the future be the target of claims or litigation brought by individuals, environmental groups, other NGOs (non-governmental organizations), or governmental agencies on alleged emissions, climate change, pollution or other environmental or social grounds, seeking damages or injunctive relief against Volkswagen's business or operations, in order to change the Group's business model or products. For example, in November 2021, with the support of Greenpeace, two lawsuits were filed against Volkswagen AG in Germany seeking changes in the Group's business due to climate change concerns. The competent courts dismissed the lawsuits in February 2023 and appeals by the claimants are pending.

The costs of compliance with regulatory requirements are considerable, and such costs are likely to increase further in the future, given the expected increased scrutiny, regulatory changes that result in increased stringency or novel interpretations of current regulations and stricter enforcement by regulators globally. Failure to comply with applicable regulations could lead to the imposition of penalties, fees, damages, recalls, restrictions on or revocations of Volkswagen's permits and licenses (including vehicle certifications or other authorizations that must be in place before a particular vehicle may be sold in the authorizing jurisdiction), restrictions on or prohibitions of business operations, reputational harm and other adverse consequences.

1.5.2 *Volkswagen is exposed to environmental and security-related liability risks.*

Volkswagen operates complex industrial plants that manufacture, use, store, manage, generate, emit and dispose of various substances that may constitute a hazard to human life and health as well as to the environment and natural resources. Moreover, Volkswagen Group generally transports products, parts, substances, chemicals and other items that are subject to requirements under international regulations (such as among others, EU Regulation 1272/2008/EC, also known as the Classification, Labeling, and Packaging Regulation ("**CLP**") and the United Nation's Globally Harmonized System of Classification and Labelling of Chemicals ("**GHS**")) or that classify as 'dangerous goods' under domestic or international rules. Requirements and standards under such rules and regulations are expected to intensify in the future and this could pose challenges and increase costs for Volkswagen in order to ensure that internal systems and processes are adequate. In the past, environmentally hazardous substances from those operations and transportation may have entered and in the future, may enter the air, watercourses, especially groundwater, or surface or subsurface soils at Volkswagen facilities or third-party locations, and the environment, natural resources, human health, life and safety of persons and property may have been or may be affected or endangered otherwise because of those environmentally hazardous substances. Volkswagen may be jointly or severally liable, possibly regardless of fault and without any caps on liability, to remove or clean up such harm and to pay damages, including any resulting natural resource damages, arising from those environmentally hazardous substances. These risks could have a material adverse effect on Volkswagen's general business activities, reputation, net assets, financial position and results of operations.

1.5.3 *Volkswagen's future success depends on its ability to attract, retain and provide further training to qualified employees and managers.*

Volkswagen's success depends substantially on the quality of its employees and senior managers as well as employees in key functions. If Volkswagen loses important employees e.g., due to turnover, targeted recruiting by competitors or others, or age-related departures, this may lead to a significant drain on Volkswagen's know-how. Competition for qualified personnel is increasing, particularly in the area of automotive and electrical engineering, chemistry, IT, research and development, and is especially intense in areas requiring advanced technological skills. In addition, if Volkswagen's employees do not possess the skills and qualifications necessary to advance Volkswagen's strategic goals, there is a risk that these objectives (e.g., technological change and digitalization) will not be met. If Volkswagen fails to retain qualified personnel to the necessary extent, or if it fails to recruit qualified personnel or to continue to train existing personnel, Volkswagen may not reach its strategic and economic objectives.

1.5.4 *Statements made by Volkswagen in compliance with the current interpretation of the EU Taxonomy Regulation may affect Volkswagen's reputation and brand image.*

EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("**EU Taxonomy Regulation**") entered into force on July 12, 2020 and applies since January 2021 with respect to two environmental objectives: "climate change mitigation" and "climate change adaptation." The EU Taxonomy Regulation inter alia requires that companies subject to non-financial reporting obligations pursuant to Art. 19a and 29a of Directive 2013/34/EU (as amended from time to time) should include information in their non-financial statements on how and to what extent the company's activities are associated with economic activities that qualify as environmentally sustainable within the meaning of the EU Taxonomy Regulation. In 2021 and 2022 the EU Commission adopted delegated acts specifying the technical screening criteria for an economic activity to qualify as environmentally sustainable. The legislative procedure for further delegated acts is currently ongoing. In addition, in July 2021, the Commission Delegated Regulation (EU) 2021/2178 was adopted to specify the content and presentation of information to be disclosed under the EU Taxonomy Regulation. Volkswagen published such information in connection with its year-end reporting for the fiscal years 2021 and 2022.

As of January 2023, the EU Taxonomy Regulation also applies with regard to four remaining environmental objectives (i.e. "sustainable use and protection of water and marine resources," "transition to a circular economy," "pollution prevention and control," and "protection and restoration of biodiversity and ecosystems,"). As a result, beginning with January 2024, reporting obligations under the EU Taxonomy Regulation expand to all six environmental objectives, with disclosure requirements applying to the fiscal year 2023.

The EU Taxonomy Regulation and the delegated acts adopted thereunder can be expected to be further amended in future and, in addition contain certain wording and terms in respect to what represents taxonomy-aligned activities. Such wording and terms are still subject to considerable interpretation uncertainties, and clarifications may have not been published yet in every case. As a result, in complying with the EU Taxonomy Regulation, Volkswagen may be required to report that certain activities undertaken by the Group which have been previously reported as such are not, or may not be, taxonomy-aligned (such as for example group activities related and/or relevant for manufacturing of battery electric vehicles or plug-in hybrids). Such disclosures by Volkswagen could have a negative impact on its image and reputation, may be subject to change in the future and may be inconsistent with statements made in relation to Volkswagen AG's green finance framework dated October 2022.

1.5.5 *Volkswagen is dependent on good relationships with its employees and their unions.*

Personnel expenses are a major cost factor for Volkswagen. Employees at Volkswagen's German locations and at a number of foreign subsidiaries have traditionally been heavily unionized. When the current collective agreements and collective wage agreements expire, Volkswagen may not be able to conclude new agreements on terms and conditions that Volkswagen considers to be reasonable. Furthermore, Volkswagen may be able to conclude such agreements only after industrial actions such as strikes or similar measures. If Volkswagen's production or other areas of business are affected by industrial actions for an extended period, this may have material adverse effects on Volkswagen's business, net assets, financial position and results of operations. In addition, Volkswagen's competitors may obtain competitive advantages if they succeed in negotiating collective wage agreements on better terms and conditions than Volkswagen. Foreign competitors, in particular, may also obtain competitive advantages due to more flexible legal environments.

In particular, Volkswagen faces risks from the collective wage agreement for long-term plant and job security (*Zukunftstarifvertrag*) entered into with the German Metalworkers Union (*Industriegewerkschaft Metall*) and the German Christian Metalworkers Union (*Christliche Gewerkschaft Metall*) applicable to Volkswagen's German locations. In 2022, Volkswagen employed 293,862 workers in Germany, or 43.5% of its worldwide employees. This agreement and the pact for the future workforce transformation measures agreed between Volkswagen and its employees (*Zukunftspakt)* may limit Volkswagen's ability to react in a timely manner to a change in economic conditions, rules out compulsory redundancies and sets certain limitations on changes to the number of employees at German locations, subject to agreed measures on the rebalancing of personnel in accordance with Volkswagen's business needs. In addition to the *Zukunftspakt*, the board of management of Volkswagen AG ("**Board of Management**") and Volkswagen's General Works Council agreed on a digital transformation roadmap, with a focus on, among other things, personnel development, that ensures employees are prepared for the new challenges of digitization. There can be no assurance that any benefits Volkswagen expects from agreements with its employees will be achieved.

1.5.6 ***Volkswagen faces risks arising from pension obligations.***

Volkswagen provides retirement benefits to its employees. To determine its pension obligations, Volkswagen makes certain assumptions. If these assumptions prove to be inaccurate, Volkswagen's balance sheet or actual pension obligations could increase substantially, and Volkswagen would have to raise its pension provisions. Existing pension obligations are not fully covered by plan assets.

Furthermore, if the market value of plan assets falls, Volkswagen may have to substantially increase its pension provisions. In particular factors such as currency, interest rate and fluctuations in securities prices may adversely affect the value of the plan assets. In such event, the value of the plan assets would fall short of the aggregate pension claims and Volkswagen would have to cover the short fall, which could materially adversely affect Volkswagen's net assets, financial position and results of operations.

1.5.7 ***Dual mandates where individuals are board members of Volkswagen AG and at the same time board members at Porsche AG, at other Volkswagen Group subsidiaries or at Porsche SE, as well as other relationships with Porsche AG, may result in conflicts of interest.***

Dr. Oliver Blume was appointed as Chair of the Board of Management of Volkswagen AG by the supervisory board of Volkswagen AG ("**Supervisory Board**") on July 22, 2022, effective September 1, 2022. Dr. Blume is also chairperson of the executive board of Dr. Ing. h.c. F. Porsche AG ("**Porsche AG**"). According to the understanding between Porsche AG and Volkswagen AG, Dr. Blume will devote 50% of his working capacity to his role as chairperson of the executive board of Porsche AG and the other 50% to his role as Chair of the Board of Management of Volkswagen AG and he has service agreements both with Porsche AG as well as with Volkswagen AG. As from January 1, 2023, Dr. Blume will receive remuneration both from Volkswagen AG on the one hand and from Porsche AG on the other hand, reflecting the split of working capacity. In addition, certain members of the Porsche AG supervisory board also hold board memberships or senior positions at Volkswagen AG, other companies of Volkswagen Group or Porsche Automobil Holding SE ("**Porsche SE**") respectively, and hold shares in Volkswagen AG and/or Porsche SE, including virtual shares as part of the remuneration they receive from Volkswagen AG.

Since the interests of the Volkswagen Group and the interests of Porsche AG or Porsche SE are not necessarily always aligned, the aforementioned dual mandates and other relationships with Porsche AG and Porsche SE may in the future potentially result in conflicts of interest for the management of Volkswagen Group. Such conflicts of interest may not only require Dr. Oliver Blume to abstain from voting on certain agenda items in meetings of the Board of Management, but also to abstain from the entire decision-making process in relation to items where material conflicts of interest arise. Further issues in relation to conflicting interest and overlapping spheres of interest may arise from Volkswagen AG's right under a shareholder's agreement with Porsche SE to designate up to five members of the supervisory board of Porsche AG. Although supervisory board membership is a personal office and supervisory board members are free of any instructions, in practice members of the supervisory board may be involuntarily influenced by their role at Volkswagen AG and the fact that they have been designated by Volkswagen AG, represented by Volkswagen AG's Board of Management, including Dr. Oliver Blume.

The German Stock Corporation Act (*Aktiengesetz)* and the rules of procedure (*Geschäftsordnung*) of the executive board as well as the rules of procedure (*Geschäftsordnung*) of the supervisory board contain provisions to protect companies from the negative effects of potential conflicts of interest in case of personnel overlap. In general, members of the executive board and supervisory board of a stock corporation, such as Volkswagen AG, Porsche AG or Porsche SE, have a legal duty to act solely in the interests of the respective company. This duty can mean that board members may not be permitted to vote on certain decisions in the one and/or the other board of the respective companies where the person concerned has a dual mandate. Under the rules of procedure (*Geschäftsordnung*) of the executive board each member of the executive board has to disclose any potential conflict of interest to the supervisory board without undue delay and shall inform the other members of the executive board. The boards will then decide on a case-to-case basis on how to deal with respective potential conflicts of interest. This may include, *inter alia*, having the potentially conflicted members of the Board of Management of Volkswagen AG abstain from taking part in relevant resolutions of the Board of Management of Volkswagen AG or executive board of Porsche AG and/or the other respective board of which they are a member.

Furthermore, it cannot be excluded that in some cases conflicts of interest may arise from dual mandates and other relationships the members of the Board of Management and the Supervisory Board may have with Porsche AG and/or Porsche SE. Any such conflict of interest, if not appropriately dealt with, could have an adverse effect on Volkswagen Group's business, assets, results of operations and financial condition.

1.6 Legal risks

1.6.1 ***Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.***

On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with type 2.0 l diesel engines in the U.S. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a second "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with type V6 3.0 l diesel engines.

Numerous governmental proceedings seeking damages, recalls and/or technical fixes for affected diesel vehicles, criminal and administrative proceedings, consumer claims and investor lawsuits were subsequently initiated in the U.S., Canada, Germany and the rest of the world. In October 2015, Volkswagen AG initiated its own internal inquiries and an external investigation. At the end of March 2021, the Supervisory Board of Volkswagen AG announced the completion of the investigation initiated into the causes of and those responsible for the diesel issue. The Board resolved to claim damages from Prof. Dr. Martin Winterkorn, former Chair of the Board of Management of Volkswagen AG, and from Rupert Stadler, former member of the Board of Management of Volkswagen AG and former Chair of the executive board of AUDI AG, for breach of their duty of care under stock corporation law. The investigation found no breaches of duty by other members of the Volkswagen AG Board of Management. The resolution was based on a review of liability claims conducted by a law firm on behalf of the Supervisory Board and the negligent breaches of duty identified in the resulting report. The investigation covered all members of the Board of Management who were in office during the relevant period. Furthermore, claims for damages were asserted against individual former members of the AUDI AG and Porsche AG boards of management. Claims were already asserted against a former member of the Volkswagen Passenger Cars brand board of management. In June 2021, Volkswagen and Audi entered into damage settlements (liability settlements) with Prof. Winterkorn and Mr. Stadler respectively in connection with the diesel issue. Prof. Winterkorn's total damage compensation amounts to €11.2 million and that of Mr. Stadler to €4.1 million. Volkswagen has furthermore reached agreement with the relevant insurers under its directors and officers liability policies (D&O insurance) on payment of an aggregate sum of €270 million (coverage settlement). In addition, agreement was reached on damage payments by a former member of AUDI AG's board of management and by a former member of Porsche AG's board of management.

From 2015 to 2022, Volkswagen recognized over €30 billion in expenses directly related to the diesel issue, adversely affecting its operating profit, financial position and results of operations. Work in respect of the legal proceedings that are still pending in the U.S. and the rest of the world is ongoing, will require considerable efforts and coordination from Volkswagen, may demand significant management resources, and is expected to continue for some time. Ongoing and potential further legal proceedings related to the diesel issue could result in considerable further financial charges.

In agreement with the respective responsible authorities, the Volkswagen Group is making technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. In this context, within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines such as the type EA 189, and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines such as the type V6 3.0 l and V8 diesel engines. These measures have resulted in, and may continue to result in, significant expenses for the Volkswagen Group.

In the U.S., Volkswagen AG and certain affiliates reached settlement agreements with various government authorities and private plaintiffs, the latter represented by a Plaintiffs' Steering Committee in a multidistrict litigation in the U.S. state of California. These agreements resolved certain civil claims as well as criminal charges under U.S. federal law and the laws of certain U.S. states in connection with the diesel issue. As part of the agreements entered into with the U.S. Department of Justice ("**DOJ**") and the State of California (plea agreement and Third Partial Consent Decrees), an independent compliance monitor and an independent compliance auditor were appointed for Volkswagen in 2017 for a term of three years. The term of the Independent Compliance Auditor under the Third Partial Consent Decree and the Third California Partial Consent Decree ended in June 2020. Furthermore, on September 14, 2020, the term of the plea agreement and the term of the Independent Compliance Monitor retained pursuant to the plea agreement expired as well. Although Volkswagen AG and its subsidiaries and affiliates are firmly committed to fulfilling the obligations arising from these agreements, a breach of these obligations cannot be completely ruled out. In the event of a violation, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

Several thousand consumers initially opted out of the settlement agreements, and many of these consumers filed civil lawsuits seeking monetary damages for fraud and violations of state consumer protection acts. As a result of various subsequent resolutions, the only remaining opt-out proceeding concerns legal fees and costs for a group of opt-out plaintiffs who settled their claims but have not yet moved for payment of their legal fees and costs.

In Canada, which has the same NOx emissions limits as the U.S., Volkswagen has reached settlements with consumers relating to 2.0 l and 3.0 l diesel vehicles, which, inter alia, provided for cash payments for completing free vehicle emissions modifications, buy-backs/trade-ins and early lease terminations, as applicable. In connection with these consumer settlements, Volkswagen Group Canada and the Canadian Competition Bureau reached civil resolutions related to consumer protection issues in relation to the 2.0 l and 3.0 l diesel engines.

Outside the U.S. and Canada, Volkswagen has also reached agreements with regard to the implementation of technical measures with numerous authorities.

In agreement with the respective responsible authorities, the Volkswagen Group made technical measures available worldwide for virtually all diesel vehicles with type EA 189 engines. In the European Union (EU 27), the German Federal Motor Transport Authority ("**KBA**"– *Kraftfahrt-Bundesamt*) ascertained for all clusters (groups of vehicles) that implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO_2 emission figures, engine output, maximum torque, and noise emissions. Nevertheless, the proposed technical measures are currently under varying stages of implementation and under consideration by the KBA.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potentials, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. Currently, AUDI AG assumes that the total cost, including the amount based on recalls, of the ongoing largely software based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. However, if AUDI AG's assumptions are incorrect and costs exceed expectations and balance-sheet provisions, AUDI AG and Volkswagen's results of operations and cash flows may be adversely affected. AUDI AG has in the meantime developed software updates for many of the affected powertrains and, after approval by the KBA, already installed these updates in the vehicles of a large number of affected customers. KBA approval is still expected for the small number of software updates that are still pending.

Separately, Volkswagen has also been involved in administrative proceedings with the KBA with respect to so-called 'thermal windows' in diesel vehicles. Based on industry-wide technical standards, many automotive manufacturers’ diesel vehicles, including those of the Volkswagen Group, are equipped with a temperature dependent exhaust gas recirculation function (a so-called "**thermal window**"). Although the specific details of thermal windows may vary by manufacturer and model, the thermal window is essentially a function in which the exhaust gas recirculation rate ("**EGR**"), which, in certain conditions, alters a vehicles' normal emission profile, is gradually reduced or shut down completely outside a certain temperature range depending on the ambient temperature in order to protect the engine against damage and for safe operation of the vehicle.

In February 2023, the Administrative Court of Schleswig upheld a lawsuit brought by Deutsche Umwelthilfe against the KBA in the first instance and ordered the KBA to revoke the approval decision for a software update for certain older models of the EA189 Golf Plus, insofar as the approval decision relates to thermal windows. Both Volkswagen and the KBA have appealed the decision. In addition, in July 2022, the ECJ issued three (virtually identical) judgments concerning certain VW vehicles with EA189 engines according to which thermal windows are only permissible under two conditions: First, the thermal window must be necessary to protect the engine and ensure the safe operation of the vehicle. Second, the thermal window must not impair the effectiveness of the exhaust gas purification system due to its specific parameters during "most of the year". Whether a particular thermal window meets the standard set forth in the ECJ's judgments may depend on the "real driving conditions prevalent in the territory of the European Union", such as, among other factors, average ambient temperatures. The application of the standards set by the ECJ in individual cases is up to national authorities and courts. Following the ECJ ruling, the KBA opened administrative proceedings against specific Volkswagen brand diesel vehicles equipped with EA189 and V-TDI engines in which the ambient temperature-dependent EGR engages at similar climactic conditions to those identified by the ECJ in its decision.

Volkswagen Group had already begun the process of rolling out software updates to optimize the ambient temperature range for its thermal windows, which may affect a significant number of existing Volkswagen Group vehicles. Alongside this process, the KBA, in July 2023, issued an order stating that previous versions of thermal windows in some of the affected Audi diesel vehicles prior to the start of rollout for the new software update, did not fulfill the new ECJ-criteria. As of the date of this Prospectus, AUDI AG is still evaluating whether it will challenge the KBA order, however this does not affect Volkswagen Group's rollout of the software update.

Furthermore, it cannot be excluded that comparable KBA orders will be issued against other Volkswagen Group brands, potentially impacting a further substantial number of Volkswagen Group vehicles. While currently Volkswagen Group is proceeding with a voluntary software update, if Volkswagen is not able to implement the ongoing software updates in line with the KBA's expectations, the KBA may request further measures. Irrespective of whether software updates are available, the owners of these vehicles may seek damages from Volkswagen. In any such cases, Volkswagen Group may incur material costs and/or reputational damage.

Separately, in July 2023, Volkswagen AG presented to the KBA first results of technical tests of vehicles equipped with EA 288 EU6 diesel engines for a specific function which relates to engine temperature dependent exhaust gas recirculation (so-called "**Cor0**") and explained the correlation with the thermal window (ambient temperature dependent exhaust gas recirculation) function to the KBA. The Cor0 function is present in a significant number of current Volkswagen Group vehicles equipped with EA 288 diesel engines. Volkswagen AG explained to the KBA that, at the time of its implementation, the Cor0 function was justified to protect the engine against damage and for safe operation of the vehicle. The KBA has not assessed the Cor0 function yet but is currently investigating this to understand further details.

Since the outcome of the ruling(s) of administrative and civil courts on the thermal window is difficult to predict, the Volkswagen Group has decided, as a precautionary measure, to inform customers prior to their acquisition of a diesel vehicle (except vehicles also certified under real driving conditions as part of the certification process), about the thermal window and other functions challenged by the Administrative Court of Schleswig and other courts. Currently, Volkswagen Group is assessing whether it will extend the customer information to the current production (i.e. to vehicles for which verification of compliance under real driving conditions was required as part of the certification process). This could have an adverse impact on future sales of diesel vehicles.

Worldwide, responsible authorities are continuing their review and assessment of the diesel concepts and of the technical solutions. Volkswagen may be required to repurchase vehicles sold in the U.S., Germany, Canada and elsewhere. This could lead to further significant costs. In addition, AUDI AG is responding to requests from the U.S. authorities for information regarding automatic gearboxes in certain vehicles. Furthermore, if the technical solutions implemented by Volkswagen in order to rectify the diesel issue are not implemented in a timely or effective manner or have an undisclosed negative effect on the performance, fuel consumption or resale value of the affected vehicles, regulatory proceedings and/or customer claims for damages could be brought in the future. Further field measures with financial consequences cannot be ruled out completely at this time.

Alongside coordination with authorities on technical measures, there are ongoing criminal and administrative proceedings in relation to the diesel issue in the U.S., Germany and other countries worldwide.

In the U.S., Volkswagen has entered into agreements to resolve federal criminal liability relating to the diesel issue and to resolve civil penalties and injunctive relief under the U.S. Clean Air Act and other civil claims relating to the diesel issue. As part of its plea agreement, Volkswagen AG has pleaded guilty to three felony counts under U.S. law, including conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the U.S., and has been sentenced to three years' probation. DOJ prosecutions into the conduct of various individuals who may be responsible for criminal violations relating to the diesel issue remain ongoing. Volkswagen is required to cooperate with these prosecutions. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution. Volkswagen has also reached separate settlement agreements with the attorneys general of every U.S. state to resolve existing or potential consumer protection and unfair trade practices claims. Volkswagen has also settled the environmental claims of certain states. However, one state (Texas) and certain municipalities still have pending state or local environmental law claims against Volkswagen. Furthermore, there is a risk that other states or jurisdictions may pursue similar claims, following decisions of the U.S. Court of Appeals for the Ninth Circuit on June 1, 2020 and the Ohio Supreme Court on June 29, 2021 that permitted certain environmental claims to proceed. On November 15, 2021, the U.S. Supreme Court declined to review those decisions. In January 2022, Volkswagen settled environmental claims brought by Ohio. In May 2023, Volkswagen reached a settlement-in-principle (subject to documentation) to resolve environmental claims brought by Texas and the Texas counties. On June 22, 2023, a federal trial court granted Volkswagen summary judgment on all of the claims brought by Hillsborough County and Salt Lake County. Hillsborough County and Salt Lake County have appealed that decision.

Investigations by U.S. regulatory and other government authorities, including in areas relating to securities are ongoing. In March 2019, the SEC filed a complaint in the U.S. District Court for the Northern District of California against Volkswagen AG, Volkswagen Group of America Finance LLC and VW Credit Inc., asserting claims under U.S. federal securities law based, among other things, on alleged misstatements and omissions in connection with the offer and sale of certain bonds and asset-backed securities. The SEC complaint seeks permanent injunctions, disgorgement of allegedly ill-gotten gains with prejudgment interest, and civil penalties. In August 2020, the court granted in part and denied in part Volkswagen's motion to dismiss. The claims dismissed by the court included all claims against VW Credit, Inc. related to asset-backed securities. In September 2020, the SEC filed an amended complaint that, among other things, removed the dismissed claims.

In addition, in May 2018, U.S. federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO, Martin Winterkorn, which had been filed under seal in March 2018. Prof. Winterkorn is charged with a conspiracy to defraud the U.S., to commit wire fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. Should these proceedings result in adverse court decisions against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen and/or could have other material adverse financial consequences.

In Canada, in December 2019, the Canadian federal environmental regulator filed charges against Volkswagen AG in respect of 2.0 l and 3.0 l Volkswagen and Audi vehicles at the conclusion of its criminal enforcement-related investigation into the diesel issue. Volkswagen AG cooperated with the investigation and agreed to a plea resolution addressing all of the charges. In January 2020, Volkswagen AG pleaded guilty to the charges and agreed to pay a penalty of CAD 196.5 million, which was approved by the court. Following this approval, the Ontario provincial environmental regulator withdrew its action against Volkswagen AG charging a quasi-criminal enforcement-related offense with respect to certain Volkswagen and Audi 2.0 l diesel vehicles. As to pending matters in Canada, an environmental class action has been authorized on behalf of residents in Quebec. This environmental class action was authorized by the court on the sole issue of whether punitive damages could be recovered and on the basis that unresolved questions about the viability of plaintiffs' damages theory were determined to be a matter for trial. The case has been settled for a lump sum payment of CAD 6.7 million. The Superior Court of Quebec approved the settlement in June 2022 and an appeal of that approval on the limited subject of consent fees has been dismissed in the meantime so that settlement may now proceed.

In addition to the U.S. and Canadian proceedings, criminal investigations/misdemeanor proceedings have been opened in Germany by, among others, the public prosecutor's offices in Braunschweig, Stuttgart and Munich and by the Federal Financial Supervisory Authority ("**BaFin**" – *Bundesanstalt für Finanzdienstleistungsaufsicht*). Some of these regulatory offense proceedings against Volkswagen AG were terminated in 2018 and 2019, with the authorities issuing administrative notices imposing fines on Volkswagen Group companies. The related BaFin proceedings have been finally terminated.

Proceedings are ongoing in relation to current and former employees of Volkswagen. In September 2019, the public prosecutor's office in Braunschweig has issued indictments against one current and two former Volkswagen AG Board of Management members regarding their possible involvement in potential market manipulation in connection with the diesel issue. In July 2018, the public prosecutor's office in Braunschweig formally opened a misdemeanor proceeding in this regard against Volkswagen AG. In April 2019, the Braunschweig public prosecutors brought criminal charges, among others, against former Volkswagen CEO, Martin Winterkorn, in relation to alleged crimes tied to the diesel issue. The September 2019 proceedings have been finally dismissed with regard to one current and one former board member and with regard to Volkswagen AG, while the September 2019 proceedings with regard to the former CEO of Volkswagen AG, Martin Winterkorn, have been provisionally terminated. The Stuttgart public prosecutor's office also confirmed that it was investigating, among others, the former CEO of Volkswagen AG, Martin Winterkorn, in his capacity as member of the management board of Porsche SE, regarding his possible involvement in potential market manipulation in connection with this same issue. Meanwhile, the Stuttgart proceedings with regard to Martin Winterkorn have been provisionally terminated while the investigation against other persons in this context have been finally terminated. Moreover, the Stuttgart public prosecutor's office has commenced a criminal investigation into the diesel issue against one board member and several employees of Porsche AG, on suspicion of fraud and false advertising. The proceedings against the board member were discontinued against a payment without a finding of wrongdoing. A single penalty order (*Strafbefehl*) regarding a limited number of EU vehicles between 2016 and 2017 was issued against an employee. This employee did not appeal the order to conclude the matter. In addition, the Stuttgart public prosecutor's office initiated a criminal investigation against one further employee of the Company due to attempted obstruction of prosecution or punishment. The allegation related to the behavior of the employee during the search of premises of Porsche AG in connection with the diesel issue. This employee withdrew the appeal against the penalty order that was issued in this regard to conclude the matter. Furthermore, the public prosecutor's office at the Munich II Regional Court is investigating certain current and former employees in connection with the alleged irregularities in the NOx emissions of certain V-TDI engines in the U.S. and Europe. In July 2019, the Munich II public prosecutor brought criminal charges against, among others, former Audi CEO, Rupert Stadler, in relation to alleged crimes tied to the diesel issue. In September 2020, the trial against four suspects, including the former Audi CEO, began in the Munich II Regional Court. In April 2023, the Munich II Regional Court discontinued the proceedings against one of the defendants. After confessions in April 2023 and a procedural restriction regarding certain vehicles/engines, the Munich II Regional Court issued a verdict in June 2023 against the three remaining defendants. The former Audi CEO received a suspended sentence of one year and nine months' imprisonment. The other two defendants – the former head of EA at Audi and Volkswagen and Porsche AG board member, Wolfgang Hatz, and a former Audi employee – also received suspended sentences of imprisonment. Amongst other things, fines were imposed as conditions of probation. The verdict is not yet final. Should any of these ongoing proceedings, especially those headed against (former) board members, result in final criminal court decisions against these individuals, it could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, and could have an impact on the consolidated financial statements and on the group management report for 2019 and prior years. Potential impacts are currently under review.

There are additional regulatory, criminal and/or civil proceedings in several jurisdictions worldwide. Volkswagen continues to cooperate with government authorities. However, there is a risk the criminal administrative proceedings discussed above, or any other further claims that may arise, could ultimately result in further fines for Volkswagen.

Customers, consumer associations and/or environmental associations in the affected markets have filed civil lawsuits against Volkswagen AG, other Volkswagen Group companies and non-Volkswagen Group importers and dealers involved in the sales process. In addition, it is possible that importers and dealers could assert claims against Volkswagen, for example through recourse claims. Further lawsuits are possible.

Product related class action, collective or mass proceedings against Volkswagen AG and other Volkswagen Group companies are pending in various countries such as Belgium, Brazil, England and Wales, France, Germany, Italy, the Netherlands, South Africa and the U.S. These proceedings are lawsuits aimed among other things at asserting damages, rescission of the purchase contracts or seeking declaratory judgments that customers are entitled to damages. Many of these proceedings are in an early procedural stage and it is difficult to assess their prospects of success or to quantify the exposure. In some proceedings it is even impossible to define the claimants' precise causes of action or allegations. However, should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences for Volkswagen.

Individual product-related lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in multiple countries relating to various diesel engine types, most of these lawsuits are seeking damages or rescission of purchase contracts. In Germany, there are around 35 thousand such individual lawsuits.

Furthermore, private and institutional investors from Germany and other jurisdictions (including the U.S. and Canada) have filed claims seeking significant damages against Volkswagen AG, in some cases along with Porsche SE – as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue. The claims relate to Volkswagen AG's shares and other securities, including bonds, issued by Volkswagen Group companies, as well as third-party securities. The vast majority of these investor lawsuits are currently pending at the Braunschweig Regional Court, with further investor lawsuits filed at the Stuttgart Regional Court. Further investor claims could be brought.

In August 2016, the Braunschweig Regional Court ordered that common issues of law and fact relevant to the lawsuits pending at the Braunschweig Regional Court be referred to the Higher Regional Court (*Oberlandesgericht*) in Braunschweig for binding declaratory rulings pursuant to the German Act on Model Case Proceedings in Disputes under Capital Markets Law (Capital Markets Model Case Act – KapMuG *(Kapitalanleger-Musterverfahrensgesetz)*). The lawsuits filed by investors against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common issues of law and fact will be binding for the pending cases that have been stayed in the described manner. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceeding before the Braunschweig Higher Regional Court began in September 2018 and are being continued at subsequent hearings. In March 2023, the Braunschweig Higher Regional Court invited the parties to consider entering into discussions aimed at a potential settlement, since the Braunschweig Higher Regional Court envisages the further proceedings to be extensive and time consuming. Volkswagen AG maintains that the investors' claims are unfounded but, without prejudice to its legal position, Volkswagen AG has indicated that it is prepared to consider the Braunschweig Higher Regional Court's suggestion, provided that the court proceedings continue. Furthermore, in July 2023, the Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the Board of Management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office had or, reflecting Volkswagen AG's state of knowledge, lacked knowledge of the installation of switching devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. As of the date of this Prospectus, several witnesses have asserted alleged rights to refuse to testify. The Braunschweig Higher Regional Court will decide on whether, and to what extent, witnesses actually have a right to refuse to testify. According to the Braunschweig Higher Regional Court, Volkswagen AG bears the burden of proof regarding the lack of knowledge and grossly negligent lack of knowledge of persons responsible for ad hoc disclosures for a significant portion of the claims. Against this background, it is important for Volkswagen AG that sufficient evidence, including witness evidence, is made available to the court. Witness testimony hearings are scheduled to begin mid-September 2023.

At the Stuttgart Regional Court, further investor lawsuits have been filed against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. A further investor action for binding declaratory ruling pursuant to the KapMuG is pending before the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, has been appointed model case plaintiff. In late March 2023, the Stuttgart Higher Regional Court rendered a model declaratory judgment. Based on the determinations made in the model declaratory judgment and the current substantive status of the underlying actions, all of the suspended investor lawsuits against Porsche SE would in effect have to be dismissed. The model declaratory judgment is not yet final. The model case plaintiff, several interested parties summoned, and Porsche SE have petitioned the BGH for review on points of law. Volkswagen AG has declared its intervention as a third-party supporting the petition for review of Porsche SE.

In the Netherlands, a shareholder association filed an unquantified lawsuit seeking a determination that Volkswagen AG supposedly misled the capital markets. The lawsuit was withdrawn in early July 2021 after the European Court of Justice had denied international jurisdiction of the Netherland's courts in a similar case. Volkswagen AG consented to the withdrawal of the action, thereby terminating the litigation, but not precluding subsequent litigation.

The investor lawsuits, judicial applications for dunning procedures and conciliation proceedings, and claims under the KapMuG that are currently pending against Volkswagen AG in connection with the diesel issue outside the U.S. and Canada amount to an aggregated exposure of approximately €9.5 billion (plus accessory claims).

In the U.S., a putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and omissions to disclose material facts, and that the value of these bonds declined after the EPA issued its "Notices of Violation". This lawsuit has also been consolidated in the federal multidistrict litigation proceeding in the State of California described above. On June 25, 2021, the Ninth Circuit granted Volkswagen's interlocutory appeal, reversing the district court's denial of Volkswagen's motion for summary judgment. In July 2021, plaintiff petitioned the Ninth Circuit for rehearing either before the original panel or *en banc*. On September 23, 2021, the Ninth Circuit denied the petition and on October 12, 2021 issued the mandate formally entering its judgment of reversal and remanding to the district court for determination as to whether summary judgment should be granted. No provisions have been recognized. In addition, contingent liabilities have not been disclosed as they currently cannot be measured.

Overall, from 2015 to 2022, Volkswagen recognized over €30 billion in expenses directly related to the diesel issue, adversely affecting its operating profit, financial position and results of operations.

In addition, as of December 31, 2022, contingent liabilities in relation to the diesel issue amounted to €4.2 billion in the aggregate (December 31, 2021: €4.3 billion), of which lawsuits filed by investors in Germany account for €3.6 billion (December 31, 2021: €3.6 billion). Also included are certain elements of the class action lawsuits relating to the diesel issue as well as proceedings/misdemeanor proceedings as far as these can be quantified. As some of these proceedings are still at a very early stage, the plaintiffs have in a number of cases so far not specified the basis of their claims and/or there is insufficient certainty about the number of plaintiffs or the amounts being claimed. As of June 30, 2023, there were no significant changes to contingent liabilities compared to December 31, 2022.

Evaluating known information and making reliable estimates for provisions is a continuous process. The provisions recognized, and the contingent liabilities disclosed as well as the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors and the ongoing coordination with the authorities, and that the fact-finding efforts, excluding the investigations by the Supervisory Board, have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized in light of knowledge acquired or events occurring in the future cannot be ruled out. Furthermore, new information not known to Volkswagen AG's Board of Management at present may surface, requiring further revaluation of the amounts estimated. Considerable financial charges may be incurred, and further substantial provisions may be necessary as the issues and legal risks, fines and penalties crystallize.

In addition to ongoing, extensive investigations by governmental authorities in various jurisdictions worldwide, further investigations (including in relation to areas carved out of the plea agreement with the U.S. authorities, such as tax) could be launched in the future and existing investigations could be expanded. Furthermore, there could be pending or threatened claims against the Volkswagen Group of which Volkswagen's management is not yet aware. Ongoing and future investigations may result in further legal actions being taken against Volkswagen or some of its employees. These actions could include the following: additional assessments of substantial criminal and civil fines as well as forfeiture of gains; the imposition of penalties, sanctions and injunctions against future conduct; the loss of vehicle type certifications; and sales stops and business restrictions. The timing of the release of new information on the investigations and the maximum amount of penalties that may be imposed cannot be reliably determined at present. New information may arise at any time, including after the offer, sale and delivery of the Notes.

Any of the above-described negative developments could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as on the prices of its securities and its capability to make payments under its securities, including the Notes.

Moreover, the issues described above have caused or could cause the following effects:

- damage to Volkswagen's reputation or brand image and impairment of Volkswagen's relationship with customers, dealers, suppliers, other important business partners, employees and investors, which could be exacerbated by negative publicity and perception that Volkswagen is insufficiently communicating these developments;

- lower sales, sales prices and margins and higher marketing and sales expenses for new and used Volkswagen Group vehicles, including the cost of Volkswagen having to perform inspections of vehicles free of charge which could have an adverse impact on Volkswagen's ability to compete, as a result of which Volkswagen could lose significant sales revenue;

- higher product inventories, which could increase working capital requirements;

- an adverse impact on Volkswagen's ability to pursue its strategic goals;

- an impairment of Volkswagen's ability to obtain financing required to maintain its operations, rendering Volkswagen's funding sources less efficient and more costly. Volkswagen's credit ratings have been downgraded in the wake of these findings and could be subject to further downgrades, see "*Financial risks — Volkswagen may not succeed in refinancing its capital requirements in due time and to the extent necessary, or at all. There is also a risk that Volkswagen may refinance on unfavorable terms and conditions.*";

- an early redemption of asset-backed securities with respect to which Volkswagen Group vehicles with diesel engines serve as collateral;

- Volkswagen having to dispose of certain assets, brands, subsidiaries or investments at prices below their fair market value in order to cover emissions-related financial liabilities, especially if the timing of any emissions-related payments leads to constraints on Volkswagen's cash flows; and

- an erosion of Volkswagen's competitive position due to reduced investments.

The majority of the investigations, proceedings and litigation are ongoing at this time. These proceedings could take an extended period of time to resolve, and Volkswagen cannot predict when they will be completed or what their outcomes will be, including the potential effect that their results or the reactions of third parties thereto may have on Volkswagen's business.

Future developments in these investigations, proceedings and litigation, the need to respond to the requests of governmental authorities and private plaintiffs, and the need to cooperate in these proceedings, especially if Volkswagen is not able to resolve these matters in a timely manner, could divert management's attention and resources from other issues facing Volkswagen's business.

The results of these and any future investigations, proceedings and litigation may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as on the prices of its securities and its ability to make payments under its securities and may result in a negative net cash flow. If Volkswagen's efforts to address, manage and remediate the issues described above are not successful, Volkswagen's business, reputation and competitive position could suffer substantial and irreparable harm. Additionally, the emissions issue could affect or exacerbate the impact of the other risks Volkswagen faces as described in this Prospectus.

1.6.2 ***The diesel issue led to a review and ongoing reforms of Volkswagen's internal controls, compliance function and company culture. If these reforms are not implemented or maintained and future material compliance failures occur, Volkswagen could be exposed to significant adverse consequences.***

In the wake of the diesel issue and in accordance with the settlement agreements between Volkswagen and the U.S. government, Volkswagen initiated programs and projects to enhance its internal controls, procedures and compliance systems to strengthen its culture of integrity and accountability. Behaving with integrity is a prerequisite for Volkswagen's future commercial success.

Among other things, Volkswagen's efforts include improvements of internal controls for its product development process and the testing of vehicles, reforms of its whistleblower system, revisions to its code of conduct, increased employee training, improvements to its risk assessment systems, and creation of a centralized integrity management function by setting up a new Board of Management position for Integrity and Legal Affairs. The so-called Golden Rules (internal procedures developed to optimize Volkswagen's operational internal control system) set forth certain minimum requirements for engine control unit software development, emission certification and escalation management.

In addition, pursuant to the settlement agreements with the U.S. authorities, Volkswagen was required to retain for a three-year period an external Independent Compliance Monitor ("**Monitor**") and Compliance Auditor ("**Auditor**") to review and audit Volkswagen's compliance with its obligations under the plea agreement and Third Partial Consent Decrees, respectively. Larry D. Thompson was appointed as the Monitor and Auditor in April 2017. Mr. Thompson subsequently prepared and submitted a number of review reports pursuant to the plea agreement throughout his appointment. On August 14, 2020, Volkswagen's CEO and CFO certified to the DOJ that Volkswagen had met its disclosure obligations pursuant to the plea agreement. On September 1, 2020, the Monitor certified to DOJ that Volkswagen's compliance program, including its policies and procedures, is reasonably designed and implemented to prevent and detect violations of anti-fraud and environmental laws, pursuant to the plea agreement and, on September 14, 2020, the term of the Monitor and term of the plea agreement expired.

Additionally, on August 17, 2018 and August 16, 2019, Mr. Thompson submitted his first and second annual reports under the Third Partial Consent Decrees. On June 16, 2020, Mr. Thompson submitted his third and final annual report under the Third Partial Consent Decrees. The term of the Auditor under the Third Partial Consent Decree and the Third California Partial Consent Decree ended in June 2020.

Moreover, on August 13, 2019, the EPA and Volkswagen AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC, and AUDI AG entered into an administrative agreement, which resolves all administrative matters relating to suspension and debarment and any suspension and debarment matter based on affiliation or imputation arising from the plea agreement. The agreement, which had a three-year term, required VW AG to retain an independent EPA auditor for the duration of the agreement to review and audit compliance with the agreement. VW AG retained John Hanson to serve as the independent EPA auditor in August 2019. The term of the independent EPA auditor ended on August 13, 2022.

The goal of these measures is to reinforce Volkswagen's governance and compliance to help deter and prevent future misconduct. Nevertheless, there remains a risk that Volkswagen fails to effectively implement or maintain the revised rules and procedures and that employees do not comply with them or otherwise fail to act in a lawful manner at all times. Furthermore, Volkswagen may face conflicts between requests for information in the context of various U.S. agreements entered into in connection with the diesel issue on the one hand and both German and international data protection requirements on the other. Any of the above factors could lead to penalties, liabilities, reputational damage and materially adverse business consequences. In addition, violations of Volkswagen's obligations under the settlement agreements cannot be ruled out. In this case, significant penalties could be imposed as stipulated in the agreements, in addition to the possibility of further monetary fines, criminal sanctions and injunctive relief.

1.6.3 *Volkswagen's compliance and risk management systems may prove to be inadequate to prevent and discover breaches of laws and regulations and to identify, measure and take appropriate countermeasures against all relevant risks.*

In connection with its worldwide business operations, Volkswagen must comply with a range of legislative requirements in a number of countries. Volkswagen maintains a compliance management system that supports Volkswagen's operational business processes, helps to ensure compliance with legislative provisions and, where necessary, initiates appropriate countermeasures.

Members of Volkswagen's governing bodies, employees, authorized representatives or agents may violate applicable laws, and internal standards and procedures. Volkswagen may not be able to identify such violations, evaluate them correctly or take appropriate countermeasures. Furthermore, Volkswagen's compliance and risk management systems may not be appropriate to the company's size, complexity and geographical diversification and may fail for various reasons. In addition, on the basis of experience, Volkswagen cannot rule out that, for example in contract negotiations connected with business initiation, members of Volkswagen's governing bodies, employees, authorized representatives or agents have accepted, granted or promised advantages for themselves, Volkswagen or third parties, have applied comparable unfair business practices, or continue to do so. Volkswagen's compliance system may not be sufficient to prevent such actions. See also "*Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.*" and "*The diesel issue led to a review and ongoing reforms of Volkswagen's internal controls, compliance function and company culture. If these reforms are not implemented or maintained and future material compliance failures occur, Volkswagen could be exposed to significant adverse consequences.*"

The occurrence of these risks may result in a reputational loss and various adverse legal consequences, such as the imposition of fines and penalties on Volkswagen or members of its governing bodies or employees, or the assertion of damages claims. Volkswagen is particularly exposed to these risks with respect to its minority interests and joint ventures, as well as its listed subsidiaries, where it is difficult and, in some cases, possible only to a limited extent to integrate these entities fully into Volkswagen's compliance and risk management systems.

1.6.4 ***Volkswagen may fail to adequately protect its intellectual property and know-how or may be liable for infringement of third-party intellectual property.***

Volkswagen owns a large number of patents and other intellectual property rights, a number of which are of essential importance to Volkswagen's business success. Despite ownership of these rights, Volkswagen may fail to enforce claims against third parties to the extent required or desired. Volkswagen's intellectual property rights may be challenged, and Volkswagen may not be able to secure such rights in the future. In particular, there is a heightened risk that Volkswagen may not be in a position to secure all necessary intellectual property rights with respect to the development of new technologies, as part of Volkswagen's collaborative partnerships or otherwise.

Furthermore, third parties (including joint venture partners or partners in collaborative projects) may violate Volkswagen's patents and other intellectual property rights and Volkswagen may not be able to prevent such violations for legal or practical reasons. This applies to product piracy where Volkswagen's vehicles and components are copied, possibly with poor quality, resulting in additional reputational and warranty risks. Trade secrets and know-how that cannot be safeguarded through intellectual property rights are also important for Volkswagen's business success. Volkswagen may be unable to prevent disclosure of trade secrets.

Volkswagen may also infringe patents, trademarks or other third-party rights or may not have validly acquired service inventions. Furthermore, Volkswagen may not obtain the licenses necessary for its business success on reasonable terms in the future. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may have to pay damages, modify manufacturing processes, redesign products or may be barred from marketing certain products. Volkswagen could also face costly litigation. These risks could lead to delivery and production restrictions or interruptions and materially adversely affect Volkswagen's general business activities, net assets, financial position and results of operations.

1.6.5 ***Volkswagen is exposed to risks in connection with product-related guarantees and warranties as well as the provision of voluntary services, in particular in relation to recall campaigns.***

As a result of contractual and legal provisions, Volkswagen is obliged to provide extensive warranties to its dealers, importers and national distributors (quality defect liability) as well as, in certain countries, to customers. Volkswagen may face additional liability depending on the applicable laws and contractual obligations.

As a rule, Volkswagen forms provisions for these obligations on an ongoing basis. Nevertheless, relative to the guarantees and warranties that it grants, Volkswagen may have set the calculated product prices and the provisions for guarantee and warranty risks too low or may do so in the future. Volkswagen's suppliers have also provided guarantees and warranties, however, when claims are made against them, these suppliers may not be able to fulfil their obligations. Furthermore, costs associated with electric vehicles could be significantly higher in the future than originally thought (for example, recalls may be more expensive than for internal combustion vehicles; claims for damages after serious accidents may be higher and raw material prices relevant to electric mobility may increase).

Supervisory authorities may request that Volkswagen performs recall campaigns and could compel a recall and modification of Volkswagen's products or components included in Volkswagen's products. Frequently, such recalls concern a small number of vehicles. However, substantial numbers of vehicles could also be affected. The risk of a recall of a substantial number of vehicles could be exacerbated due to Volkswagen's application of modular vehicle components that are used for the production of vehicles across brands and classes.

Due to the diesel issue, Volkswagen was ordered to initiate a comprehensive recall in various jurisdictions to retrofit certain of its vehicles to bring their emissions systems into compliance with pollution regulations. For more information, see "*Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.*" The related costs incurred to date are considerable and there could be additional substantial costs. There could be future recalls affecting additional jurisdictions and vehicles. The recalls could pose significant challenges to Volkswagen's dealers. Depending on the required repairs, in particular in the United States and Canada, dealers may lack sufficient technical capacities to implement the works on time. In addition, dealers may experience liquidity issues. To the extent Volkswagen is required to provide support to its dealer network in connection with any recalls, in particular in the United States, it may incur significant costs. Moreover, Volkswagen could be required to compensate dealers for any litigation claims they might face *vis-à-vis* their customers.

On May 5, 2016, the U.S. National Highway Traffic Safety Administration ("**NHTSA**") announced, jointly with the Takata company, a further extension of the recall for various models from different manufacturers containing certain airbags produced by the Takata company. Recalls were also requested by the local authorities in individual countries. The recalls also included models manufactured by the Volkswagen Group. Appropriate provisions have been recognized. Furthermore, in May 2020, Volkswagen agreed with NHTSA on future recalls of models with a certain type of Takata airbag inflators in the U.S. Based on findings from Volkswagen's analysis program, further models were voluntarily recalled in certain countries with specific climate conditions. Currently, the possibility of further extensions to the recalls, in the U.S. or other countries worldwide, that could also affect Volkswagen Group models cannot be ruled out and could, therefore, have an adverse financial impact.

Volkswagen may not have claims against third parties (for example suppliers) for expenses and costs associated with recalls or part exchanges. Although Volkswagen aims to comply with comprehensive development and production requirements, Volkswagen may have designed products with product defects or may manufacture faulty products. Moreover, Volkswagen may provide services as a courtesy or for reputational reasons although Volkswagen is not legally obligated to do so. These occurrences could materially adversely affect Volkswagen's general business activities, reputation, net assets, financial position and results of operations.

1.6.6 *Volkswagen's existing insurance coverage may not be sufficient and insurance premiums may increase.*

Volkswagen has obtained insurance coverage in relation to a number of risks associated with its business activities that are subject to standard exclusions, such as willful misconduct. However, Volkswagen may suffer losses or claimants may bring claims that exceed the type and scope of Volkswagen's existing insurance coverage. Significant losses could lead to higher insurance premium payments. In addition, there are risks left intentionally uninsured based on Volkswagen's cost benefit analysis (such as, but not limited to, business interruption, interruptions following marine cargo damage, supplier insolvency, industrial disputes, specific natural hazards or comprehensive car cover), and Volkswagen therefore has no insurance against these events.

Where the risks arising from legal disputes and investigations can be assessed and insurance coverage is economically sensible, Volkswagen has purchased customary insurance coverage or recognized provisions or contingent liabilities in relation to these risks. However, as certain risks cannot be estimated or can be estimated only with difficulty, Volkswagen may incur losses that are not covered by insurance or provisions. In particular, this is the case concerning estimations of legal risks arising out of the diesel issue.

As a result, legal risks could have a material adverse effect on Volkswagen's reputation, business, net assets, financial position and results of operations.

If Volkswagen sustains damages for which there is no or insufficient insurance coverage, or if it has to pay higher insurance premiums or encounters restrictions on insurance coverage, this may materially adversely affect Volkswagen's general business activities, net assets, financial position and results of operations.

1.6.7 ***Volkswagen is exposed to tax risks, which could arise in particular as a result of tax audits or as a result of past measures.***

Volkswagen AG and its subsidiaries have operations worldwide and are audited by local tax authorities on an ongoing basis. Amendments to tax laws, including as a result of e.g., the EU Commission's proposal to introduce a debt-equity bias reduction allowance (DEBRA) or rules to prevent the misuse of shell entities for tax purposes (ATAD 3), and changes in legal precedent and their interpretation by the tax authorities in the respective countries may lead to tax payments that differ from the estimates made in the financial statements.

Risks arise particularly from tax assessment of the cross-border supply of intragroup goods and services. Through organizational measures, such as the implementation of an advance pricing agreement as well as the monitoring of transfer prices, Volkswagen is constantly monitoring the development of tax risks as well as the impact thereof on its consolidated financial statements. Furthermore, German tax authorities may not accept all costs, expenses, fines or similar liabilities incurred by Volkswagen and its subsidiaries in Germany as a result of the diesel issue as tax deductible business expense.

Tax provisions were recognized for potential future tax payments for former years, while other provisions were recognized for ancillary tax payments arising in this connection.

Volkswagen's provisions for tax risks may be insufficient to cover any actual settlement amount. Risks may also arise due to changes in tax laws or accounting principles. The occurrence of these risks could have a material adverse effect on Volkswagen's net assets, financial position and results of operations.

In December 2021, the Organisation for Economic Co-operation and Development issued model rules for a new global minimum tax framework. Several jurisdictions announced the intention to bring these into effect. In December 2022, EU member states agreed to a correspondent directive. While the overarching framework has been published, domestic legislation and detailed guidance to assess the full implications in various jurisdictions is outstanding.

1.6.8 ***In Germany, investors have brought conciliation and legal proceedings against Volkswagen AG in connection with Porsche SE's acquisition of Volkswagen AG shares, claiming significant damages for alleged breaches of capital market laws.***

In 2011, ARFB Anlegerschutz UG (*haftungsbeschränkt*) brought an action against Volkswagen AG and Porsche SE claiming damages for allegedly violating disclosure requirements under capital market law in connection with the acquisition of ordinary shares in Volkswagen AG by Porsche SE in 2008. The damages currently being sought are based on allegedly assigned rights and amount to approximately €2.26 billion plus interest.

On September 30, 2022, the Higher Regional Court in Celle (Lower Saxony), in a declaratory judgment according to the German Act on Model Case Proceedings in Capital Markets Issues (KapMuG – *Kapitalanleger-Musterverfahrensgesetz*), rejected all applications of ARFB Anlegerschutz UG and the other summoned parties to assess liability of Volkswagen AG and Porsche SE for being unfounded.

ARFB Anlegerschutz UG and another summoned party have filed appeals to the German Federal Court of Justice (*Bundesgerichtshof*). ARFB has confined its appeal to Porsche SE, while accepting the findings of the declaratory judgment in relation to Volkswagen. The other summoned party, however, has generally appealed and has also directed its appeal against Volkswagen AG.

Volkswagen AG continues to consider the alleged claims to be without merit. However, in the event of a settlement or an unfavorable decision in the legal proceedings, Volkswagen AG could sustain considerable losses.

1.6.9 ***The European Commission's antitrust proceedings involving Scania AB and MAN SE have resulted in the imposition of fines and further damages are being sought. Volkswagen is also subject to further antitrust investigations.***

In 2011, the European Commission conducted searches at the premises of several European truck manufacturers on suspicion of violations of EU antitrust rules in the European truck sector and issued a statement of objections to MAN, Scania and the other truck manufacturers concerned in November 2014. With its settlement decision in July 2016, the European Commission fined five European truck manufacturers holding that collusive arrangements on pricing and gross price increases for medium- and heavy-duty trucks in the European Economic Area and the timing and the passing on of costs for the introduction of emission technologies for medium- and heavy-duty trucks required by EURO III to EURO VI standards had lasted from January 17, 1997 to January 18, 2011 (for MAN: until September 20, 2010). MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness.

In September 2017, the European Commission fined Scania €0.88 billion. Scania had appealed to the European General Court (Court of First Instance) in Luxembourg that rendered its decision in February 2022. Scania's appeal was fully rejected and the fining decision of the European Commission confirmed. Scania appealed against the judgment to the European Court of Justice in April 2022. The €0.88 billion fine plus interest from the EU antitrust proceedings was paid on April 12, 2022, to avoid additional interest penalties.

Furthermore, a significant number of (direct or indirect) truck customers in various jurisdictions have initiated or joined lawsuits for damages against MAN and/or Scania. As is the case in any antitrust proceedings, further lawsuits for damages cannot be excluded. No provisions or contingent liabilities for these cases have been recognized.

In July 2021, the European Commission assessed a fine totaling roughly € 502 million against Volkswagen AG, *AUDI AG*, and Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision has become final. The subject matter scope of the decision is limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers are not charged with any other misconduct such as price fixing or allocating markets and customers.

Based on the facts of the EU case, in April 2023 the Korean competition authority ("**KFTC**") issued the administrative fine decision that it had announced in its February 2023 press release. As announced, no fine was imposed on Volkswagen AG, and Porsche AG is not affected by the decision. A fine equaling just under €3 million was imposed against AUDI AG. AUDI AG and Volkswagen AG have appealed the decision to the relevant court in Seoul/Korea. Proceedings in this matter have also been finalized in Turkey. There, these three Group brands have received a decision from the competition authority that did not impose any fines on the three Group brands. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen, Audi, and Porsche, among others, and issued requests for information.

In March 2020, the U.S. District Court for the Northern District of California dismissed two putative class action complaints brought by purchasers of German luxury vehicles alleging that, since the 1990s, several automobile manufacturers, including Volkswagen AG and other Group companies conspired to unlawfully increase the prices of German luxury vehicles in violation of U.S. antitrust and consumer protection law. The court held that the plaintiffs have not stated a claim for relief because the allegations in the complaints do not plausibly support that the alleged agreements unreasonably restrained competition in violation of U.S. law. The plaintiffs appealed this ruling. In August 2021, the plaintiffs in one of the two class actions withdrew their appeal. In October 2021, the Ninth Circuit Court of Appeals affirmed the dismissal of the other class action by the U.S. District Court for the Northern District of California. In January 2022, the Ninth Circuit Court of Appeals denied the plaintiffs' motion (filed at the end of 2021) for rehearing on the decision in which the court had affirmed the judgment of the U.S. District Court. In February 2022, the U.S. District Court also denied the plaintiffs' motion to set aside its judgment and to be allowed to file a new complaint. In June 2022, the U.S. Supreme Court denied the petition filed by the plaintiffs seeking review of this decision.

Plaintiffs in Canada filed claims with similar allegations on behalf of putative classes of purchasers of German luxury vehicles against several automobile manufacturers, including Volkswagen Group Canada Inc., Audi Canada Inc., and other Group companies. Neither provisions nor contingent liabilities were stated because the early stage of proceedings makes an assessment currently impossible.

In March 2022, the European Commission and the Competition and Markets Authority *("**CMA**"),* the English antitrust authorities, searched the premises of various automotive manufacturers and automotive industry organizations and/or served them with formal requests for information. Within the Volkswagen Group, the investigation affects Volkswagen Group UK, which was searched by the *CMA*, and Volkswagen AG, which has received a Group-wide information request from the European Commission. The investigation relates to European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association *("**ACEA**"),* which are suspected of having agreed from 2001/2002 to the present to avoid paying for the services of recycling companies that dispose of end-of-life vehicles *("**ELV**")* (specifically passenger cars and vans up to 3.75 tons). Also alleged is an agreement to refrain from competitive use of *ELV* issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. Volkswagen AG has responded to the European Commission's information requests. Volkswagen Group UK is cooperating with the CMA. The CMA has furthermore issued requests for information to Volkswagen AG in connection with this matter. In July 2022, Volkswagen AG filed an action for judicial review challenging the CMA's requests for information in particular because Volkswagen AG believes that they exceed the CMA's jurisdiction. In February 2023, the court issued a decision in favor of Volkswagen AG, to which the CMA filed an appeal in April 2023. Volkswagen AG continues to examine the possibilities for reasonable cooperation with CMA

In addition, a few national and international authorities have initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. A number of the above proceedings are currently pending, and it is too early to assess the potential consequences of the investigation on Volkswagen. Furthermore, Volkswagen Group is exposed to antitrust risks, and may face further such risks in the future, in connection with the Group's acquisitions, joint ventures or strategic partnerships, where the operations of such acquirees, joint ventures or partners can face scrutiny from antitrust authorities. Any such developments may have a material adverse effect on Volkswagen's reputation, operating results and cash flows.

1.6.10 *Volkswagen is subject to risks arising from legal disputes and government investigations.*

In connection with its general business activities, Volkswagen, as well as entities in which Volkswagen holds a direct or indirect interest, are currently the subject of legal disputes and government investigations in Germany as well as abroad and may continue to be so in the future. Such disputes and investigations may, in particular, arise from Volkswagen's relationships with authorities, suppliers, dealers, customers, employees or investors. Volkswagen may be required to pay fines or take or refrain from taking certain actions. To the extent customers, particularly in the United States, assert claims for existing or alleged vehicle defects individually or in a class-action lawsuit, Volkswagen may have to undertake costly defense measures, reimburse plaintiffs' legal fees and pay significant damages, including punitive damages. Complaints brought by suppliers, dealers, investors or other third parties (such as governmental authorities or patent exploitation companies) in the United States and elsewhere may also result in significant costs, risks or damages. This particularly relates to current and future class-action lawsuits, actions relating to patent rights and antitrust disputes among others. On November 1, 2018, the German Act on Model Declaratory Action came into effect, allowing certain entities to file an action for declaratory judgment on behalf of consumers. This law has already led to a significant increase in consumer litigation in Germany, including with respect to diesel-related litigation against Volkswagen and it may lead to further increases in litigation the future.

Furthermore, there may be investigations by governmental authorities in connection with Volkswagen's compliance with regulatory requirements, in particular where Volkswagen's and the regulators' interpretation of the applicable requirements differ. Uncertainties or differing assessments of risk surrounding enforcement or regulatory interpretations could result in substantial costs, including civil and criminal penalties. Investigations could relate to circumstances of which Volkswagen currently is not aware, or which have already arisen or will arise in the future, including supervisory and environmental law, competition law, state aid or criminal proceedings. For example, Porsche AG discovered potential regulatory issues relating to vehicles for various markets worldwide. Potential issues related to sports functionalities were identified as well as questions as to the permissibility of specific hardware and software components used in type approval measurements. Differences compared with production versions may also have occurred in certain cases. Based on the information presently available, current production is not affected. The issues are unrelated to the defeat devices that were at the root of the diesel issue. Porsche AG is cooperating with the relevant authorities including the Stuttgart Office of the Public Prosecutor, which is investigating the matter in Germany and previously initiated preliminary proceedings against twelve former employees of Porsche AG. The preliminary investigation against the former employees was also discontinued in April 2022 in accordance with § 153 of the German Code of Criminal Procedure (*Strafprozeßordnung - StPO*). Based on the available information, no formal criminal investigation or administrative proceeding has been opened against the company. Porsche's own internal investigations are also largely completed. In January 2021, a consolidated complaint was filed with the U.S. District Court for the Northern District of California, combining six different class action complaints originally directed at Porsche AG and its American importer subsidiary, Volkswagen AG and AUDI AG and alleging that the affected vehicles used certain software and/or hardware that resulted in increased emissions and/or overstated fuel economy estimates as compared to the results of certification testing. In December 2021, the parties agreed to a draft settlement in the amount of USD 80 million (including a possible additional USD 5 million further payment obligation). Following a settlement hearing, the judge presiding in the matter granted final approval in November 2022 and the settlement amount was paid during the fiscal year 2022. In December 2022, a member of the class who had objected to the settlement filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit, challenging the final approval order. The appeal does not impact the ongoing processing of claims and payments to class members under the settlement. A further class action lawsuit, affecting a smaller number of vehicles, is pending in Canada, and Porsche AG has also been working with other regulatory authorities, such as the California Air Resources Board and the National Highway Traffic Safety Administration, to conclude inquiries in connection with this matter. In June 2022, the US Department of Justice issued a letter confirming that it would not be conducting any further inquiry into these issues.

Risks may also emerge in connection with the adherence to regulatory requirements. This particularly applies in the case of regulatory grey areas where Volkswagen and the authorities responsible for the respective regulations may interpret the regulations differently.

In addition, legal risks can arise from criminal activities of individual persons, which even the best compliance management system can never completely prevent. Risk may further arise where there is a change or expansion of legal liability due to the implementation of new legislation or court decisions that impact current practices. For example, the European Court of Justice has determined that manufacturers can also be liable for damage under European law if an impermissible defeat device is installed in a vehicle through negligence. While the effects of this decision are still being determined, Volkswagen could for example be exposed to further claims in Germany or other EU countries.

See also "*Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities*."

1.6.11 ***Volkswagen is exposed to political, economic, tax and legal risks in numerous countries.***

Volkswagen manufactures products in various countries, such as Germany, Sweden, Spain, the Czech Republic and the United States, in countries at the threshold of becoming industrialized nations, as well as those that only recently crossed such threshold, such as China, Brazil, Russia, India and Mexico. Volkswagen offers its products and services globally. In certain countries in which Volkswagen manufactures and sells products and services, the underlying conditions differ significantly from those in Western Europe, and there is less economic, political and legal stability. In a number of countries, there is a history of recurring political or economic crises and changes. This presents Volkswagen with risks over which it has no control, and which could have material adverse effects on its business activities and growth opportunities in these countries.

Demand for vehicles and production conditions in certain countries may be influenced by regulatory, foreign trade policy and other government market interventions. For example, restrictions on the granting or retention of approvals for vehicles or production facilities, international trade disputes, revocation of existing tax privileges, demand for the repayment of subsidies and the maintenance or introduction of new customs duties or other trade barriers such as import restrictions, may negatively affect Volkswagen's sales, procurement activities, production costs and expansion plans in the affected regions.

The expansion of bilateral and multilateral free-trade agreements between countries could also negatively affect Volkswagen's market position. This is particularly the case in Southeast Asia, where increasing numbers of Japanese companies are obtaining preferential market access based on free-trade agreements. Volkswagen's inability to gain access to markets or ability to do so only on restrictive terms could have a material adverse effect on Volkswagen's general business activities, net assets, financial position and results of operations.

1.7 **Financial risks**

1.7.1 ***Volkswagen is exposed to risks from volatile foreign exchange markets; changes in exchange rates, interest rates and commodity prices as well as respective hedging transactions may have a negative impact on Volkswagen operating result.***

Volkswagen operates across numerous jurisdictions around the world, conducting business in multiple currencies and as a result, is exposed to financial risks that may arise from changes in interest rates, exchange rates, raw material prices, or share and fund prices. These market risks may have substantial adverse effects on Volkswagen's operating results and cash flows. Volkswagen enters into hedging transactions to lower currency, interest rate and commodity price risks. Management of these financial and liquidity risks is centrally operated by the Group's treasury department, using non-derivative and derivative financial instruments. However, these risks are not fully hedged and losses arising from hedging activities, together with the expenses of hedging transactions, may result in significant costs.

Volkswagen is exposed to the effects of changes in the exchange rates – especially against the euro – of several currencies that play a significant role in the group's worldwide operations. Such currencies include but are not limited to, the: Australian dollar, Brazilian real, British pound sterling, Canadian dollar, Chinese renminbi, Czech koruna, Hong Kong dollar, Hungarian forint, Indian rupee, Japanese yen, Mexican peso, Norwegian krone, Polish zloty, Russian rouble, Singapore dollar, South African rand, South Korean won, Swedish krona, Swiss franc, Taiwan dollar and U.S. dollar. When business and economic conditions are favorable, Volkswagen is normally able to obtain the equivalent of euro-denominated prices for its products and services. However, this is usually not possible during weak economic periods, with the result that a strong euro may have an intensified negative impact. This could affect results from hedging activities and adversely affect Volkswagen's operating results and cash flows. As a result of the Russia-Ukraine conflict, Volkswagen expects additional pressure on the Russian rouble and this pressure has resulted and may further result in Volkswagen experiencing exchange rate effects in relation to its operations in the region.

Moreover, in order to manage the liquidity and cash needs of its day-to-day operations, Volkswagen holds a variety of interest rate sensitive assets and liabilities, exposing the group to interest rate risk. This also applies to the leasing and financing operations. Volkswagen hedges interest rate risk – where appropriate in combination with currency risk – and risks arising from fluctuations in the value of financial instruments by means of interest rate swaps, cross-currency interest rate swaps and other interest rate contracts with generally matching amounts and maturities. However, if interest rates develop in an adverse manner and/or if Volkswagen's hedge positions are inadequate, this could result in losses, affect results from hedging activities, create liquidity issues, and adversely affect Volkswagen's operating results and cash flows.

Finally, the hedging of commodity prices entails risks relating to the availability of raw materials and price trends. See also: "*Volkswagen is exposed to risks arising from procurement of raw materials, potentially impacting its procurement, production, transport and service chains.*" Volkswagen limits these risks mainly by entering into forward transactions and swaps. Volkswagen has entered into similar transactions in order to supplement and improve allocations of CO_2 emission certificates. Changes in prices due to high market demand for such commodities as well as changes in market values of hedges for such commodities might impact Volkswagen's ability to maintain appropriate hedge positions for affected commodities, and could in turn adversely affect Volkswagen's operating results.

In addition to the above, the effects of the SARS-CoV-2 pandemic or of violent conflicts, such as the current conflict between Russia and Ukraine, on the global economy have created significant volatility in exchange rates and commodity prices, caused interest rates to drop and severely disrupted financial markets. There is a risk that exchange rate and commodity prices disruptions will be further exacerbated as a result of the Russia-Ukraine conflict. These developments have affected and could continue to affect Volkswagens results, including results from hedging activities, and may exacerbate the financial risks to which Volkswagen is exposed and have a material adverse effect on Volkswagen's operating results and cash flows.

1.7.2 ***Volkswagen may not succeed in financing or refinancing its capital requirements in due time and to the extent necessary, or at all. There is also a risk that Volkswagen may refinance on unfavorable terms and conditions.***

Volkswagen depends on its ability to cover its financing requirements adequately. As of June 30, 2023, Volkswagen's noncurrent and current financial liabilities amounted to €219,713 million.

Volkswagen's Automotive Division and Financial Services Division carry out refinancing separately, but in principle are subject to the same financing risks. The Automotive Division finances itself primarily through retained, undistributed earnings as well as through borrowings in the form of bonds and other instruments. The Financial Services Division satisfies its funding requirements through the issuance of long and short-term debt securities out of money market and capital market programs, bank loans, operating cash flows, retail and wholesale deposits, central bank facilities and the securitization of lease and loan receivables. The Financial Services Division regularly funds itself via the Automotive Division.

Volkswagen's financing opportunities may be adversely affected by a deterioration in financial and general market conditions, a weakening of its credit profile and outlook as well as by a rating downgrade or withdrawal. In these cases, the demand from capital market participants for securities issued by Volkswagen may decrease, which could adversely impact the rates of interest Volkswagen has to pay and may result in lower capacity to access the capital markets.

The SARS-CoV-2 pandemic, the Russia-Ukraine conflict, ongoing elevated inflation levels, particularly core inflation, alongside a global trend of central bank tightening, and risks around further deglobalization has resulted and may continue to result in a material deterioration of global economic conditions and financial markets, which may make it difficult for Volkswagen to obtain sufficient financing to meet its needs or may prevent Volkswagen from being able to finance or refinance on reasonable terms or at all. This, alongside any similar effects resulting from other events such as shortages in the global supply chain or violent confrontations, such as the current conflict between Russia and Ukraine, may have a material adverse effect on Volkswagen's business, net assets, financial position and results of operations.

Volkswagen AG's credit ratings were downgraded in the wake of the diesel issue and Volkswagen has in the past, and may in the future experience limited access to refinancing opportunities. See also "*Legal Risks – Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities*."

If financial and general market conditions deteriorate or credit spreads and/or the general level of interest rates increase, this would result in higher interest expenses for Volkswagen. If Volkswagen does not limit its exposure to changes in interest rates accordingly, it could incur materially higher financing costs which in turn would lead to lower profitability.

1.7.3 ***Volkswagen is exposed to the risk that a contract party will default or that the credit quality of its customers or other contractual counterparties will deteriorate.***

Credit risk

Volkswagen is exposed to the risk that the credit quality of its retail customers and business partners (such as dealers and other corporate customers) may deteriorate and in the worst case that they may default (risk of counterparty default). This includes the risk of default on lease payments as well as on repayments of and interest payments on financing contracts (credit risk). Credit risk is influenced by, among other factors, customers' financial strength, collateral quality, overall demand for vehicles and general macroeconomic conditions. If, for example, an economic downturn leads to increased inability or unwillingness of borrowers or lessees to repay their debts, increased write-downs and higher provisions would be required, which in turn could adversely affect Volkswagen's results of operations. In addition, restrictions on the use of vehicles, such as for example in the context of potential driving bans in cities for older diesel vehicles, could decrease market prices and in turn collateral values of vehicles. Lower collateral values could negatively impact the asset situation of Volkswagen Group.

Volkswagen has implemented detailed procedures in order to contact delinquent customers for payment, arrange for the repossession of unpaid vehicles and sell repossessed vehicles. However, there is still the risk that Volkswagen's assessment procedures, monitoring of credit risk, maintenance of customer account records and repossession policies might not be sufficient to prevent negative effects for Volkswagen.

Volkswagen's dealers could encounter financial difficulties as a result of the diesel issue and regulatory or political decisions. Due to lower sales in new and used car business, or sales carried out with low or (in extreme cases) no margin due to a buying restraint of customers caused by the uncertainties surrounding the diesel issue or other factors, dealers may not be able to generate sufficient cash flows to meet their financial liabilities.

The current worldwide shortage of components (e.g., semiconductors), stressed supply chains, rising raw material and energy prices and increasing logistic costs since the outbreak of the Sars-CoV-2 pandemic and Russia-Ukraine conflict have had a material impact on the global automotive industry and the production of vehicles. The decrease in vehicles produced temporarily weakened the dealer business of the Volkswagen Financial Services Division. With fewer vehicles to sell to end customers, dealers' revenues will decline, which may negatively impact the financial condition of the dealers. In addition, an increasing shortage of components and intermediate products could increase car prices, which could negatively affect customer demand. Furthermore, the extended delivery times of new cars could cause an increase of the cancellations by the customers. The shortage of components and wide variety of impediments have already had a negative impact on the volume of the business due to the decreased number of new vehicles and could continue to have a material negative impact on the assets, operating result and financial positions of Volkswagen Financial Services Division and Volkswagen Group.

Counterparty risk / Issuer risk

Volkswagen is exposed to the risk of deterioration of the credit quality of its contractual counterparties in the money markets and the capital markets. In both its Automotive and Financial Services Divisions, Volkswagen maintains extensive business relationships with banks and financial institutions, in particular, to control liquidity through call money and fixed term deposits and to hedge against such risks as currency exchange rate, interest rate and commodity price risks using derivatives. Volkswagen incurs default risks with respect to the repayment of and interest on the deposits and the fulfillment of obligations under such derivatives. Volkswagen invests surplus liquidity in bonds and similar financial instruments, among others. If the credit quality of an issuer of these financial instruments deteriorates, or if such an issuer becomes insolvent, this may result in losses if Volkswagen sells the financial instrument before or at its maturity. This can even result in the issuer's default on the receivable.

If the macroeconomic environment were to deteriorate in the future, the risks described above could rise and Volkswagen may have to increase its risk provisioning. The foregoing risks could have a material adverse effect on Volkswagen's business, net assets, financial position and results of operations.

1.7.4 ***The Volkswagen Financial Services Division is dependent on Volkswagen Group sales, and any risk that negatively influences the vehicle delivery of the Volkswagen Group may have adverse effects on the business of the Financial Services Division.***

The Volkswagen Financial Services Division, as a captive finance company, has a limited business model, namely the sales support of products of the Automotive Division. Thus, the financial success of the Financial Services Division depends largely on the success of the Automotive Division. The development of vehicle deliveries to customers of the Volkswagen Group is crucial and material to the generation of new contracts for the Financial Services Division. As a result, fewer vehicle deliveries would also result in reduced business for the Financial Services Division.

The reasons for fewer vehicle sales can be diverse, including but not limited to the following: If economic growth does not materialize to the extent expected or if economic conditions weaken in a particular market, the Volkswagen Group may sell fewer products in these markets or obtain lower-than-expected prices. Additionally, a lack of economic growth could lead to a decrease of deliveries to customers caused by intensified price competition among automotive manufacturers. Furthermore, a weakening economy is accompanied by lower disposable income from both existing and potential new customers. A decrease in customers' disposable income or their financial condition will generally have a negative impact on vehicle sales.

Moreover, further legal investigations might be launched in the future and existing investigations could be expanded. This may result in further legal actions being taken against the Volkswagen Group and could have a negative influence on customer behavior and the business of Financial Services Division. Finally, if regulatory/political decisions (e.g., sales stops, driving bans, WLTP) or technological developments (e.g., e-mobility) influence customer demand, the sales of Volkswagen Group could be negatively affected, resulting in less business opportunities for the Financial Services Division.

Although the Financial Services Division operates different brands in numerous countries, a simultaneous and strong reduction of vehicle deliveries in several core markets might result in negative volume and financial performance for the Financial Services Division. These risks could have a material adverse effect on Volkswagen's business activities, net assets, financial position and results of operations.

1.7.5 ***A decrease in the residual values or the sales proceeds of leased vehicles or vehicles financed with a product with balloon rate and return option could have a material adverse effect on the business, financial condition and results of operations of Volkswagen.***

As a lessor under leasing contracts, including contracts with a balloon rate and return option for the customer, the Financial Services Division generally bears the risk that the market value of vehicles sold at the end of the term may be lower than the contracted residual value at the time the contract was entered into (so-called residual value risk). The Financial Services Division takes such differences into account in establishing provisions for the existing portfolio and in its determination of the contracted residual values for new business.

Volkswagen distinguishes between direct and indirect residual value risks. If the Financial Services Division carries the residual value risk, it is referred to as a direct residual value risk. Residual value risk is indirect when that risk has been transferred to a third party (such as a dealer) based on a residual value guarantee. The Financial Services Division frequently enters into agreements that require dealers to repurchase vehicles, so dealers, as residual value guarantors, would bear the residual value risk. When dealers act as the residual value guarantors, the Financial Services Division is exposed to counterparty credit risk. If the residual value guarantor defaults, the leased asset and also the residual value risk pass to the Volkswagen Group.

The residual value risk could be influenced by many different external factors. A decline in the residual value of used cars could be caused by initiatives to promote sales of new vehicles, which was evident during the global financial and economic crisis when incentive programs were offered by governments (for example, scrapping premiums) and automobile manufacturers. Among other things, Volkswagen was required to increase existing loss provisioning for residual value risks in the past. It cannot be ruled out that a similar scenario due to renewed deterioration of the macroeconomic environment could occur in the future.

Moreover, an adverse change in consumer confidence and consumer preferences could lead to higher residual value risks for Volkswagen. Customers determine the demand for and therefore the prices of used cars. If customers refrain from purchasing Volkswagen Group vehicles, for example due to such vehicles' perceived poor image or unappealing design, this could have a negative impact on residual values.

Furthermore, changes in economic conditions, government policies, exchange rates, marketing programs, the actual or perceived quality, safety or reliability of vehicles or fuel and energy prices could also influence the residual value risk. For instance, public discussions on potential political activities in relation to driving bans for diesel vehicles might influence the residual value risk of the relevant Financial Services Division portfolio. Due to the fact that customers might change their consumption behavior and refrain from buying diesel vehicles, these bans could have a negative impact on the corresponding market prices of these vehicles. Furthermore, the shortage of components (e.g., semiconductor shortages), rising raw material costs, energy prices, logistic costs and further challenges in procurement and delivery have caused and may cause in the future decreased new vehicle production, which might also influence used car values. As a result of any of the above factors, the residual value risk might increase and could materially adversely affect Volkswagen's net assets, financial position and results of operations.

The development of residual value risks could be influenced by the topic of e-mobility. On the one hand, rapid technical progress in the field of battery technology in favor of vehicle ranges could lead to increasing residual value risks in existing electric vehicle portfolios, as customer demand for outdated technologies declines, especially in the first few years. On the other hand, due to substitution effects, sales of electric cars as a result of changing customer behavior could have a negative impact on the residual values of conventional combustion-based vehicles, as a result of decreasing customer demand. Finally, e-mobility developments and the impact on residual value risks are difficult to predict and could therefore materially adversely affect Volkswagen Financial Services Division's net assets, financial position and results of operations.

Uncertainties may also exist with respect to the internal methods for calculating residual values, for example due to assumptions that later prove to be incorrect. Although Volkswagen continuously monitors used car price trends and makes adjustments to its risk valuation, assessing residual value risk in advance of actual market indicators remains subject to the risk of assumptions that may prove to be incorrect.

Estimates of provisions for residual value risks may be less than the amounts actually required to be paid due to miscalculations of initial residual value forecasts or changes in market or regulatory conditions. Such a potential shortfall may have a material adverse effect on Volkswagen's business activities, net assets, financial position and results of operations.

Due to the remaining uncertainties surrounding the diesel issue, the demand for Volkswagen Group vehicles could decline, which in turn could result in falling new and used car prices. Falling prices would affect Volkswagen at various stages. It could lead to pressure on margins in leasing products and products with balloon rate and return options. In addition, the residual value risk from vehicle returns could increase since the residual values calculated may not correspond with the current residual value assumptions for the end of the contract. As a result, Volkswagen would have to maintain higher value adjustments or record direct partial write-offs against income on its residual value risk portfolio, which would adversely affect Volkswagen's net assets, financial position and results of operations.

As a result of changes in economic conditions, Volkswagen could face an increasing residual value risk. Due to the drop in consumer demand, new vehicles may have to be sold at a significant discount, which could have a material impact on the residual value of used vehicles. In addition, consumer demand for used vehicles may also decline, which could further impact the residual values of used vehicles. Decreasing residual values and resulting residual value risks could influence both Volkswagen Group (direct residual value risk) and the dealers, which are financed by the Financial Services Division (indirect residual value risk). Consequently, Volkswagen Group may have to post direct write-offs on its portfolio or build higher loss allowances, which would have a material adverse effect on operating result.

1.7.6 *Volkswagen AG and Porsche SE are liable to the Bundesverband deutscher Banken e.V. (Association of German Banks) if the latter incurs losses as a result of having provided assistance to Volkswagen Bank.*

Volkswagen Bank GmbH, Braunschweig, Germany ("**Volkswagen Bank**") is a member of the Deposit Protection Fund of the Association of German Banks. The Deposit Protection Fund in principle protects all deposits of private individuals and foundations and certain deposits of commercial enterprises, institutional investors and public-sector entities. Under the by-laws of the Association's Deposit Protection Fund, Volkswagen AG and Porsche SE have each provided a declaration of indemnity for Volkswagen Bank. Under these declarations, they have agreed to hold the Association of German Banks harmless from any losses it incurs resulting from assistance provided to Volkswagen Bank. Volkswagen AG, in turn, has provided a declaration of indemnity to Porsche SE in respect of the indemnity provided by Porsche SE to the Association of German Banks. These circumstances may have a material adverse effect on Volkswagen's business, net assets, financial position and results of operations. Moreover, any rescue measures taken by the Deposit Protection Fund may result in a reputational damage.

1.7.7 *Accounting assessments may result in a negative effect. In particular, the value of goodwill, brand names or capitalized development costs reported in Volkswagen's consolidated financial statements may need to be partially or fully impaired as a result of revaluations.*

As of June 30, 2023, goodwill reported in Volkswagen's balance sheet amounted to €26,001 million, the reported values of brand names amounted to €17,460 million of capitalized development costs for products under development amounted to €21,063 million and of capitalized development costs for products currently in use amounted to €14,885 million.

At least once a year, Volkswagen reviews whether the value of goodwill, brand names or capitalized development costs may be impaired based on the underlying cash-generating units. If there is objective evidence that the recoverable amount is lower than the carrying amount for the asset concerned, Volkswagen incurs an impairment loss. Should Volkswagen need to record an impairment loss in the future, this may have a material adverse effect to its balance sheet and result of operations.

Russia's partial mobilization on September 21, 2022 and the ensuing tightening of sanctions led to adjustments to the risk assessment in relation to the situation in Russia in the third quarter of 2022 and to the potential future development of the Group's business activities in Russia. Since there was no noticeable easing in the Russia-Ukraine conflict in the fourth quarter of 2022, the discontinuation of business activities in Russia took concrete shape in the Volkswagen Group. In this context, some companies were sold and further sale negotiations were initiated. Overall, comprehensive impairment losses on assets of production facilities and financial services companies as well as risk provisions, especially for third-party expenses expected from the discontinuation of activities in Russia, were recognized in 2022. Overall, total expenses of around €2 billion were recognized in 2022 as a direct result of the Russia-Ukraine conflict, which are reported in cost of sales and in the other operating result. Of this amount, €1.5 billion was attributable to the Automotive Division and €0.5 billion to the Financial Services Division. On May 18, 2023, Volkswagen Group has completed the sale of its shares in OOO Volkswagen Group Rus (Volkswagen Group Rus), Kaluga/Russia, including its local subsidiaries (OOO Volkswagen Components and Services, Kaluga/Russia, OOO Scania Leasing, Moscow/Russia, OOO Scania Finance, Moscow/Russia, OOO Scania Insurance, Moscow/Russia) to OOO ART-FINANCE, Moscow/Russia, who is supported by the Russian Dealer AO Avilon Automotive Group, Moscow/Russia. With the registration of the transaction on May 22, 2023, ownership of the shares in the authorized capital of Volkswagen Group Rus was transferred from the seller side to the buyer. The transaction includes the production facilities in Kaluga, the importer structure of the Group brands Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, AUDI, ŠKODA, Bentley, Lamborghini und Ducati for potential after-sales business and the warehousing as well as the Scania financial services activities with all its associated employees. In this context, the Volkswagen Group has already made significant impairments in 2022 and taken appropriate provisions (see above). The sale price amounts to EUR 125 million. The deconsolidation of the affected companies resulted in a loss of EUR 0.4 billion in the six months ended June 30, 2023, reported in other operating result, being mainly attributable to the realization of currency translation effects of € -0.3 billion, which have been reclassified from foreign currency translation reserve to other operating expenses. This result is split between the Automotive Division (EUR -0.4 billion) and the Financial Services Division (EUR 0.1 billion). For more information see also: "*Macroeconomic, sector specific, markets and sales risks – The continuing impact to the global economy, energy supplies, and energy-intensive sectors from the Russian-Ukraine conflict and the sanctions imposed by numerous countries and multinational entities in response thereto is uncertain but may have negative implications for Volkswagen's operations*".

1.8 Risks from mergers & acquisitions, strategic partnerships and/or investments

1.8.1 *Cooperation with joint venture partners or other partners may entail risks that could endanger Volkswagen's market position and cause financial losses.*

At times Volkswagen enters into joint ventures with strategic partners for research and development, market launches and large projects. In addition to Volkswagen's joint ventures in China, important relationships relate to strategic areas, such as e-mobility, battery development, digitalization, autonomous driving, mobility concepts and infrastructure. With respect to its strategic development, Volkswagen expects to rely to a greater extent on partnerships, and cooperations, the success of which will impact the Group's future profitability. A change in or the termination of such agreements could have a negative impact on the Group and these areas of strategic focus.

If Volkswagen fails to fulfil its obligations stipulated in the related agreements, it may be subject to claims for damages and contractual penalties, or the joint venture agreement may be terminated. In addition, a breach of contract by Volkswagen's partners or unforeseen events may impair the successful implementation of a project. Moreover, the success of Volkswagen's joint ventures requires that the partners constructively pursue the same goals, which may not always be the case. If Volkswagen decides to divest its shareholdings or withdraw from the joint venture, it may not be able to find a buyer for its shares, or it may not be able to sell the shares for other reasons, or Volkswagen's joint venture partner may claim damages. Disputes with joint venture partners can be costly and divert management's attention from the operation of the business. Additionally, it is possible that Volkswagen's partners may use, outside of the scope of the joint venture project, technologies or intellectual property acquired in the course of the joint venture. The diesel issue could affect Volkswagen's ability to attract future potential cooperation partners, for example, in the area of research and development.

Volkswagen is particularly exposed to these risks in relation to its joint ventures in China, due to their strategic importance in terms of Volkswagen's growth strategy in Asia. Any impairment of the business activities of these joint ventures, irrespective of any associated claims for damages arising from them, may have a material adverse effect on the functioning of these joint ventures. This could result from a number of factors within the respective partnership or due to the partners' differing strategic goals.

If any of these factors were to occur, Volkswagen may lose orders and customers and endanger its strategic market position in the relevant markets, which may result in a time-consuming and costly search for alternative partners and the loss of costs already incurred.

1.8.2 ***Volkswagen may be exposed to risks in relation to corporate acquisitions and equity interests in companies as well as with regard to disposals and the rights of minority shareholders.***

Volkswagen has made significant acquisitions in the past and may continue to acquire companies and equity interests in companies in the future. Corporate acquisitions are typically associated with significant investments and risks. For instance, Volkswagen may not be granted full access or be provided with all relevant information to completely review the target company before the acquisition or investment or can do so only after incurring disproportionately high costs. Therefore, Volkswagen may not recognize all risks related to such a transaction in advance and may not adequately protect itself against such risks. Target companies may also be located in countries in which the underlying legal, economic, political and cultural conditions do not correspond to those customary in the European Union, or have other national peculiarities with which Volkswagen is not familiar. In addition, acquisitions and integration of companies generally tie up significant management resources. There is also a danger that acquired or licensed technologies or other assets may not be legally valid or intrinsically valuable. Furthermore, Volkswagen may not succeed in retaining, maintaining and integrating the employees, business relationships and operations of the acquired companies.

Volkswagen may not realize the targets for growth, economies of scale, cost savings, development, production and distribution targets, or other strategic goals that Volkswagen seeks from the acquisition. Moreover, anticipated synergies may not materialize, the purchase price may prove to have been too high or unforeseen restructuring expenses may become necessary. Thus, Volkswagen's corporate acquisitions or purchases of equity interests in companies may not be successful or may otherwise negatively impact the Group. For example, in 2022 an impairment loss of €1.9 billion recognized on the equity investment in Argo AI, LLC ("**Argo AI**"). Moreover, in many countries and regions, planned acquisitions are subject to a review by the competition and other regulatory authorities, which may impede a planned transaction. It is also possible that the flow of information to Volkswagen may be restricted for legal reasons in the case of equity interests in companies with minority shareholders.

Furthermore, Volkswagen may not be able to recover guarantees and indemnities provided to it by third parties in the context of acquisitions or investments. There is also a possibility that the acquired entities' contractual partners may be entitled to cancel contracts or make other claims which are disadvantageous to Volkswagen.

In relation to asset disposals, Volkswagen is also exposed to risks typically associated with such transactions, including potential liabilities resulting from contractual warranties and indemnities, as well as regulatory risks of not being able to obtain required approvals.

If any of these risks occurs, or if Volkswagen incorrectly assesses the risks or if there are other failures in relation to Volkswagen's acquisitions, investments or disposals, it may lead to an impairment of the acquisition, reputational damage and compliance risks, and may have a material adverse effect on Volkswagen's business activities, net assets, financial position and results of operations.

Risks related to the Notes

1.9 Risks associated with the nature of the Notes

1.9.1 *The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period.*

The Notes are undated securities and Holders may not declare the Notes due and payable. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in a foreseeable future.

1.9.2 *Holders are subject to risks relating to the early redemption of the Notes.*

At the Issuer's option each Series of Notes may be redeemed at 100% of their specified denomination plus accrued and unpaid interest and any Arrears of Interest pursuant to the respective Terms and Conditions (i) on the respective first call date of a Series or any Interest Payment Date thereafter, (ii) if as a consequence of a change in law it has to pay any additional amounts with respect to taxation or (iii) if 80% or more of the aggregate principal amount of such Series of Notes initially issued has been redeemed or repurchased.

In addition, the Issuer may at its option redeem each Series of Notes at 101% of their specified denomination plus accrued and unpaid interest and any Arrears of Interest pursuant to the respective Terms and Conditions, if (i) interest payable in respect of such Series of Notes is no longer fully income tax deductible, (ii) the funds raised through the issuance of such Series of Notes must not or must no longer be recorded as "equity capital" of the Issuer pursuant to IFRS or (iii) Moody's and / or S&P determine to no longer grant the same or higher category of "equity credit" to such Series of Notes as a result of an amendment, clarification or change to the equity credit criteria of such rating agency.

In the case of redemption, Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms. Moreover, the redemption amount in the event of a redemption may be lower than the prevailing market price of the Notes.

1.9.3 *The Notes are subordinated to senior obligations of the Issuer.*

The obligations of the Issuer under the Notes will be unsecured subordinated obligations of the Issuer which in an insolvency or liquidation of the Issuer rank *pari passu* among themselves and with certain other obligations of the Issuer, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer and senior only to the Issuer's share capital and similar present or future instruments. According to the Terms and Conditions, in an insolvency or liquidation of the Issuer, no payments under the Notes will be made to the Holders unless the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Notes. In a liquidation, insolvency or any other proceeding for the avoidance of insolvency of the Issuer, the Holders may recover proportionately less than the Holders of unsubordinated or subordinated obligations of the Issuer or may recover nothing at all. Investors should take into consideration that liabilities ranking senior to the Notes may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in liquidation or insolvency proceedings of the Issuer, become unsubordinated or subordinated liabilities and will therefore be paid in full before payments are made to Holders.

1.9.4 *The Notes do not include express events of default or a cross default.*

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

1.9.5 *The Issuer will partially depend on payments from other members of the Volkswagen Group to make payments on the Notes.*

The Issuer's cash flow and ability to service debt depend upon its own business operations, which consist principally of the receipt of payments from the other operating subsidiaries within the Volkswagen Group for amounts lent to such subsidiaries. Applicable laws and regulations and the terms of other agreements to which the Issuer or other Volkswagen Group operating subsidiaries may be or may become subject, could restrict their ability to provide the Issuer with adequate funds.

1.9.6 ***Neither the Guarantees nor the Notes contain any financial covenants.***

Neither the Guarantor nor any of its subsidiaries (including the Issuer) will be restricted from incurring additional unsecured debt or other liabilities, including senior debt under the terms of the Notes or the Guarantees. If the Guarantor incurs additional debt or liabilities, the Issuer and/or the Guarantor's ability to pay its obligations on the Notes or the Guarantees could be adversely affected. In addition, under the Notes or the Guarantees, neither the Issuer nor the Guarantor will be restricted from paying dividends or issuing or repurchasing their other securities. Holders will not be protected under the terms of the Notes or the Guarantees in the event of a highly leveraged transaction, a reorganization or a restructuring, merger or similar transaction that may adversely affect Holders.

1.9.7 ***The Holders have no voting rights.***

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

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

The only remedy against the Issuer or the Guarantor available to the Holders for recovery of amounts which have become due in respect of the Notes or the Guarantees will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. On an insolvency or liquidation of the Issuer, any holder may only declare its Notes due and payable and may claim the amounts due and payable under the Notes, after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Notes. On an insolvency or liquidation of the Guarantor, any holder may only declare its Notes due and payable and may claim the amounts due and payable under the Guarantees, after the Guarantor has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the claims under the Guarantees.

1.9.9 ***No limitation on issuing further debt ranking senior or pari passu with the Notes.***

There is no restriction on the amount of debt which the Issuer or the Guarantor may issue ranking senior or equal to the obligations under or in connection with the Notes or the Guarantees, respectively. Such issuance of further debt would reduce the amount recoverable by the holders upon insolvency or liquidation of the Issuer or the Guarantor or may increase the likelihood that the Issuer is required or permitted to defer payments of interest under the Notes.

1.9.10 ***Subordinated claims under Guarantees.***

The Guarantor's obligations under the Guarantees are unsecured deeply subordinated obligations of the Guarantor ranking subordinated to all unsubordinated obligations and to all subordinated obligations within the meaning of section 39 paragraph 1 of the German Insolvency Code (*Insolvenzordnung*) (including any shareholder loans) and at least *pari passu* amongst them-selves and with all present unsecured obligations of the Guarantor which rank subordinated to all unsubordinated obligations and to all subordinated obligations under section 39 paragraph 1 of the German Insolvency Code, except for any subordinated obligations required to be preferred by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Guarantor or any proceeding for the avoidance of insolvency of the Guarantor, the obligations of the Guarantor under the Guarantees are subordinated to the claims of all holders of unsubordinated obligations and subordinated obligations within the meaning of section 39 paragraph 1 of the German Insolvency Code, so that in any such event payments in respect of the Guarantees will not be made until all claims against the Guarantor under obligations which rank senior to obligations of the Guarantor under the Guarantees have been satisfied in full (i.e. not only with a quota). The obligations of the Guarantor under the Guarantees are senior only to the Junior Obligations of the Guarantor.

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

1.9.11 *The beneficiaries under the Guarantees have limited rights in German insolvency proceedings.*

In an insolvency over the assets of the Guarantor, claims against the Guarantor under the Guarantees would be treated as a deeply subordinated insolvency claim (*nachrangige Insolvenzforderungen*). According to Section 174 paragraph 3 of the German Insolvency Code, deeply subordinated insolvency claims must not be registered with the insolvency court unless the insolvency court handling the case has granted special permission allowing these deeply subordinated insolvency claims to be filed which is not the rule, but the exception. The beneficiaries of the Guarantee would not participate in any creditors' committee (*Gläubigerausschuss*) and would have very limited rights within the creditors' assembly (*Gläubigerversammlung*). They may be invited to participate in the creditors' assembly, but would not be entitled to vote within such meetings (Section 77 paragraph 1 of the German Insolvency Code).

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

1.9.12 *The Holders are exposed to risks relating to the fixed interest notes.*

Each Series of Notes bears interest at a fixed rate to but excluding the respective first call date for that issue of Notes.

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

1.9.13 *The Holders are exposed to risks relating to the reset of interest rates linked to the 5-year swap rate or 9-year swap rate.*

From and including the respective first call date to but excluding the date on which the Issuer redeems the relevant Series of Notes in whole, the Notes bear interest at a rate which will be determined on each reset date at the 5-year swap rate or the 9-year swap rate, as applicable, for the relevant reset period plus a margin.

Investors should be aware that the performance of the 5-year swap rate or the 9-year swap rate, as applicable, and the interest income on the Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described under "*1.9.12. The Holders are exposed to risks relating to the fixed interest notes.*"

1.9.14 *The Notes are exposed to risk of financial benchmark and reference interest rate continuity.*

Following the respective first call date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in euro with a term of 5 and 9 years respectively, which appear on the Reuters Screen Page ICESWAP2.

These swap-rates, the underlying Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

International proposals for reform of Benchmarks include the Benchmarks Regulation which is fully applicable since January 1, 2018.

The Benchmarks Regulation could have a material impact on the Notes, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorization or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 Benchmarks Regulation), the administrator is recognized (Article 32 Benchmarks Regulation) or the relevant Benchmark is endorsed (Article 33 Benchmarks Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and

- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could have an impact on the Notes, including determination of the rate by the Issuer, the Calculation Agent or an independent adviser, as the case may be.

In addition to the aforementioned Benchmarks Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. Similarly, EMMI announced a stakeholder consultation on the hybrid methodology for EURIBOR on October 17, 2018. This second consultation is part of EMMI's commitment to deliver a reformed and robust methodology for EURIBOR, which aims to meet regulatory and stakeholder expectations in a timely manner. EMMI filed and was granted authorisation to the Belgian Financial Services and Markets Authority in the second quarter of 2019. Subsequently, EMMI has transitioned panel banks from the former EURIBOR methodology to the hybrid methodology, which was completed by November 2019.

Any changes to a Benchmark as a result of the Benchmarks Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of the Notes.

Under the terms and conditions of the Notes, certain benchmark replacement provisions will apply in case a Benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable:

If a Benchmark (or any component part thereof) used to calculate interest amounts payable under the Notes for any interest period has ceased to be calculated or administered, the Issuer shall endeavor 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 recognized 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 Holders of such Series of Notes. Any amendments pursuant to these fall-back provisions will apply with effect from the respective effective date specified in the terms and conditions of the Notes.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding interest determination date, provided, however, that, in case of the first reset period, 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.

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

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

Holders should be aware that interest may not be due and payable (*fällig*) on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. Failure to pay interest as a result of an interest deferral will also not give rise to a claim under the Guarantees. Holders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

1.9.16 *Ratings of the Issuer, the Guarantor or the Notes may be subject to change at all times.*

A rating of the Issuer or the Guarantor may not adequately reflect all risks of the investment in the Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Rating agencies may also change their methodologies for rating securities with features similar to the Notes in the future.

If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.9.17 *For Holders for which the Euro represents a foreign currency, the Notes expose them to currency risk.*

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

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

1.9.18 *Risks in connection with the application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen).*

A holder is subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the event that Holders of the relevant Series agree pursuant to the relevant Terms and Conditions of the Series of Notes to amendments of the Terms and Conditions of such Series of Notes by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). In the event of an appointment of a Holders' representative for all Holders of a Series of Notes a particular holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Holders. As a result, the Holders may lose all or a very substantial part of their investment.

1.9.19 ***Investors in the Notes assume the risk that the credit spread of the Issuer or the Guarantor changes (credit spread risk).***

A credit spread is the margin payable by the Issuer to the holder of a Note as a premium for the assumed credit risk of the Issuer (which will also reflect the obligations assumed by the Guarantor under the Guarantees in respect of the Notes). Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of obligations under any collateralization or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Investors are exposed to the risk that the credit spread of the Issuer and/or the Guarantor widens, resulting in a decrease in the price of the Notes.

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

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

1.9.21 ***The tax impact of an investment in the Notes should be carefully considered.***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Prospective investors are advised not to rely upon the tax overview contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the prospective investor. This investment consideration has to be read in connection with the section "*Taxation*" of this Prospectus.

1.9.22 ***If a loan is used to finance the acquisition of the Notes, the loan may significantly increase the risk of a loss.***

If a loan is used to finance the acquisition of the Notes by an investor and the Notes subsequently go into default, or if the trading price diminishes significantly, the investor may not only have to face a potential loss on its investment, but it will also have to repay the loan and pay interest thereon. A loan may significantly increase the risk of a loss. Investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction in the Notes. Instead, investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, repay the loan on demand, and that they may suffer losses instead of realizing gains.

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

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

In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

1.9.24 *Payments under the Notes may be subject to withholding tax pursuant to FATCA.*

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into intergovernmental agreements regarding the implementation of FATCA with a number of jurisdictions including the Netherlands and the Federal Republic of Germany. Based on the current FATCA rules and under the intergovernmental agreements, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, none of the Issuer, the Guarantor, any paying agent or any other person would pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

1.9.25 *The International Accounting Standards Board has published a comprehensive discussion paper in 2018 that proposes fundamental changes to the existing classification outcomes of IAS 32 of financial liabilities and equity instruments.*

On June 28, 2018, the International Accounting Standards Board ("**IASB**") has published a discussion paper DP/2018/1 'Financial Instruments with Characteristics of Equity'. The discussion paper defines the principles for the classification of financial liabilities and equity instruments without, however, fundamentally changing the existing classification outcomes of IAS 32. Several IASB Board meetings were held, including on December 16, 2020, February 16, 2021 and April 28, 2021 to discuss this project. In December 2020, the IASB decided to add the project to its standard setting programme. In February 2021 the IASB tentatively decided not to change how such instruments should be classified; but instead to develop presentation and disclosure requirements in relation to them.

The Issuer may at its option redeem each Series of Notes at 101% of their specified denomination plus accrued and unpaid interest and any Arrears of Interest pursuant to the Terms and Conditions, inter alia, if the funds raised through the issuance of such issue of Notes must not or must no longer be recorded as "equity capital" of the Issuer pursuant to IFRS, which could be the result of any future changes made by the IASB. In the case of such a redemption, Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms. Moreover, the redemption amount in the event of a redemption may be lower than the prevailing market price of the Notes.

1.9.26 *The Notes have not been admitted to trading and any trading market may be volatile.*

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

Moreover, the trading market for the Notes may be volatile and can be adversely impacted by many events. The market for the Notes may be influenced by economic and market conditions in Germany, the Netherlands or Luxembourg and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. There can be no assurance that events in Luxembourg, Germany, the Netherlands, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have other adverse effects.

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

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

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

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

1.10 **Risks associated with Green Bonds**

The Issuer and the Guarantor have indicated they intend to allocate an amount equal to the net proceeds from the Notes issued in connection with the Offering for green or environmental purposes ("**Green Bond**").

Green Bonds may not be a suitable investment for all investors seeking exposure to green assets. Prospective investors who intend to invest in the Notes must determine for themselves the relevance of the information in this Prospectus (in particular, regarding the reasons for the offer and the use of proceeds) for the purpose of any investment in the Notes together with any other investigation such investors deem necessary. In particular, no assurance is given by the Issuer or the Managers that the use of proceeds of the Notes will meet or continue to meet on an ongoing basis any or all investor expectations or requirements regarding investment in "green bond", "green" or "sustainable" or similar labels (including the EU Taxonomy Regulation).

Due to the ongoing legislative initiatives, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. On March 9, 2020, the Technical Expert Group on Sustainable Finance published its final report on the EU taxonomy containing recommendations relating to the overarching design of the EU taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019. On June 22, 2020, the EU Taxonomy Regulation entered into force. It amends Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. In July 2021, the European Commission proposed regulation on a voluntary European Green Bond Standard. This standard will use the definitions of green economic activities in the EU Taxonomy Regulation to define what is considered a green investment. Following trilogue negotiations, a provisional agreement on the European Green Bond

Standard was reached at the end of February 2023 and the final consolidated text was published in May 2023. The agreement is provisional as it still needs to be confirmed by the Council and the European Parliament, and adopted by both institutions before it is final. It will start applying 12 months after its entry into force which is expected in the fourth quarter of 2023. The Notes are not expected to be eligible at any time to entitle the Issuer or the Guarantor to use the designation of "European Green Bond" or "EuGB" nor are the Issuer or the Guarantor under any obligation to take steps to ensure that the Notes become eligible for such designation.

No assurance is given by the Issuer, the Guarantor, the Managers or any other person that the use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, Volkswagen AG's green finance framework dated October 2022 (the "**Green Finance Framework**"). The Green Finance Framework is subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Prospectus. The Green Finance Framework does not form part of, nor is incorporated by reference in, this Prospectus.

While it is the intention of the Issuer and the Guarantor to allocate an amount equal to the net proceeds of the Notes specifically for a portfolio of new or existing eligible green capital expenditures that form the eligible green portfolio (the "**Eligible Green Portfolio**") as described in the Green Finance Framework, there can be no assurance by the Issuer, the Guarantor, the Managers or any other person that the capital expenditure(s) or use(s) (including those the subject of, or related to, any Eligible Green Portfolio) will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such capital expenditure(s) or use(s). Any such event or failure by the Issuer or the Guarantor will not constitute an event of default under the terms and conditions of the Notes. In addition, any failure to comply with reporting provisions in the Green Finance Framework will not constitute an event of default under the terms and conditions of the Notes. Although such occurrences would not constitute an event of default under the terms and conditions of the Notes, there may be a negative reputational or other effect.

In case that an amount equivalent to the net proceeds of the Notes is, from time to time, not allocated as funding for the Eligible Green Portfolio, the Issuer and Guarantor intend to hold such amounts pending allocation in any form of cash or bank deposits.

The performance of the Notes is not linked to the performance of the relevant Eligible Green Portfolio or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Notes and the Eligible Green Portfolio. Consequently, neither payments of principal and/or interest on the Notes nor any rights of holders of the Notes shall depend on the performance of the relevant Eligible Green Portfolio or the performance of the Issuer or Guarantor in respect of any such environmental or similar targets. Holders of the Notes shall have no preferential rights or priority against the assets of any Eligible Green Portfolio nor benefit from any arrangements to enhance the performance of the Notes.

Application of an amount equivalent to the net proceeds of such Green Bonds for a portfolio of eligible green capital expenditures will not result in any security, pledge, lien or other form of encumbrance of such assets for the benefit of the holders of any such Green Bond, nor will the performance of such green capital expenditures give rise to any specific claims under the Green Bonds or attribution of losses in respect of the Green Bonds.

Sustainalytics has issued an independent opinion, dated October 12, 2022, on Volkswagen AG's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given by the Issuer, the Guarantor the Managers, or any other person as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the Notes issuance. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in the Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold any such Notes and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. A negative change to, or a withdrawal of, the Second Party Opinion or any other such opinion or certification may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in green assets. As at the date of this Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Prospectus.

The Notes are intended to be included for display on the Luxembourg Stock Exchange's Green Exchange (LGX). No representation or assurance is given by the Issuer, the Guarantor, the Managers or any other person that such display satisfies any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. No representation or assurance given or made by the Issuer, the Guarantor, the Managers, or any other person that such display will be maintained during the life of the Notes. Additionally, no representation or assurance is given by the Issuer, the Guarantor, the Managers or any other person as to the suitability of the Notes to fulfil environmental and sustainability criteria required by prospective investors. Neither the Issuer nor the Guarantor, the Managers are responsible for any third-party assessment of the Notes. Nor is any Manager responsible for (i) any assessment of the Notes, or (ii) the monitoring of the use of proceeds. Any negative change to, or withdrawal or suspension of, the Second Party Opinion and/or listing or admission to trading and/or display in LGX may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

2. GENERAL INFORMATION

2.1 Listing of Notes and Admission to Trading

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II, as amended.

2.2 Clearance

The Notes have been accepted for clearance by Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg ("**CBL**") and Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**"). The following table sets forth the securities identifying data for the Notes.

	Common Code	**International Securities Identification Number (ISIN)**	**German Securities Identification Number (WKN)**
NC5 Notes..............	267588457	XS2675884576	A3LMPT
NC9 Notes..............	267588473	XS2675884733	A3LMPU

2.3 Authorizations

The Notes will be issued by virtue of resolutions by the Guarantor's Board of Management dated February 6, 2018, the Guarantor's Supervisory Board dated February 23, 2018, the Issuer's Board of Managing Directors dated July 20, 2023 and the Issuer's Supervisory Board dated August 7, 2023.

2.4 Ratings

2.4.1 *Credit Ratings of the Issuer*

As of the publication date of this Prospectus, no ratings had been assigned to the Issuer.

2.4.2 *Credit Ratings of the Guarantor*

The following ratings have been assigned to the Guarantor at the date of this Prospectus:

S&P Global Ratings Europe Limited

Rating	**Short term**	**Long term**	**Outlook**
Volkswagen AG	A-2	BBB +	Stable

Moody's Deutschland GmbH

Rating	**Short term**	**Long term**	**Outlook**
Volkswagen AG	P-2	A3	Stable

A rating is not a recommendation to buy, sell or hold securities and may be suspended, changed or withdrawn at any time by the assigning rating agency.

S&P Global Ratings Europe Limited ("**S&P**") and Moody's Deutschland GmbH ("**Moody's**") are established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of March 11, 2011 (the "**CRA Regulation**"). The European Securities and Markets Authority publishes on its website a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update. That list is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Moody's has its registered office at An der Welle 5, Frankfurt am Main 60322, Germany.

S&P has its registered office at 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom and is registered at Companies House in England.

More information regarding the meaning of the rating and the qualifications which have to be observed in connection therewith can be found on Moody's and S&P's websites.

2.4.3 ***Credit Ratings assigned to the Notes***

The Issuer has applied for ratings to be assigned to the Notes by Moody's and S&P. As of the publication date of the Prospectus, the Notes are rated Baa2 by Moody's and BBB- by S&P.

Obligations of companies rated BBB- by S&P include an adequate capacity to meet financial commitments, but are subject to adverse economic conditions. Obligations rated Baa2 by Moody's are subject to moderate credit risk and are considered medium grade and as such may possess certain speculative characteristics.

For the purposes of S&P's ratings, a BBB- rating means that the Notes afford adequate protection, however, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The rating categories reach from "AAA" for issuers with the strongest creditworthiness to "D" for issuers with insufficient creditworthiness. The ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

For the purposes of Moody's ratings, a Baa2 rating means that the Notes are subject to moderate credit risk and are considered medium-grade and as such may possess speculative characteristics. The rating categories reach from "Aaa" for issuers with the strongest creditworthiness to "C" for issuers with the lowest-rated calls of bonds which are typically in default. The ratings from "Aa" to "Caa" may be modified by the addition of a 1, 2 or 3 signs to show relative standing within the major rating categories.

A rating is not a recommendation to buy, sell or hold securities and may be suspended, changed or withdrawn at any time by the assigning rating agency.

More information regarding the meaning of the rating and the qualifications which have to be observed in connection therewith can be found on Moody's and S&P's websites.

2.5 Expenses of the Issue and admission to trading

The total expenses related to the issue and admission to trading of the Notes are expected to amount to approximately EUR 9 million.

2.6 Interests of Natural and Legal Persons involved in the Issue

The Managers and their affiliates may be customers of, borrowers from and creditors of the Issuer or the Guarantor or the Volkswagen Group and their affiliates. In addition, certain Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor or the Volkswagen Group and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers 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, the Guarantor or the Volkswagen Group or their affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer, the Guarantor or the Volkswagen Group or their affiliates routinely hedge their credit exposure consistent with their customary risk management policies. Typically, such Managers 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 of the Issuer, the Guarantor or the Volkswagen Group or their affiliates, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Managers 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. There are no interests of natural and legal persons other than the Issuer and the Guarantor involved in the issue, including conflicting ones that are material to the issue.

3. USE OF PROCEEDS

In connection with the Offering, the Issuer will receive net proceeds of EUR 1.75 billion.

3.1 Use of Proceeds

The Issuer will lend the net proceeds from the Notes to the Guarantor, and an equivalent amount of such proceeds will be used by the Guarantor to finance or refinance, in part or in whole, new or existing eligible green capital expenditures of the Eligible Green Portfolio (as described below) in accordance with Volkswagen AG's green finance framework dated October 2022 (as amended and/or replaced from time to time, the "**Green Finance Framework**").

The "**Eligible Green Portfolio**" includes projects or assets in the following eligible category:

- IFRS accounted additions to capitalized development costs for the Battery Electric Vehicles ("**BEVs**") and, the IFRS accounted additions to property, plant and equipment for BEVs.

Financing is defined as Eligible Green Capital Expenditures that are disbursed during the year of issuance whereas refinancing is defined as Eligible Green Capital Expenditures that were reported in the period of up to three preceding full fiscal years from the date of issuance. Together these "**Eligible Green Capital Expenditures**" form the Eligible Green Portfolio. The Guarantor will not use the net proceeds from the Notes to finance or refinance capital expenditures in relation to plug-in hybrid electric vehicles or to vehicles with combustion engines.

3.2 Process for Project Evaluation and Selection

The Volkswagen Group has established a process to select capital expenditures that meet the criteria for the Eligible Green Portfolio and positively contribute to the EU environmental objective of climate change mitigation in accordance with the EU Taxonomy Regulation.

The cross-departmental Volkswagen Green Finance Committee ("**GFC**") is chaired by fixed senior management members from Group Treasury, the Sustainability Department, Group Accounting, Group Controlling and Group Legal. The GFC will meet on an annual basis and its main responsibilities include *inter alia* (i) reviewing and updating of the Green Finance Framework, (ii) initiating the update of related documents such as the Second Party Opinion, (iii) evaluating and selecting the Eligible Green Portfolio in line with the eligibility criteria defined within the Green Finance Framework, as well as validating the purpose of the financing and the environmental objectives they contribute to, (iv) overseeing the allocation of the proceeds from green debt instruments, including the Notes, (v) overseeing, approving and publishing the allocation and impact reporting and (vi) liaising with relevant business finance segments and other stakeholders on the above.

3.3 Management of Proceeds

It is the Guarantor's intention to fully allocate an amount equivalent to the net proceeds of the Notes at the time of issuance. Only in the event that such amount cannot be allocated directly, they will temporarily be held in any form of cash or bank deposits until full allocation to eligible green capital expenditures of the Eligible Green Portfolio. The Guarantor strives to invest unallocated proceeds twelve months after the date of issuance latest.

3.4 Reporting

VWAG will at least provide an aggregated Green Finance Report one year after the issuance of the Notes and on an annual basis thereafter, until full allocation of the net proceeds from the Notes. Any such reporting would be available on VWAG's website. The Guarantor intends to report on quantitative impact indicators, where feasible and relevant data information is available and maybe in an aggregated way due to confidentiality agreements or competitive considerations.

3.5 External Review

The Guarantor has mandated Sustainalytics to obtain an external review of its green finance framework ("**Green Finance Framework**"). Sustainalytics has issued a Second Party Opinion confirming the alignment of the VWAG's Green Finance Framework with the 2021 ICMA Green Bond Principles, including the updated appendix I of June 2022 and as well as the 2021 APLMA, LSTA and LMA Green Loan Principles and the Green Finance Framework's environmental added value, and that, in Sustainalytics' opinion, the Green Finance Framework is aligned with the four core components of the 2021 ICMA Green Bond Principles and LMA Green Loan Principles, as well as the recommended external review components a summary of which is set out above.

VWAG describes Eligible Green Capital Expenditures of the Eligible Green Portfolio via the established processes for the EU Taxonomy Regulation reporting (Article 8). Volkswagen Group's EU Taxonomy Regulation reporting (Article 8) will be externally audited on a reasonable assurance basis, as it is part of the Guarantor's group management report.

3.6 **Important Notice**

Neither the Green Financing Framework, nor the Second Party Opinion, which the Guarantor publishes on its website, nor the Guarantor's group management report are incorporated into or form part of this Prospectus. Please refer to the section "*Risk Factors*" above for further information regarding risks associated with green bonds.

4. DESCRIPTION OF THE ISSUER

4.1 History and Development

Volkswagen International Finance N.V. (the "**Issuer**" or "**VIF**"), which is both the legal and the commercial name, was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of The Netherlands for an indefinite period of time on April 15, 1977 (LEI: 5299004PWNHKYTR23649). It is registered with the Register of Commerce under No. 33148825. VIF is subject to the provisions of the Boek 2 Burgerlijk Wetboek (Book 2 of the Dutch Civil Code). VIF's corporate seat (*statutaire zetel*) is in Amsterdam, The Netherlands; its registered office is at Paleisstraat 1, 1012 RB Amsterdam, The Netherlands (telephone number +31 20 624 5971).

VIF's website can be accessed under https://www.vif.nl. The content of this website is for information purposes only and does not form part of this Prospectus and has not been scrutinized or approved by the CSSF.

4.2 Articles of Association

The purposes of VIF according to Article 2 of its Articles of Association are to finance and to participate in companies and enterprises. VIF may borrow, raise and secure money in all manners expedient to it, especially by means of issuance of bonds, convertible bonds, stock and securities of indefinite currency term or otherwise, be it or be it not by binding some or all of its assets, present or future assets, including the capital not paid in, as well as to redeem or repay such securities.

4.3 Organizational Structure / Shareholder Structure

Volkswagen AG is the ultimate parent company of the Volkswagen Group, which consists of numerous subsidiaries and affiliates in Germany and overseas. The Volkswagen Group's activities span two principal areas: the production and sale of passenger cars, commercial vehicles and spare parts (automotive) and the leasing and rental of cars as well as financing and other activities (financial services).

VIF is wholly-owned by its direct legal shareholder, Volkswagen Finance Luxemburg S.A. ("**VFL**"), which is a wholly-owned direct subsidiary of Volkswagen AG.

4.4 Share Capital

As of December 31, 2022, the authorized capital of VIF amounted to €104,370,000 divided into 104,370 registered shares with a par nominal value of €1,000 each, 103,035 of which were issued and fully paid-up.

4.5 Employees

During the year 2022, the average number of employees calculated on a full-time-equivalent basis was 12.

4.6 Business Overview

4.6.1 *Principal activities*

The main activity of VIF consists of financing the Volkswagen Group companies.

Within the financing business VIF issues notes under various debt issuance programmes and commercial paper programmes. Furthermore, VIF occasionally issues bonds on a standalone basis to accommodate particular financing needs of the Volkswagen Group. Such issues include hybrid and convertible instruments as well as instruments targeted at special markets such as, *inter alia*, the Asian market. All programmes, and the standalone bonds issued by VIF, are guaranteed by VIF's ultimate parent company Volkswagen AG. The funds raised are granted to Volkswagen Group companies.

4.6.2 *Principal markets*

VIF finances Volkswagen Group companies primarily situated on the European, American and Asian market.

4.7 Administrative, Management and Supervisory Bodies

4.7.1 *Management Board*

The Management Board of VIF consists of one or two members. Present member of the Management Board is:

Name	Additional Activities
Christopher Norrod, Managing Director	Managing Director of Volkswagen Financial Services N.V., Amsterdam Managing Director of Volkswagen Finance Overseas B.V., Amsterdam Managing Director of Volkswagen Finance Europe B.V., Amsterdam Managing Director of Volkswagen Finance Overseas HoldCo B.V., Amsterdam

4.7.2 *Supervisory Board*

The Supervisory Board of VIF consists of one or more members. Present members of the Supervisory Board are:

Name	Additional Activities
Bjoern Baetge, Chairman	Group Treasury – Head of Global Markets at Volkswagen AG, Wolfsburg Chairman of the Supervisory Board of Volkswagen International Luxemburg S.A., Strassen Chairman of the Supervisory Board of Volkswagen Finance Luxemburg S.A., Strassen Member of the Board of Directors of Volkswagen North American Payment Services, Herndon Member of the Board of Directors of Volkswagen Group of America Finance LLC, Herndon Member of the Supervisory Board of Volkswagen Bank GmbH, Braunschweig
Dr. Marcus Hellmann	Group Legal – Head of Corporate and Regulatory at Volkswagen AG, Wolfsburg
Bjoern Reinecke	Group Treasury – Head of Financial Markets at Volkswagen AG, Wolfsburg

The members of the Management Board and of the Supervisory Board can be contacted at the address of the head office of the Issuer at Paleisstraat 1, 1012 RB Amsterdam, The Netherlands.

There are no potential conflicts of interests between any duties of the members of the Management Board and the Supervisory Board owed to the Issuer and their private interests and/or other duties.

4.8 Selected Financial Information

The following table shows selected financial information of VIF, extracted from the unaudited condensed interim financial statements of VIF as of and for the six-month period ended June 30, 2023, prepared in accordance with IFRS on interim financial reporting (IAS 34), and the audited financial statements of VIF as of for the year December 31, 2022, prepared in accordance with IFRS and in accordance with section 9, Book 2 of the Dutch Civil Code:

Statement of financial position:

	As of June 30, 2023	As of December 31, 2022	As of December 31, 2021
	(unaudited)	*(audited)*	
		in € thousand	
Total Assets	35,592,434	34,746,237	31,268,700
Total Liabilities	35,078,892	34,268,880	30,902,661
Total Equity	513,542	477,357	366,039

Statement of Income and Comprehensive Income:

	Six months ended June 30, 2023	2022	2021
	(unaudited)	*(audited)*	
		in € thousand	
Total comprehensive income/(loss) for the period/year	36,185	136,799	49,803

4.9 Historical Financial Information

The unaudited condensed interim financial statements of VIF as of and for the six-month period ended June 30, 2023 and the audited financial statements of VIF as of and for the years ended December 31, 2022 and December 31, 2021 and the independent auditor's reports thereon are incorporated herein by reference and form part of this Prospectus. The VIF Interim Financial Statements were prepared in accordance with IFRS on interim financial reporting (IAS 34), and the VIF Annual Financial Statements were prepared in accordance with IFRS and in accordance with section 9, Book 2 of the Dutch Civil Code.

4.10 Statutory Auditors

Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands, has audited and issued unqualified independent auditor's reports on the financial statements of VIF as of and for the years ended December 31, 2022, and December 31, 2021. The VIF Annual Financial Statements have been prepared in accordance with IFRS and in accordance with section 9, Book 2 of the Dutch Civil Code. The registered accountants of Ernst & Young Accountants LLP are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*) in the Netherlands. Ernst & Young Accountants LLP is registered at the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, AFM).

4.11 Trend Information

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no material adverse change in the prospects of VIF since December 31, 2022, the date of its last published audited financial statements. The outcome of the diesel issue may have a material adverse effect on Volkswagen's business, and may, as a consequence, influence VIF's prospects in an unfavorable manner.

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no significant change in the financial performance of VIF and its subsidiaries since June 30, 2023 the date for which interim financial statements has been published.

See also: "*Description of the Guarantor – Trend Information"*.

4.12 Significant Change in VIF's Financial Position

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no significant change in the financial position of VIF and its subsidiaries since June 30, 2023, the date for which interim financial statements has been published. See also: "*Description of the Guarantor – Trend Information*".

4.13 Legal and Arbitration Proceedings

As of the date of this Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings nor is the Issuer aware of any such proceedings pending or being threatened, the results of which have had during the previous 12 months, or which could, at present, have a significant effect on its financial position or profitability. However, as a result of the ongoing investigations in relation to the diesel issue, VIF as an issuer may in future face legal disputes from investors claiming damages for alleged breaches of applicable laws.

5. DESCRIPTION OF THE GUARANTOR

5.1 History and Development

Volkswagen Aktiengesellschaft was incorporated under German law as "*Gesellschaft zur Vorbereitung des deutschen Volkswagens mbH*" (Limited Liability Company for the Development of the German Volkswagen) which was founded in Berlin on May 28, 1937. The company was renamed "*Volkswagenwerk Gesellschaft mit beschränkter Haftung*" (Volkswagenwerk limited liability company) in 1938. The company was later converted into a joint stock corporation under German law which was entered into the commercial register (*Handelsregister*) at Wolfsburg local court (*Amtsgericht*) on August 22, 1960. The name was changed to "VOLKSWAGEN AKTIENGESELLSCHAFT" by resolution of the Annual Meeting on July 4, 1985 which is the legal and commercial name of Volkswagen AG.

Volkswagen AG is located in Wolfsburg. Since August 1, 2005, it has been listed in the commercial register (*Handelsregister*) at the Braunschweig local court (*Amtsgericht*) under the number HRB 100484. Volkswagen AG is subject to the provisions of the German Stock Corporation Act (*Aktiengesetz*). Its head office and registered office are located at Berliner Ring 2, 38440 Wolfsburg, Germany (telephone number +49 (0) 5361 9-0) (LEI: 529900NNUPAGGOMPXZ31).

Volkswagen AG's website can be accessed under https://www.volkswagen-group.com. The content of this website is for information purposes only and does not form part of this Prospectus and has not been scrutinized or approved by the CSSF.

5.2 Articles of Association

The objects of Volkswagen AG, according to § 2 of its Articles of Association, are the manufacture and sale of vehicles and engines of all kinds, their accessories, and all other equipment, machinery, tools and other technical products.

Volkswagen AG is entitled to conduct all business and take all measures connected with these objects or as appear capable of furthering such objects directly or indirectly. For this purpose, Volkswagen AG may establish branch offices within Germany and abroad or can found, acquire or participate in other enterprises.

5.3 Organizational Structure

Volkswagen AG is the parent company of the Volkswagen Group. It develops vehicles and components for the Volkswagen Group's brands, but also produces and sells vehicles, in particular passenger cars and light commercial vehicles for the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands. In its capacity as parent company, Volkswagen AG holds direct or indirect interests in AUDI AG, SEAT S.A., ŠKODA AUTO a.s., Porsche AG, TRATON SE, Volkswagen Financial Services AG, Volkswagen Bank GmbH and a large number of other companies in Germany and abroad. Following the completion of their initial public offerings in 2019 and 2022, respectively, TRATON SE and Porsche AG are listed indirect subsidiaries of Volkswagen AG.

The Volkswagen Group business activities comprise two divisions: the Automotive Division and the Financial Services Division. The Automotive Division is composed of three business areas: Passenger Cars, Commercial Vehicles and Power Engineering:

- The Passenger Cars business area essentially consolidates the Volkswagen Group's passenger car brands and the Volkswagen Commercial Vehicles brand. Activities focus on the development of vehicles, engines and vehicle software, the production and sale of passenger cars and light commercial vehicles, and the genuine parts business. The product portfolio ranges from compact cars to luxury vehicles and also includes motorcycles, and is supplemented by mobility solutions.

- The Commercial Vehicles business area primarily comprises the development, production and sale of trucks and buses, the corresponding genuine parts business and related services. The commercial vehicles portfolio ranges from light vans to heavy trucks and buses. The collaboration between the commercial vehicle brands is coordinated within TRATON SE.

- The Power Engineering business area combines the large-bore diesel engines, turbomachinery and propulsion components businesses.

The Financial Services Division combines dealer and customer financing, vehicle leasing, direct banking and insurance activities as well as fleet management and mobility services.

From January 1, 2022, responsibilities within the Volkswagen Group were divided among eleven board-level management functions. In addition to the Chair of the Board of Management, a function which also included the Volume brand group, the other Board functions were Purchasing, Technology, Finance, Human Resources and Truck & Bus, Integrity and Legal Affairs, Premium, Sport & Luxury, IT, China and Volkswagen Passenger Cars. With effect from February 1, 2022, a new Group Sales function was created.

As of September 1, 2022, the Volkswagen Group refined its Group management. The Board of Management was streamlined and the division of responsibilities was reorganized. As a result, the Purchasing and Group Sales Board functions were dissolved. Furthermore, the Volkswagen Passenger Cars function was renamed Volume. Since then, responsibilities have been divided among ten board-level management functions. In addition to the Chair of the Board of Management, the other Board functions are Technology, Finance, Human Resources and Truck & Bus, Integrity and Legal Affairs, Volume, Premium, Sport & Luxury, IT and China. The Chair of the Board of Management is also responsible for Sport & Luxury. Directly attached to the Board are a number of Group Management functions that act as an extension to the board-level management functions. These comprise the Group Sales, Group Production, Procurement and Technical Architecture functions.

The "Volume" brand group comprises the Volkswagen Passenger Cars, ŠKODA, SEAT/CUPRA and Volkswagen Commercial Vehicles brands. The "Premium" brand group comprises the Audi, Lamborghini, Bentley and Ducati brands. The "Sport & Luxury" brand group consists of the Porsche brand. In the Truck & Bus brand group, TRATON SE acts as the umbrella for the Scania, MAN, Volkswagen Truck & Bus and Navistar commercial vehicles brands. As well as strengthening the brand groups, the reorganization and creation of new units enabled substantial progress with the Software, Battery & Charging and Mobility Solutions technology platforms in 2022. The software subsidiary CARIAD was further expanded, with a subsidiary of its own in China, among other things.

In addition to this, Volkswagen founded PowerCo SE in 2022 as part of the Battery & Charging technology platform. This company will be responsible for the Group's global battery business. In addition to producing battery cells, it will also take on other activities along the battery value chain in future. In the Mobility Solutions technology platform, Volkswagen strengthened the Group's expertise in advanced fleet management through the equity investment in the Europcar Mobility Group in 2022. The aim is to be able to achieve even better coverage of all customers' mobility needs based on a new mobility platform.

In June 2023, the Volkswagen Group presented a new leadership model. This entailed the realignment also included a renaming of the brand groups: Volume has become Core, Premium is now called Progressive, Sport & Luxury has changed to Sport Luxury and Truck & Bus to Trucks. A strategic return on sales target has been set for each Group brand as well as for the technology platforms PowerCo and CARIAD.

5.4 Volkswagen Group Reporting Structure

Volkswagen Group's financial reporting comprises four reportable segments: the Passenger Cars and Light Commercial Vehicles segment, Commercial Vehicles segment, Power Engineering segment and Financial Services segment.

The Automotive Division's three business areas described above conform to Volkswagen's financial reporting segments as follows: The Passenger Cars business area corresponds to the Passenger Cars and Light Commercial Vehicle reporting segment together with the reconciliation, to account for intra-group activities. The Commercial Vehicles business area and Power Engineering business area correspond to the reporting segments of the same name. The Financial Services Division corresponds to the Financial Services segment.

The following table shows Volkswagen Group's reporting structure as of December 31, 2022:

Automotive Division			**Financial Services Division**
Passenger Cars Business Area	**Commercial Vehicles Business Area**	**Power Engineering Business Area**	Dealer and customer financing
Volkswagen Passenger Cars	TRATON Commercial Vehicles	MAN Energy Solutions	Leasing
ŠKODA			Direct bank
SEAT			Insurance
Volkswagen Commercial Vehicles			Fleet management
Tech. Components			Mobility services
Audi			
Porsche Automotive			
CARIAD			
Others			

5.5 **Shareholder Structure**

Volkswagen AG's subscribed capital amounted to €1,283,315,873 as of June 30, 2023.

The distribution of voting rights for the 295,089,818 ordinary shares at June 30, 2023 was the following: Porsche Automobil Holding SE, Stuttgart, held 53.3% of the voting rights. The second-largest shareholder was the State of Lower Saxony, which held 20.0% of the voting rights. Qatar Holding LLC was the third-largest shareholder, with 17.0%. The remaining 9.7% of ordinary shares were attributable to other shareholders.

Notifications of changes in voting rights in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz* (WpHG)) are published on Volkswagen AG's website. The following table shows the shareholder structure of Volkswagen AG as a percentage of subscribed capital as of June 30, 2023:

Porsche Automobil Holding SE	31.9%
Foreign institutional investors	22.2%
Qatar Holding LLC	10.5%
State of Lower Saxony	11.8%
Private shareholders / Others	21.0%
German institutional investors	2.6%

5.6 **General Meeting of Shareholders**

The Annual General Meeting of Shareholders is to be held in Wolfsburg or in a German city where a stock exchange is located or at another appropriate place in Germany, usually within the first eight months of each fiscal year. In 2023, the Annual General Meeting was held on May 10.

5.7 **Share Capital**

On June 30, 2023, the share capital of Volkswagen AG amounted to €1,283,315,873. It was composed of 295,089,818 ordinary shares and 206,205,445 non-voting preferred shares. Each share conveys a notional interest of €2.56 in the share capital. All shares have been issued and are fully paid.

5.8 **Business Overview**

In terms of sales volume (i.e., the number of vehicles delivered to dealers), the Volkswagen Group is one of the leading multi-brand groups in the automotive industry. In 2022, the Volkswagen Group delivered a total of 8.3 million vehicles (passenger cars, light commercial vehicles, trucks and buses) to its customers worldwide, amid challenging market conditions.

Volkswagen Group comprises the following brands: Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, ŠKODA, SEAT/CUPRA, Audi, Lamborghini, Bentley, Ducati, Porsche, MAN, Scania, Volkswagen Truck & Bus and Navistar. Each brand has its own character and operates independently in the market.

Volkswagen's product portfolio ranges from compact cars to luxury vehicles and also includes motorcycles, and is supplemented by mobility solutions. In the commercial vehicle sector, the product portfolio ranges from light vans to heavy trucks and buses. Volkswagen is also active in the power engineering business field, manufacturing large-bore diesel engines, turbomachinery and propulsion components. In addition, the Volkswagen Group offers a wide range of financial services, including dealer and customer financing, vehicle leasing, direct banking and insurance activities, fleet management and mobility services.

The Volkswagen Group's business operations encompass the Automotive and Financial Services Divisions, as described under "—Organizational Structure". In addition to its core activities involving Passenger Cars, Commercial Vehicles, Power Engineering and Financial Services, Volkswagen holds a portfolio of non-core assets. Consistent with its focus on core activities and the execution of its strategy, Volkswagen reviews its non-core asset portfolio on an ongoing basis and may take measures to optimize the portfolio.

The Volkswagen Group's production network consisted of 119 production sites worldwide at the end of 2022. The sites are spread out over the continents of Europe, North and South America, Africa and Asia. Including the Chinese joint ventures, the Volkswagen Group employed an average of 669,275 people in 2022 (2021: 667,647).

5.9 Automotive Division

5.9.1 *Figures for the six months ended June 30, 2023 compared to the six months ended June 30, 2022*

5.9.1.1 *Sales to the Dealer Organization*

In the first half of 2023, the Volkswagen Group sales to dealer organizations increased by 11.0% compared to the first half of 2022 to 4,447,828 vehicles.

5.9.1.2 *Volkswagen Group Deliveries Worldwide*

In the first half of 2023, the Volkswagen Group deliveries to customers worldwide increased by 12.8% compared to the first half of 2022 to 4,372,216 vehicles.

5.9.1.3 *Passenger car deliveries*

The following table shows the Volkswagen Group's passenger car deliveries to customers, broken down by markets and brands, for the periods indicated (figures included Chinese joint ventures):

Deliveries to customers by markets (units)[(1)]	**Six Months Ended June 30, 2023**	**Six Months Ended June 30, 2022**	**Change (%)**
Europe/Other markets	**1,980,515**	**1,596,781**	**+24.0**
Western Europe	**1,579,298**	**1,252,119**	**+26.1**
of which: Germany	553,052	467,627	+18.3
France	128,537	103,414	+24.3
United Kingdom	238,460	171,639	+38.9
Italy	144,219	113,165	+27.4
Spain	129,149	103,137	+25.2
Central and Eastern Europe	**240,009**	**216,906**	**+10.7**
of which: Czech Republic	61,960	52,006	+19.1
Russia	2,573	34,402	–92.5
Poland	69,634	51,595	+35.0
Other Markets	**161,208**	**127,756**	**+26.2**
of which: Türkiye	74,881	50,206	+49.1
South Africa	32,959	34,518	–4.5

Deliveries to customers by markets (units)[1]	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change (%)
North America	**410,541**	**364,206**	**+12.7**
of which: USA	293,035	262,845	+11.5
Canada	48,559	42,260	+14.9
Mexico	68,947	59,101	+16.7
South America	**196,009**	**157,601**	**+24.4**
of which: Brazil	143,768	99,722	+44.2
Argentina	27,319	22,944	+19.1
Asia-Pacific	**1,616,879**	**1,619,115**	**–0.1**
of which: China	1,450,663	1,469,106	–1.3
India	48,044	48,482	–0.9
Japan	29,588	29,138	+1.5
Worldwide	**4,203,944**	**3,737,703**	**+12.5**

Deliveries to customers by brands (units)[1]	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change (%)
Volkswagen Passenger Cars	2,224,704	2,076,009	+7.2
ŠKODA	432,173	360,496	+19.9
SEAT	261,434	204,121	+28.1
Volkswagen Commercial Vehicles	198,731	153,630	+29.4
Audi	907,111	785,099	+15.5
Lamborghini	5,341	5,090	+4.9
Bentley	7,096	7,398	–4.1
Porsche	167,354	145,860	+14.7
Total	**4,203,944**	**3,737,703**	**+12.5**

(1) Deliveries for the six months ended June 30, 2022 have been updated to reflect subsequent statistical trends. The figures include the Chinese joint ventures.

5.9.1.4 *Commercial vehicle deliveries*

The following table shows the Volkswagen Group's commercial vehicle deliveries to customers, broken down by markets and brands, for the periods indicated:

Deliveries to customers by markets (units)[1]	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change (%)
Europe/Other markets	**88,760**	**59,236**	**+49.8**
of which: EU27+3[2]	76,196	50,956	+49.5
of which: Germany	22,267	13,032	+70.9
Türkiye	2,795	1,476	+89.4
South Africa	2,317	1,774	+30.6
North America	**48,192**	**37,579**	**+28.2**
of which: USA	37,886	30,094	+25.9
Mexico	7,635	5,158	+48.0
South America	**25,280**	**35,631**	**–29.1**
of which: Brazil	20,161	28,479	–29.2
Asia-Pacific	**6,040**	**4,850**	**+24.5**
Worldwide	**168,272**	**137,296**	**+22.6**

(1) Deliveries for the six months ended June 30, 2022 have been updated to reflect subsequent statistical trends.

(2) EU27+3 consists of the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland.

Deliveries to customers by brands (units)[1]	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change (%)
Scania	46,450	36,834	+26.1
MAN[2]	55,999	34,785	+61.0
Navistar	45,791	37,333	+22.7
Volkswagen Truck & Bus[2]	20,032	28,344	–29.3
Total	**168,272**	**137,296**	**+22.6**

(1) Deliveries for the six months ended June 30, 2022 have been updated to reflect subsequent statistical trends.

(2) Until the first quarter of 2022, deliveries for Volkswagen Truck & Bus were reported within MAN.

5.9.1.5 *Passenger Car and Light Commercial Vehicle deliveries*

With its passenger car brands, the Volkswagen Group is present in all relevant automotive markets around the world. The Volkswagen Group's key sales markets currently include Western Europe, China, the United States of America, Brazil, Poland, Mexico, Türkiye and the Czech Republic.

Sales of Volkswagen Group passenger cars and light commercial vehicles worldwide increased by 12.5% to 4,203,944 units in the first half of 2023 compared to the first half of 2022. 2022 had suffered in particular from the limited availability of Volkswagen Group models due to the continued shortage of semiconductors and parts, and from the Russia-Ukraine conflict. In addition, disruptions in logistics chains had a negative effect in 2022; however, this effect has diminished in the first half of 2023. With the exception of Bentley, all Volkswagen Group brands delivered more vehicles to customers in the first six months of 2023 than in the same period of 2022.

Volkswagen Group delivered 321,610 all-electric vehicles to customers worldwide in the first half of 2023. This was 104,383 or 48.1% more units than in the first half of 2022. The share of the Group’s total deliveries in the first half of 2023 rose to 7.4% (H1 2022: 5.6%). A total of 115,399 of its plug-in hybrid models were delivered in the first half of 2023, an increase of 8.1% compared to the first half of 2022. Total electric vehicle deliveries increased by 34.9% and the share of total Group deliveries increased to 10.9% (H1 2022: 8.4%).

In an overall global market experiencing noticeable growth, the Group achieved a passenger car market share of 11.0% in the first half of 2023 (H1 2022: 10.7%).

In Western Europe, Volkswagen Group delivered 1,579,298 passenger cars and light commercial vehicles to customers in the first half of 2023 in an overall market that was at a significantly higher level than in the first half of 2022. Deliveries increased by 26.1% in the first half of 2023 compared to the first half of 2022. Customer interest in the Volkswagen Group’s electrified vehicles was strongest in Western Europe, where the Group delivered almost two-thirds of its all-electric models to customers in the first half of 2023. The Group's share of the all-electric vehicle deliveries market increased to 12.7% in the first half of 2023 (H1 2022: 9.6%). Volkswagen Group’s share of the passenger car market in Western Europe increased to 24.1% in the same period (H1 2022: 22.5%). In Germany, the number of Volkswagen Group vehicles delivered to customers in the first half of 2023 increased by 18.3% to 553,052 vehicles in an overall market that had improved compared to the first half of 2022.

In the Central and Eastern Europe region, the number of Volkswagen Group vehicles handed over to customers in the first half of 2023 increased by 10.7% compared to the first half of 2022. The overall market experienced noticeable growth in the same period. The Volkswagen Group’s share of the passenger car market in the Central and Eastern Europe region increased to 22.3% in the first half of 2023 (H1 2022: 21.4%).

In Türkiye, Volkswagen Group delivered almost 50% more vehicles to customers in the first half of 2023 than in the first half of 2022. In the South African market, the number of Group models sold decreased by 4.5% in the first half of 2023 compared to the first half of 2022.

In North America, the number of Volkswagen Group models delivered to customers in the first half of 2023 increased by 12.7% compared to the first half of 2022. The overall market in North America grew at a comparable pace in this period. The Group's market share in this region remained stable in the first half of the 2023 at 4.5% but the market share of all-electric vehicles in the Group's total deliveries in North America increased to 7.6% in the first half of 2023 compared to 4.7% in the first half of 2022.

In the U.S. market, Volkswagen Group delivered 11.5% more vehicles to customers in the significantly expanding U.S. market in the first half of 2023 than in the same period of 2022, in which parts supply shortages in particular had an adverse effect. In Canada, the number of deliveries to Volkswagen Group customers increased by 14.9% in the first half of 2023 compared to the same period of 2022. The overall market recorded noticeable growth during this period. In Mexico, where the overall market is seeing strong growth, the Volkswagen Group sold 16.7% more vehicles to customers in the first six months of 2023 than in the same period of 2022.

In the South American market for passenger cars and light commercial vehicles, which was slightly up on the previous year 2022, the number of Group models delivered to customers increased by 24.4% for the first half of 2023. The Group's market share in South America rose to 11.5% in the same period (H1 2022: 9.4%).

In the Brazilian market, which recorded noticeable growth, the Volkswagen Group delivered 44.2% more vehicles to customers in the first half of 2023 compared to the first half of 2022. In Argentina, the number of Group models delivered to customers in the first half of 2023 increased by 19.1% in an overall market that was undergoing significant growth.

In the first half of 2023, the Volkswagen Group saw sales in the Asia-Pacific region remain at 2022 levels (-0.1%). The Group's share of the passenger car market in this region amounted to 9.7% in the first half of 2023 (H1 2022: 10.2%).

China's overall market recorded slight growth in the first half of 2023 compared to 2022, in which parts supply shortages, in particular of semiconductors, and local lockdowns intended to curb the spread of the Omicron variant of the SARS-CoV-2 virus had an adverse effect. The Volkswagen Group delivered 1.3% fewer vehicles to customers in China in the first half of 2023 compared to the first half of 2022 as a result of an increase in competition for vehicles in China. The Group delivered 62,416 all-electric vehicles to customers in the first half of 2023, which was a 1.6% decrease compared to the first half of 2022. In India, where the market grew significantly, the Volkswagen Group sold 0.9% fewer vehicles in the first half of 2023 compared to the first half of 2022. In Japan, the Group delivered 1.5% more vehicles to customers in the first half of 2023 compared to the first half of 2022.

5.9.1.6 *Commercial Vehicle Deliveries*

In the first half of 2023, the Volkswagen Group delivered 22.6% more commercial vehicles to customers worldwide than in the same period of 2022 with a total of 168,272 commercial vehicles being delivered to customers. Of such deliveries, trucks accounted for 140,001 units (a 21.6% increase compared to the same period in 2022) and buses for 14,848 units (a 15.2% increase compared to the same period in 2022). Deliveries of the MAN TGE van series amounted to 13,423 units (a 44.6% increase compared to the same period in 2022).

In the EU 27 states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), sales in the first half of 2023 increased by 49.5% on the same period of 2022 and amounted to a total of 76,196 units, of which 60,261 were trucks and 2,749 were buses. Deliveries of the MAN TGE van series amounted to 13,186 vehicles in the first half of 2023.

In the first six half of 2023, deliveries in Türkiye increased to 2,795 vehicles, of which 2,609 were trucks and 109 were buses. 77 vehicles from the MAN TGE van series were also sold. In South Africa, deliveries of Volkswagen Group commercial vehicles in the first half of 2023 increased to 2,317 units, of which 2,103 were trucks and 214 were buses.

Sales in North America increased in the first half of 2023 to 48,192 vehicles, compared to the first half of 2022; this included 40,321 trucks and 7,871 buses.

Deliveries in South America decreased in the first half of 2023 to a total of 25,280 vehicles, a decrease of 29.1% compared to the first half of 2022, of which 22,185 were trucks and 3,095 were buses. Due to the introduction of a new emissions standard at the beginning of 2023, sales in Brazil decreased by 29.2% in the first half of 2023 to 20,161 units, of which 17,663 were trucks and 2,498 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 6,040 vehicles to customers in the first half of 2023, and increase of 24.5% compared to the first half of 2022, of which 5,609 were trucks and 395 were buses.

5.9.1.7 *Worldwide Development of Inventories*

Global inventories of new vehicles at Group companies and in the dealer organization were higher at the end of the first half 2023 than at the end of 2022. The effect of disruption in the logistics chains continued to have a negative impact in the first half of 2023.

5.9.1.8 *Production*

In the first half of 2023, the Volkswagen Group produced 4,690,719 vehicles (including the equity-accounted companies in China), 12.8% more than in the same period of 2022, which had seen production being halted due to the disruption of supply chains caused by the Russia-Ukraine conflict and the SARS-CoV-2 pandemic. Parts supply shortages also impacted production in the first half of 2023. In Germany, production increased by 37.6% to a total of 1,081,348 vehicles in the half of 2023.

5.9.2 ***Figures for 2022 compared to 2021***

5.9.2.1 *Sales to the Dealer Organization*

In 2022, the Volkswagen Group sales to dealer organizations decreased by 1.1% compared to 2021 to 8,481,278 vehicles.

5.9.2.2 *Volkswagen Group Deliveries Worldwide*

In 2022, the Volkswagen Group deliveries to customers worldwide decreased by 7.0% compared to 2021 to 8,262,776 vehicles.

5.9.2.3 *Passenger car deliveries*

The following tables show the Volkswagen Group's passenger car deliveries to customers, broken down by markets and brands, for the periods indicated (figures include the Chinese joint ventures):

Deliveries to customers by markets (units)[(1)]	**Year Ended December 31, 2022**	**Year Ended December 31, 2021**	**Change (%)**
Europe/Other markets	**3,297,402**	**3,698,948**	**-10.9**
Western Europe	**2,615,864**	**2,761,629**	**-5.3**
of which: Germany	998,000	959,748	+4.0
France	211,430	238,365	-11.3
United Kingdom	377,449	422,594	-10.7
Italy	223,864	248,414	-9.9
Spain	192,311	220,151	-12.6
Central and Eastern Europe	**418,513**	**624,801**	**-33.0**
of which: Czech Republic	103,223	114,250	-9.7
Russia	41,864	204,772	-79.6
Poland	112,389	120,831	-7.0
Other Markets	**263,025**	**312,518**	**-15.8**
of which: Türkiye	102,735	121,885	-15.7
South Africa	71,437	72,847	-1.9
North America	**759,791**	**876,558**	**-13.3**
of which: USA	564,705	647,521	-12.8
Canada	85,860	98,829	-13.1
Mexico	109,226	130,208	-16.1
South America	**397,539**	**436,852**	**-9.0**
of which: Brazil	277,806	311,519	-10.8
Argentina	48,263	56,186	-14.1

Deliveries to customers by markets (units)[1]	Year Ended December 31, 2022	Year Ended December 31, 2021	Change (%)
Asia-Pacific	**3,502,556**	**3,598,344**	**-2.7**
of which: China	3,182,428	3,301,334	-3.6
India	97,610	52,481	+86.0
Japan	61,112	65,549	-6.8
Worldwide	**7,957,288**	**8,610,702**	**-7.6**

(1) Deliveries for 2021 have been updated to reflect subsequent statistical trends. The figures include the Chinese joint ventures.

Deliveries to customers by brands (units)[1]	Year Ended December 31, 2022	Year Ended December 31, 2021	Change (%)
Volkswagen Passenger Cars	4,563,340	4,896,874	-6.8
ŠKODA	731,262	878,202	-16.7
SEAT	385,592	470,531	-18.1
Volkswagen Commercial Vehicles	328,572	359,541	-8.6
Audi	1,614,231	1,680,512	-3.9
Lamborghini	9,233	8,405	+9.9
Bentley	15,174	14,659	+3.5
Porsche	309,884	301,915	+2.6
Bugatti[2]	-	63	-
Total	**7,957,288**	**8,610,702**	**-7.6**

(1) Deliveries for 2021 have been updated to reflect subsequent statistical trends. The figures include the Chinese joint ventures.

(2) Until October 31, 2021.

5.9.2.4 *Commercial vehicle deliveries*

The following tables show the Volkswagen Group's commercial vehicle deliveries to customers, broken down by markets and brands, for the periods indicated:

Deliveries to customers by markets (units)[1]	Year Ended December 31, 2022	Year Ended December 31, 2021	Change (%)
Europe/Other markets	**135,066**	**149,407**	**-9.6**
of which: EU27+3[2]	115,532	119,029	-2.9
of which: Germany	31,623	32,130	-1.6
Russia	1,557	11,293	-86.2
Türkiye	4,413	4,398	+0.3
South Africa	3,681	3,942	-6.6
North America	**82,824**	**31,869**	**+159.9**
of which: USA	66,405	24,234	+174.0
Mexico	11,131	5,375	+107.1
South America	**76,152**	**77,774**	**-2.1**
of which: Brazil	59,630	65,005	-8.3
Asia-Pacific	**11,446**	**12,140**	**-5.7**
Worldwide	**305,488**	**271,190**	**+12.6**

(1) Deliveries for 2021 have been updated to reflect subsequent statistical trends. As of July 1, 2021, the figures include Navistar.

(2) EU27+3 consists of the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland.

Deliveries to customers by brands (units)[1]	Year Ended December 31, 2022	Year Ended December 31, 2021	Change (%)
Scania	85,232	90,366	-5.7
MAN[2]	84,377	93,578	-9.8
Navistar	81,888	29,876	+174.1
Volkswagen Truck & Bus[2]	53,991	57,370	-5.9
Total	**305,488**	**271,190**	**+12.6**

(1) Deliveries for 2021 have been updated to reflect subsequent statistical trends. As of July 1, 2021, the figures include Navistar.

(2) Until the first quarter of 2022, deliveries for Volkswagen Truck & Bus were reported within MAN.

5.9.2.5 *Passenger Car and Light Commercial Vehicle deliveries*

Sales of Volkswagen Group passenger cars and light commercial vehicles worldwide declined by 7.6% to 7,957,288 units in 2022 compared to 2021 (2021: 8,610,702 units). Limited vehicle availability as a result of the SARS-CoV-2 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict has a negative effect. In addition, disruptions in logistics resulted in delays. While Porsche, Lamborghini and Bentley delivered a higher number of vehicles to customers, none of the other Volkswagen Group brands reached their prior-year figures.

With additional model launches as part of the Group's e-mobility campaign, sales increased in 2022, bringing deliveries of all-electric vehicles to 572,110 units worldwide. This was 119,267 or 26.3% more units than in 2021. The share of the Group's total deliveries for all-electric vehicles in 2022 rose to 6.9% (2021: 5.1%). A total of 245,174 of plug-in hybrid models were delivered in 2022, a decrease of 21.2% compared to 2021. Total electric vehicle deliveries in 2022 increased by 7.0% and the share of total Group deliveries rose year-on-year to 9.9% (2021: 8.6%).

In an overall global market that was on a level with the previous year, the Group achieved a passenger car market share of 11.0% in 2022 (2021:11.7%).

In Western Europe, the Volkswagen Group delivered 2,615,864 passenger cars and light commercial vehicles to customers in 2022 in an overall market experiencing slight contraction. Deliveries were thus down 5.3% on the already weak previous year (2021: 2,761,629 units). As with the Group's overall deliveries, limited vehicle availability as a result of the SARS-CoV-2 pandemic and bottlenecks in the supply of parts caused by the shortage of semiconductors and the Russia-Ukraine conflict had a negative impact. In addition, disruptions in logistics resulted in delays.

Customer interest in the Volkswagen Group's electrified vehicles was strongest in Western Europe, where the Group delivered almost three-quarters of our plug-in hybrids and more than half of our all-electric models to customers in 2022. In this region, electrified vehicles accounted for 19.1% of the Group's total deliveries in 2022 (2021: 18.6%); the share of total Group deliveries for all-electric vehicles stood at 12.6% in 2022 (2021: 10.5%).

The Volkswagen Group's share of the passenger car market in Western Europe amounted to 23.3% in 2022 (2021:23.5%).

In Germany, the number of Volkswagen Group vehicles handed over to customers in 2022 was up 4.0% to 998,000 units (2021: 959,748 units) in an overall market that was at prior-year levels.

In the Central and Eastern Europe region, the number of Volkswagen vehicles handed over to customers in 2022 compared to 2021 decreased by 33.0% to 418,513 units (2021: 624,801 units). This was due in particular to the slump in sales in the Russian market as a consequence of the sanctions imposed in connection with the Russia-Ukraine conflict. At the same time, the overall market recorded a sharp decline in volumes. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region in 2022 amounted to 21.7% (2021: 20.4%).

In Türkiye, the Volkswagen Group delivered 15.7% fewer vehicles to customers in 2022 than in 2021 with 102,735 units (2021: 121,885 units). In the South African market, the number of Group models sold decreased by 1.9% in 2022 compared to 2021 to 71,437 units (2021: 72,847 units).

In North America, the number of Volkswagen Group vehicles delivered to customers in 2022 compared to 2021 decreased by 13.3% to 759,791 units (2021: 876,558 units). The North American market overall saw a noticeable decline year-on-year. The Group's share of the market in this region amounted to 4.6% in 2022 (2021: 4.9%).

In the U.S. market, which witnessed a noticeable decline, the Volkswagen Group delivered 12.8% fewer vehicles to customers in 2022 compared to 2021. In Canada, the number of vehicles delivered to Volkswagen Group customers decreased by 13.1% in 2022 compared with 2021. The overall market recorded a noticeable decline during this period. In Mexico, where the market as a whole saw noticeable growth, the Volkswagen Group sold 16.1% fewer vehicles to customers in 2022 than in 2021.

In the South American market for passenger cars and light commercial vehicles, which was on a level with the previous year 2021, the number of Group models handed over to customers decreased by 9.0% to 397,539 units in 2022 compared with the prior-year (2021: 436,852 units). The Group's share of the market in South America amounted to 11.1% in 2022 (2021: 12.4%). In the Brazilian market, which performed at the prior year level, the Volkswagen Group's delivered vehicles to customers decreased 10.8% to 277,806 units in 2022 (2021: 311,519 units). In Argentina, the number of Volkswagen Group vehicles delivered to customers in 2022 decreased by 14.1% to 48,263 units (2021: 56,186 units) in an overall market exhibiting noticeable growth.

In the Asia Pacific region, the Volkswagen Group saw deliveries to customers decrease by 2.7% to 3,502,556 units in 2022 compared with the prior year (2021: 3,598,344 units) in a market that experienced slight growth overall. The Group's share of the passenger car market in this region in 2022 amounted to 10.3% (2021: 11.0%). In China, the recovery of the market as a whole continued at a slower pace in 2022, with Volkswagen Group delivering 3.6% fewer vehicles compared to 2021 (2022: 3,182,428 units; 2021: 3,301,334 units). In India, where the market recorded strong growth, the Group delivered 86% more vehicles compared to the prior year with 97,610 units in 2022 (2021: 52,481 units).

5.9.2.6 *Commercial Vehicle Deliveries*

In 2022, the Volkswagen Group delivered 12.6% more commercial vehicles to customers worldwide than in 2021, with a total of 305,488 commercial vehicles delivered to customers in 2022 (2021: 271,210 units). Of such deliveries, trucks accounted for 254,313 units (a 10.5% increase compared to 2021) and buses accounted for 29,591 units (a 56.8% increase compared to 2021). A total of 21,584 vehicles (a 2.8% decrease compared to 2021) from the MAN TGE van series were delivered. The American commercial vehicle manufacturer Navistar became a TRATON GROUP brand on July 1, 2021 and Navistars' sales totalled 81,888 units during 2022.

In the EU 27 states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), sales decreased by 2.9% in 2022 compared to the prior year 2021, to a total of 115,532 units (2021: 119,029 units), of which 89,061 were trucks and 5,041 were buses. The MAN brand delivered 21,430 vehicles from the MAN TGE van series in 2022.

As a result of the sanctions imposed in connection with the Russia-Ukraine conflict, sales in Russia fell year-on-year to 1,557 units in 2022 (2021: 11,293 units), comprising 1,550 trucks and 7 buses. Since the conflict began, no orders for new vehicles have been accepted in Russia.

Deliveries in Türkiye were on the level of the previous year at 4,413 vehicles in 2022 (2021: 4,398 units). Trucks accounted for 4,122 units and buses for 201 units, while 90 vehicles from the MAN TGE van series were sold.

In South Africa, deliveries of Volkswagen Group commercial vehicles decreased by 6.6% in 2022 compared to prior year figures, to a total of 3,681 units (2021: 3,942 units); of this figure 3,204 were trucks and 477 were buses.

Sales in North America increased in 2022 to 82,824 vehicles compared to the prior year (2021: 31,869 units); this included 68,903 trucks and 13,921 buses. From July 1, 2021, the figures also include Navistar's sales (78,988 for the year 2022) whose vehicles were all handed over to customers in the United States.

Deliveries in South America in 2022 decreased to a total of 76,152 vehicles (2021: 77,774 units), a decrease of 2.1% compared to 2021, of which 68,211 were trucks and 7,941 were buses. Sales in Brazil decreased by 8.3% in 2022 to 59,630 units (2021: 65,005 units), of which 53,704 were trucks and 5,926 were buses.

In the Asia Pacific region, the Volkswagen Group sold 11,446 vehicles to customers in 2022 (2021: 12,140 units) a decrease of 5.7% compared to 2021, of which 10,528 were trucks and 911 were buses.

5.9.2.7 *Worldwide Development of Inventories*

Global inventories of new vehicles at Group companies and in the dealer organization were higher at the end of the 2022 than at year-end 2021. Disruptions in the logistics chain, among other factors, had a negative impact in 2022.

5.9.2.8 *Production*

In 2022, the Volkswagen Group produced 8,716,606 vehicles (including the Chinese joint ventures), 5.2% more than in the same period of the previous year 2021. The shortage of semiconductors and the disruption of supply chains caused by the Russia-Ukraine conflict and SARS-CoV-2 pandemic restricted production in the Volkswagen Group; the supply and production situation eased toward the end of 2022. In Germany, production increased by 11.1% to a total of 1,647,611 vehicles in 2022.

5.10 **Financial Services Division**

The Financial Services Division combines the Volkswagen Group's dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility services. The division comprises Volkswagen Financial Services and the financial services activities of Scania and Porsche Holding Gesellschaft m. b. H. It also includes contracts signed by Volkswagen Group's international joint ventures. Since July 1, 2021, it has also included the financial services business of Navistar.

5.10.1 ***Figures for the six months ended June 30, 2023***

The Financial Services Division's products and services were popular in the first half of 2023. However, limited vehicle availability caused by parts supply shortages and disruptions in logistics chains weighed on demand.

At 4.5 million, the number of new financing, leasing, service and insurance contracts signed worldwide in the first half of 2023 increased by 8.1% compared to the first half of 2022. The ratio of leased or financed vehicles to Group deliveries (penetration rate) in the Financial Services Division's markets stood at 33.6% in the first half of 2023 (H1 2022: 33.1%). As of June 30, 2023, the total number of contracts was 24.2 million, compared to the previous year (June 30, 2022: 24.5 million).

In the Europe/Other Markets region, the financial services business was impacted by limited vehicle availability. The number of new contracts signed in the first half of 2023 was 3.3 million, up 8.4% compared to the first half of 2022. The total number of contracts as of June 30, 2023 was 17.9 million, putting it on a level with the figure for December 31, 2022 (18.1 million). The customer financing/leasing area accounted for 7.1 million of these contracts in the first half of 2023 (H1 2022: 7.2 million).

At 481 thousand, the number of new contracts signed in North America in the first half of 2023 increased compared to the first half of 2022 (H1 2022: 371 thousand). The number of contracts in North America as of June 30, 2023 was 3.0 million in line with the end of 2022 (2022: 3.0 million). The customer financing/leasing area recorded 1.6 million contracts in the first half of 2023 (H1 2022: 1.7 million).

In the South America region, the number of new contracts signed increased to 242 thousand in the first half of 2023 (H1 2022: 156 thousand). Compared with December 31, 2022, the total number of contracts in the first half of 2023 increased to 882 thousand (H1 2022: 828 thousand). The contracts mainly related to the customer financing/leasing area.

In the first half of 2023, the number of new contracts signed in the Asia-Pacific region declined to 502 thousand (H1 2022: 613 thousand). The total number of contracts in the first half of 2023, amounted to 2.5 million, compared to the same period in 2022 (H1 2022: 2.6 million). The number of contracts in the customer financing/leasing area in the first half of 2023 remained stable at 1.6 million contracts (H1 2022: 1.6 million).

5.10.2 *Figures for 2022*

At 8.5 million, the number of new financing, leasing, service and insurance contracts signed worldwide in 2022 was down to the prior year's level (2021: 8.6 million). The ratio of leased or financed vehicles to Group deliveries (penetration rate) in the Financial Services Division's markets decreased to 32.6% in 2022 (2021: 36.4%). As of December 31, 2022, the total number of contracts was 24.5 million, stable compared to the previous year (December 31, 2021: 24.5 million).

In the Europe/Other Markets region, the financial services business was impacted by the SARS-CoV-2 pandemic and by limited vehicle availability caused by parts supply shortages, as well as by the Russia-Ukraine conflict. The number of new contracts signed in 2022 was 6.1 million, down 1.7% compared to the previous year (2021: 6.3 million). At 18.1 million, the total number of contracts at the end of 2022 was on a level with the 2021 figure of 18.0 million. The customer financing/leasing area accounted for 7.2 million of these contracts in 2022 (2021: 7.4 million).

At 805 thousand, the number of new contracts signed in North America in 2022 decreased compared to the previous year (2021: 983 thousand) due to the decline in vehicle deliveries. The number of contracts in North America as at December 31, 2022 was 3.0 million (2021: 3.2 million). The customer financing/leasing area accounted for 1.7 million contracts (2021: 1.9 million).

In the South America region, the number of new contracts signed increased to 360 thousand in 2022 (2021: 332 thousand). The total number of contracts as of December 31, 2022 increased to 828 thousand (2021: 723 thousand). The contracts mainly related to the customer financing/leasing area.

In 2022, the number of new contracts signed in the Asia-Pacific region increased to 1.2 million, exceeding the prior-year figure (2021: 1.0 million). The total number of contracts in 2022 amounted to 2.6 million, stable compared to the previous year (2021: 2.6 million). The number of contracts in the customer financing/leasing area in 2022 decreased to 1.6 million contracts (2021: 1.8 million).

5.11 **Volkswagen Group Sales Revenue and Profit**

Unless otherwise indicated, the 2022 and the 2021 financial figures have been taken or derived from the 2022 Group Financial Statements.

5.11.1 *Figures for the six months ended June 30, 2023 compared to the six months ended June 30, 2022*

For the six months ended June 30, 2023 ("**H1 2023**"), the Volkswagen Group generated sales revenue of €156.3 billion, 18.2% more than in the six months ended June 30, 2022 ("**H1 2022**"). A rise in vehicle sales, improved price positioning and an increase in vehicle availability had a positive effect, while exchange rate movements had an adverse impact in H1 2023. The Volkswagen Group generated 81.7% of its sales revenue abroad in H1 2023 (H1 2022: 82.2%).

For the six months ended June 30, 2023, the Volkswagen Group's operating result was €11.3 billion (H1 2022: €12.8 billion). The operating return on sales (operating result divided by sales revenue) was 7.3% in H1 2023 (H1 2022: 9.7%). Gross result amounted to €30.9 billion for H1 2023 (H1 2022: €26.4 billion). The gross margin (gross result divided by sales revenue) was 19.8% in H1 2023 (H1 2022: 20.0%). Improvements, especially in the volume and in price positioning, had a beneficial impact on the operating result, while a rise in product costs (in particular for commodities) had an adverse impact. The fair value measurement of derivatives to which hedge accounting is not applied (especially commodity hedges) resulted in negative €2.5 billion being charged to the operating result in H1 2023, compared with a €0.9 billion increase in the result in H1 2022. In addition, the deconsolidation of Volkswagen Group Rus and its subsidiaries led to a loss of €0.4 billion in H1 2023. H1 2022 had included one-off expenses for restructuring measures at SEAT as well as special items in connection with the diesel issue in an amount of negative €0.4 billion, while effects from derivatives in the Financial Services Division had had a positive impact in H1 2023.

The financial result amounted to €0.6 billion in H1 2023 (H1 2022: €1.2 billion). The share of the result of equity-accounted investments in H1 2023 decreased compared to H1 2022. In the interest result, higher interest income was offset by an increase in interest expenses. In H1 2023, adverse exchange rate effects and other factors included in the other financial result were more than offset by positive net income from securities and funds, which had previously been negatively impacted in H1 2022, especially as a result of the Russia-Ukraine conflict. Adjustments to the carrying amounts of investees because of changes in share prices and impairment tests resulted in a non-cash loss in H1 2023.

The Volkswagen Group's earnings before tax decreased to €11.9 billion in H1 2023 (H1 2022: €14.1 billion). Earnings after tax decreased by €2.1 billion compared to H1 2022, amounting to €8.5 billion in H1 2023.

5.11.2 *Figures for 2022 compared to 2021*

In 2022, the Volkswagen Group generated sales revenue of €279.2 billion, 11.6% more than in 2021. Improvements, above all in the price positioning, the product mix and exchange rate trends, as well as healthy business performance in the Financial Services Division had a positive effect, while lower vehicle sales due to parts supply shortages had an adverse impact. Navistar, which has been consolidated since July 1, 2021, is included in the Group's sales revenue in 2022 in an amount of €10.7 billion (2021: €3.6 billion). At 82.6%, most of the sales revenue in 2022 was generated abroad (2021: 82.3%).

Gross result increased by €5.0 billion compared to 2021 to €52.2 billion in 2022. The gross margin (gross result divided by sales revenue) was 18.7% in 2022 (2021: 18.9%). In 2022, the Volkswagen Group's operating result increased to €22.1 billion (2021: €19.3 billion), resulting in an increase in the operating return on sales (operating result divided by sales revenue) to 7.9% (2021: 7.7%). In 2021, one-off expenses had been incurred for restructuring measures in the Commercial Vehicles Business Area (€0.7 billion) as well as expenses in connection with the EU antitrust proceedings against Scania (€0.5 billion). An expense of €0.1 billion was recognized in 2022 for transaction costs in connection with the initial public offering of Porsche AG. In addition, employees of Volkswagen AG, Volkswagen Sachsen GmbH and the Porsche AG Group participated in the economic success of the sale of shares in Porsche AG by way of a one-off payment; to this end, an amount of €0.5 billion was recognized in 2022 in personnel costs. Special items in connection with the diesel issue amounted to €0.4 billion in 2022 (2021: €0.8 billion).

The financial result was a negative €0.1 billion in 2022, a decrease of €1.0 billion compared to 2021. The interest expenses included in financial result decreased due to measurement-related factors resulting primarily from a change in the discount rates used in the measurement of provisions. The other financial result was negatively impacted in 2022 by the impairment loss of €1.9 billion recognized on the equity investment in Argo AI, which weighed on net other investment income, and by changes in share prices, mainly as a result of the Russia-Ukraine conflict, which affected net income from securities and funds. Both factors were offset by favorable exchange rate effects. The measurement of forward purchase agreements for new shares in QuantumScape had additionally weighed on 2021. The share of the result of equity-accounted investments of the Chinese joint ventures was 2022 up on 2021.

The Volkswagen Group's earnings before tax increased to €22.0 billion in 2022 (2021: €20.1 billion). Income taxes resulted in an expense of €6.2 billion in 2022 (2021: €4.7 billion), which in turn led to a tax rate of 28.2% (2021: 23.3%) (income tax expense divided by earnings before tax). Earnings after tax increased by €0.4 billion compared to 2021 to €15.8 billion in 2022.

5.12 **Selected Historical Financial Information**

5.12.1 *Figures for the six months ended June 30, 2023 compared to the six months ended June 30, 2022*

The following consolidated operating and financial data were extracted from the Volkswagen Group's half-yearly financial report for the period January 1, 2023 to June 30, 2023:

Volume Data in thousands[(1)] (unaudited)	**Six months Ended June 30, 2023**	**Six months Ended June 30, 2022**	**%**
Vehicle sales (units)	4,448	4,006	+11.0
Production (units)	4,691	4,160	+12.8
Employees at June 30 / December 31, 2022	673.9	675.8	–0.3

(1) Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. Deliveries for the six months ended June 30, 2022 have been updated to reflect subsequent statistical trends.

Financial Data (IFRS), € million (unaudited)	**Six months Ended June 30, 2023**	**Six months Ended June 30, 2022(1)**	**%**
Sales revenue	156,257	132,211	+18.2
Operating result(2)	11,347	12,820	-11.5
Operating return on sales (as a percentage)(3)	7.3	9.7	
Earnings before tax	11,898	14,055	–15.3
Earnings after tax	8,521	10,655	–20.0
Earnings after tax attributable to Volkswagen AG shareholders	7,459	10,313	–27.7
Cash flows from operating activities	7,085	16,950	–58.2
Automotive Division(4)			
Total research and development costs	10,206	9,289	+9.9
R&D ratio (as a percentage)(5)	7.8	8.5	
Cash flows from operating activities	13,737	13,604	+1.0
Capex(6)	5,620	4,089	+37.5
as a percentage of sales revenue(6)	4.3	3.7	
Net cash flow(7)	2,470	2,293	+7.7
Net liquidity at June 30(8)	33,627	28,209	+19.2

Sales revenue, operating result and operating return on sales on the Volkswagen Group level as well as R&D ratio, capex as a percentage of sales revenue, net cash flow and net liquidity in the Automotive Division are − amongst–others − core performance indicators, which are derived from the current strategic goals and therefore are the basis of the internal management system.

(1) Figures for the six months ended June 30, 2022 adjusted due to the first time application of IFRS 17 beginning January 1, 2023 (See Note "Accounting Policies" – "IFRS 17 – Insurance Contracts" to the Group Interim Financial Statements).

(2) Operating result is defined as sales revenue net of cost of sales, distribution expenses, administrative expenses and other operating income/expenses in the income statement.

(3) Operating return on sales is the ratio of the operating result to sales revenue.

(4) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

(5) R&D ratio in the Automotive Division is defined as total research and development costs in relation to the Automotive Division's sales revenue.

(6) Capex in the Automotive Division is defined as investments in intangible assets (excluding capitalized development costs), property, plant and equipment, and investment property (six months ended June 30, 2023: €5,620 million; six months ended June 30, 2022: €4,089 million) and as percentage of sales revenue of the Automotive Division (six months ended June 30, 2023: €130,569 million; six months ended June 30, 2022: €109,066 million).

(7) Net cash flow in the Automotive Division is defined as cash flows from operating activities (six months ended June 30, 2023: €13,737 million; six months ended June 30, 2022: €13,604 million), net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, loans and time deposits) (six months ended June 30, 2023: €11,267 million; six months ended June 30, 2022: €11,311 million).

(8) Net liquidity in the Automotive Division is defined as the total of cash and cash equivalents (June 30, 2023: €23,385 million; June 30, 2022: €23,651 million), securities, loans to affiliates and joint ventures and time deposits (June 30, 2023: €19,985 million; June 30, 2022: €17,276 million) net of third-party borrowings (noncurrent and current financial liabilities) (June 30, 2023: € 9,744 million; June 30, 2022: €12,718 million).

5.12.2 *Figures for 2022 and 2021*

The following consolidated operating and financial data were extracted from the Volkswagen Group's annual report 2022:

Volume Data[1] in thousands (unaudited)	2022	2021	%
Vehicle sales (units)	8,481	8,576	-1.1
Production (units)	8,717	8,283	+5.2
Employees at December 31	675.8	672.8	+0.4

(1) Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method.

Financial Data (IFRS), € million unless otherwise indicated (audited unless otherwise indicated)	2022	2021	% (unaudited)
Sales revenue	279,232	250,200	+11.6
Operating result[1]	22,124	19,275	+14.8
Operating return on sales (as a percentage) [2],[8]	7.9	7.7	
Earnings before tax	22,044	20,126	+9.5
Earnings after tax	15,836	15,428	+2.6
Earnings after tax attributable to Volkswagen AG shareholders	14,867	14,843	+0.2
Cash flows from operating activities	28,496	38,633	-26.2
Automotive Division[3]			
Total research and development costs[8]	18,908	15,583	+21.3
R&D ratio (as a percentage)[4],[8]	8.1	7.6	
Cash flows from operating activities[8]	29,865	32,402	-7.8
Capex[5], [8]	12,731	10,496	+21.3
as a percentage of sales revenue[5], [8]	5.5	5.1	
Net cash flow[6], [8]	4,807	8,610	-44.2
Net liquidity at December 31[7], [8]	43,015	26,685	+61.2

Sales revenue, operating result and operating return on sales on the Volkswagen Group level as well as R&D ratio, capex as a percentage of sales revenue, net cash flow and net liquidity in the Automotive Division are − amongst–others − core performance indicators, which are derived from the current strategic goals and therefore are the basis of the internal management system.

(1) Operating result is defined as sales revenue net of cost of sales, distribution expenses, administrative expenses and other operating income/expenses in the income statement.

(2) Operating return on sales is the ratio of the operating result to sales revenue.

(3) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

(4) R&D ratio in the Automotive Division is defined as total research and development costs in relation to the Automotive Division's sales revenue.

(5) Capex in the Automotive Division is defined as investments in intangible assets (excluding capitalized development costs), property, plant and equipment, and investment property (2022: €12,731 million, 2021: €10,496 million) and as percentage of sales revenue of the Automotive Division (2022: €232,385 million, 2021: €206,237 million).

(6) Net cash flow in the Automotive Division is defined as cash flows from operating activities (2022: €29,865 million, 2021: €32,402 million), net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, loans and time deposits) (2022: €25,058 million, 2021: €23,793 million).

(7) Net liquidity in the Automotive Division is defined as the total of cash and cash equivalents (December 31, 2022: €23,042 million, December 31, 2021: €24,899 million), securities, loans to affiliates and joint ventures and time deposits (December 31, 2022: €30,891 million, December 31, 2021: €16,200 million) net of third-party borrowings (noncurrent and current financial liabilities) (December 31, 2022: €10,919 million, December 31, 2021: €14,413 million).

(8) Unaudited.

5.13 Historical Financial Information

The English language translations of the German language audited consolidated financial statements of VWAG as of and for the years ended December 31, 2022 and December 31, 2021 and the independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon and the unaudited condensed interim consolidated financial statements of VWAG as of and for the six months ended June 30, 2023 and the review report (*Bescheinigung nach prüferischer Durchsicht*) thereon are incorporated herein by reference and form part of this Prospectus. The consolidated financial statements of VWAG as of and for the years ended December 31, 2022 and December 31, 2021 were prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (*Handelsgesetzbuch, HGB*) and the unaudited condensed interim consolidated financial statements of VWAG as of and for the six months ended June 30, 2023 were prepared in accordance with IFRS on interim financial reporting (IAS 34).

5.14 Statutory Auditors

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover office ("**EY Germany**"), Landschaftstraße 8, 30159 Hanover, Germany, audited the German language consolidated financial statements of VWAG as of and for the years ended December 31, 2022 and December 31, 2021, which were prepared in accordance with IFRS, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (*Handelsgesetzbuch, HGB*), and issued German language unqualified independent auditor's reports (*uneingeschränkte Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon. EY Germany conducted its audits of the consolidated financial statements as of and for the years ended December 31, 2022 and December 31, 2021 in accordance with section 317 German Commercial Code (*Handelsgesetzbuch*) and the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland,* IDW).

In its independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) on the consolidated financial statements of VWAG as of and for the years ended December 31, 2022 and December 31, 2021, EY Germany drew attention to disclosures made in relation to the EU Taxonomy Regulation by using an emphasis of matter paragraph. This is in line with the practical advice of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland*, IDW). Therefore, this emphasis of matter paragraph can be found in independent auditor's reports on consolidated financial statements of German issuers. It refers to the immanent risk that undefined legal terms may be interpreted differently and the legal conformity of the interpretation is subject to uncertainties. The opinion of EY Germany on the group management report is not modified in this respect.

The unqualified independent auditor's reports (*uneingeschränkte Bestätigungsvermerke des unabhängigen Abschlussprüfers*) on the consolidated financial statements of VWAG as of and for the years ended December 31, 2022 and December 31, 2021 contain the following emphasis of matter paragraph referring to "Immanent risk due to uncertainties regarding the legal conformity of the interpretation of the EU Taxonomy regulation":

"We draw attention to the executive directors' comments on the EU Taxonomy disclosures in the "EU Taxonomy" section of the group management report, where it is stated that the EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to interpretation uncertainties and for which clarifications have not yet been published in every case. The executive directors describe how they interpreted the EU Taxonomy Regulation and the Delegated Acts adopted thereunder. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties. Our opinion on the group management report is not modified in this respect."

EY reviewed the German language unaudited condensed interim consolidated financial statements of VWAG as of and for the six-month period ended June 30, 2023, which were prepared in accordance with IFRS on interim financial reporting (IAS 34), in accordance with German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschafsprüfer in Deutschland, IDW*) and issued a German language review report (*Bescheinigung nach prüferischer Durchsicht*) thereon.

EY Germany is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*), Berlin, Germany.

5.15 Trend Information

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no material adverse change in the prospects of the Guarantor since December 31, 2022, the date of its last published audited consolidated financial statements (see also: "*Risk Factors – Macroeconomic, sector specific, markets and sales risks*").

A material adverse change in the prospects of the Guarantor may occur after the date of its last published audited consolidated financial statements as of and for the year ended December 31, 2022. Such material adverse change would – should it occur – relate mainly to the diesel issue of Volkswagen AG, as discussed in detail under "*Risk Factors —Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities.*" and "*Volkswagen is exposed to risks in connection with product-related guarantees and warranties as well as the provision of voluntary services, in particular in relation to recall campaigns.*" and "*Legal and Arbitration Proceedings — Diesel Issue*". The outcome of the diesel issue may have a material adverse effect on Volkswagen's business, and may, as a consequence, influence Volkswagen in an unfavorable manner.

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no significant change in the financial performance of Volkswagen Group since June 30, 2023, the date for which financial information has been published (see also: "*Risk Factors – Macroeconomic, sector specific, markets and sales risks*").

5.16 Significant Changes in the Guarantor's Financial Position

Notwithstanding the impact of geopolitical tensions and conflicts, including the Russia-Ukraine conflict, supply chain shortages and any limits on the availability of raw materials and energy, which has affected and may continue to affect Volkswagen Group's operations and financial results, supply chains and the global economy as a whole, there has been no significant change in the financial position of Volkswagen since June 30, 2023, the date for which financial information has been published (see also: "*Risk Factors – Macroeconomic, sector specific, markets and sales risks*").

5.17 Recent Developments

5.17.1 Technological Framework Agreement with XPENG

On July 26, 2023, the Volkswagen Group entered into an agreement with the electric vehicle company XPeng Inc., Cayman Islands, to acquire up to 4.99% of the ordinary shares of XPeng Inc. for a total purchase price of up to USD 710 million. The transaction is expected to close in the fourth quarter of 2023. At the same time, a technological framework agreement was signed with Guangdong Xiaopeng Automotive Technology Co. Ltd., Guangzhou/People's Republic of China, a subsidiary company of XPeng Inc., for the joint development of electric vehicles in China.

5.18 Administrative, Management and Supervisory Bodies

5.18.1 *Board of Management*

The Board of Management of Volkswagen AG shall consist of at least three members. As of the date of this Prospectus, its members are:

Name	Position at Volkswagen AG
Dr. Oliver Blume(1)	Chair; Sport & Luxury brand group; Chair of the executive board of Porsche AG
Dr. Arno Antlitz(2)	Finance
Ralf Brandstätter(3)	Volkswagen Passenger Cars; Chair of the board of management of the Volkswagen Passenger Cars Brand; China; Chair of the board of management of Volkswagen (China) Investment Co. Ltd.
Dr. Jur. Manfred Döss(4)	Integrity and Legal Affairs

Name	Position at Volkswagen AG
Markus Duesmann (until September 1, 2023)[5]	Chairman of the Board of Management of AUDI AG, Premium brand group
Gunnar Kilian[6]..	Human Resources and Truck and Bus
Thomas Schäfer[7]......................................	Volume brand group, Chair of the board of management of the Volkswagen Passenger Cars brand
Thomas Schmall-von Westerholt[8]	Technology and Chairman of the Board of Management of Volkswagen Group Components
Hauke Stars[9]	IT

(1) Mr. Oliver Blume, Chair of the executive board of Porsche AG, was appointed as a new member of the Board of Management in April 2018 following the departure of Mr. Francisco Javier Garcia Sanz, head of Procurement, who left the Company at his own request. On July 22, 2022, the Supervisory Board of Volkswagen AG appointed Dr. Oliver Blume as the new Chair of the Board of Management of Volkswagen AG effective from September 1, 2022.

(2) Mr. Arno Antlitz has been appointed as a new member of the Board of Management since April 1, 2021. Until February 1, 2022 he was responsible for the business area IT. Since February 1, 2022, Dr. Arno Antlitz has only been responsible for the business area Finance.

(3) Mr. Ralf Brandstätter has been appointed as a new member of the Board of Management since January 1, 2022.

(4) Dr. Jur. Manfred Döss has been appointed as a new member of the Board of Management since February 1, 2022, replacing Ms. Hiltrud Dorothea Werner.

(5) Mr. Markus Duesmann has taken over the responsibility as the Chairman of the Board of Management of AUDI AG, effective April 1, 2020, replacing Mr. Abraham Schot. Mr. Gernot Döllner will take over the responsibility as the Chairman of the Board of Management of AUDI AG, as of September 1, 2023, replacing Mr. Markus Duesmann who will have resigned at the same time.

(6) Mr. Gunnar Kilian has taken over the responsibility for Human Resources and Organization from Mr. Karlheinz Blessing in April 2018. Mr. Blessing has left the Board of Management by mutual agreement. As of July 15, 2020, Mr. Killian took over responsibility for Truck & Bus brand group.

(7) Mr. Thomas Schäfer has been appointed as a new member of the Board of Management since July 1, 2022.

(8) Mr. Thomas Schmall-von Westerholt has been appointed as a new member of the Board of Management effective January 1, 2021 in connection with the December 2020 decision of the Supervisory Board to split up the responsibility for Components and Procurement into Purchasing and Technology.

(9) Ms. Hauke Stars has been appointed as a new member of the Board of Management since February 1, 2022.

5.18.2 *Supervisory Board*

The Supervisory Board of Volkswagen AG shall consist of at least 20 members. As of the date of this Prospectus, its members are:

Name, Position	Principal activities outside Volkswagen AG
Hans Dieter Pötsch..................................... Chair Chair of the board of management of Porsche Automobil Holding SE	AUDI AG, Ingolstadt[1] Bertelsmann Management SE, Gütersloh[1] Bertelsmann SE & Co. KGaA, Gütersloh[1] Dr. Ing. h.c.F. Porsche AG, Stuttgart[1] TRATON SE[2], Munich (Chair) Wolfsburg AG, Wolfsburg[1] Autostadt GmbH, Wolfsburg[2] Porsche Austria Gesellschaft m.b.H., Salzburg (Chair)[2] Porsche Holding Gesellschaft m.b.H., Salzburg (Chair)[2] Porsche Retail GmbH, Salzburg (Chair)[2] VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chair)[2]
Jörg Hofmann*... Deputy Chair First Chairman of IG Metall	Robert Bosch GmbH, Stuttgart[1]
Dr. Hussain Ali Al Abdulla........................	Gulf Investment Corporation, Safat/Kuwait[2]

Name, Position	Principal activities outside Volkswagen AG
Minister of State	Qatar Supreme Council for Economic Affairs and Investment, Doha (2)
Dr. Hessa Sultan Al Jaber .... Former Minister of Information and Communications Technology, Qatar	Malomatia, Doha (Chair)(2) MEEZA, Doha(2) Qatar Satellite Company (Es'hailSat), Doha (Chair)(2) Trio Investment, Doha (Chair)(2)
Mansoor Ebrahim Al-Mahmoud .... Chief Executive Officer of Qatar Investment Authority	Harrods Ltd., London(2) Harrods Group (Holding) Ltd., London (Chair)(2) Qatar Airways, Doha (Deputy Chair)(2) Qatar National Bank, Doha(2) Qatar Stock Exchange, Doha (Deputy Chair)(2) Qatari Diar Real Estate Investment Company, Doha(2)
Dr. Bernd Althusmann .... Minister of Economic Affairs, Labor, Transport and Digitalization for the Federal State of Lower Saxony	Deutsche Messe, AG, Hanover (Deputy Chair)(1) Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chair)(2) JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chair)(2) JadeWeserPort Realisierungs-Beteiligungs GmbH, Wilhelmshaven (Chair)(2) Niedersachsen Ports GmbH & Co. KG, Oldenburg (Chair)(2) Transformationsagentur Niedersachsen, GmbH, Hanover(2)
Harald Buck* .... Chair of the General Group Works Councils of Dr. Ing. h.c. F. Porsche AG	Dr. Ing. h.c. F. Porsche AG, Stuttgart(2)
Matías Carnero Sojo.................................. Chair of the General Works Council of SEAT	n.a.
Daniela Cavallo*....................................... Chair of the General and Group Works Councils of Volkswagen AG	PowerCo SE, Salzgitter(1) TRATON SE, Munich(1) Volkswagen Financial Services AG, Braunschweig (Deputy Chair)(1) Wolfsburg AG, Wolfsburg(1) Allianz für die Region GmbH, Braunschweig(2) Brose Sitech Sp. Z o.o., Polkowice(2) Porsche Holding Gesellschaft m.b.H., Salzburg(2) SEAT, S.A., Martorell(2) ŠKODA Auto, a.s., Mladá Boleslav(2) VfL Wolfsburg-Fußball GmbH, Wolfsburg(2) Volkswagen Group Services GmbH(2)
Dr. jur. Hans-Peter Fischer*...................... Chair of the board of management of Volkswagen Management Association e. V.	Volkswagen Pension Trust e.V., Wolfsburg(2)
Julia Willie Hamburg .... Minister of Education and Cultural Affairs for the Federal State of Lower Saxony	n.a.
Marianne Heiß... Chief Financial Officer of BBDO Group Germany GmbH, Düsseldorf	AUDI AG, Ingolstadt(1) Porsche Automobil Holding SE, Stuttgart(1)
Dr.-Ing. Arno Homburg	Volkswagen Pension Trust e.V., Wolfsburg(2)

Name, Position	Principal activities outside Volkswagen AG
Chair of the board of management of Volkswagen Management Association e.V.	
Ulrike Jakob* .... Deputy Chair of the Works Council of Volkswagen AG, Kassel plant	n.a.
Simone Mahler*.. Chair of the Joint Works Council of VW Financial Services AG and Volkswagen Bank GmbH	EURO-Leasing GmbH, Stuttgart(1) Volkswagen Financial Services AG, Braunschweig(1) Volkswagen Pension Trust e.V., Wolfsburg(2)
Peter Mosch* .... Chairman of the General Works Council of AUDI AG	AUDI AG, Ingolstadt (Deputy Chair)(1) Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt(1) CARIAD SE, Wolfsburg (Deputy Chair)(1) Audi Stiftung für Umwelt GmbH, Ingolstadt(2)
Bertina Murkovic* .... Chair of the Works Council of Volkswagen Commercial Vehicles	MOIA GmbH, Berlin(2)
Daniela Nowak*.. Chair of Works Council of Volkswagen AG, Braunschweig plant	Volkswagen Pension Trust e.V., Wolfsburg(2)
Dr. jur. Hans Michel Piëch........................ Lawyer	AUDI AG, Ingolstadt(1) Dr. Ing. h.c. F. Porsche AG, Stuttgart(1) Porsche Automobil Holding SE, Stuttgart (Deputy Chair)(1) Porsche Holding Gesellschaft m.b.H., Salzburg(2) Schmittenhöhebahn AG, Zell am See(2)
Dr. jur. Ferdinand Oliver Porsche .... Member of the board of management of Familie Porsche AG Beteiligungsgesellschaft	AUDI AG, Ingolstadt(1) Dr. Ing. h.c. F. Porsche AG, Stuttgart(1) Porsche Automobil Holding SE, Stuttgart(1) Porsche Holding Gesellschaft m.b.H., Salzburg(2) Porsche Lifestyle GmbH & Co. KG, Ludwigsburg(2)
Dr. rer. comm. Wolfgang Porsche............. Chair of the supervisory board of Porsche Automobil Holding SE Chair of the supervisory board of Dr. Ing. h.c. F. Porsche AG	AUDI AG, Ingolstadt(1) Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)(1) Porsche Automobil Holding SE, Stuttgart (Chair)(1) Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)(2) Porsche Holding Gesellschaft m.b.H., Salzburg(2) Schmittenhöhebahn AG, Zell am See(2)
Jens Rothe* .... Chair of the General Works Council and the Works Council of the Volkswagen Sachsen GmbH	Volkswagen Sachsen GmbH, Zwickau(1)
Conny Schönhardt*................................... Union Secretary and Head of the Mobility and Vehicle Construction Unit attached to the IG Metall Board	CARIAD SE, Wolfsburg(1) PowerCo SE, Salzgitter(1) Volkswagen Bank GmbH, Braunschweig(1)
Stephan Weil*... Minister-President of the Federal State of Lower Saxony	n.a.
Werner Weresch*......................................	n.a.

Name, Position	Principal activities outside Volkswagen AG
Member of the Executive Committee of the Works Council of Porsche Automobil Holding SE and Chairman of the General and Group Works Councils of Dr. Ing. h.c. F. Porsche AG	

* Employee representative.

(1) Membership of statutory supervisory boards in Germany.

(2) Comparable appointments in Germany and abroad.

The members of the Board of Management and the members of the Supervisory Board may be contacted at Volkswagen AG's business address: Volkswagen Aktiengesellschaft, Generalsekretariat, Berliner Ring 2, 38440 Wolfsburg, Germany.

The following family relationships exist between the members of the Supervisory Board: Dr. jur. Hans Michel Piëch and Dr. rer. comm. Wolfgang Porsche are cousins. In addition, Dr. jur. Ferdinand Oliver Porsche is a nephew of the aforementioned members of the Supervisory Board. Dr. Louise Kiesling is a niece of Dr. jur. Hans Michel Piëch. There are no family relationships among the remaining members of the Supervisory Board.

Some of the members of the Board of Management and the Supervisory Board are also members of executive bodies of Volkswagen Group companies, which are companies in which Volkswagen AG has a substantial interest, and of key shareholders of Volkswagen AG, so-called dual mandates.

Such dual mandates are, for example, held by Ms. Hauke Stars, Mr. Manfred Döss and Mr. Gunnar Kilian, who are simultaneously members of the supervisory board of AUDI AG. A member of the Board of Management, Dr. Oliver Blume, is simultaneously the Chairman of the board of management of Porsche AG and Ms. Hauke Stars and Dr. Arno Antlitz are further simultaneous members of the supervisory board of Porsche AG.

Dual mandates also exist in relation to key shareholders of Volkswagen AG and the members of its governing bodies.

Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche and Marianne Heiß are simultaneously members of the Supervisory Board of Volkswagen AG and members of the Supervisory Board of Porsche Automobil Holding SE. Dr. rer. comm. Wolfgang Porsche, Chairman of the Supervisory Board of Porsche Automobil Holding SE, is simultaneously a member of the Supervisory Board of Volkswagen AG.

Dr. jur. Hans Michel Piëch and Dr. jur. Ferdinand Oliver Porsche are simultaneously members of the Supervisory Board of Volkswagen AG and members of the Supervisory Board of Porsche AG. Dr. rer. comm. Wolfgang Porsche, Chairman of the Supervisory Board of Porsche AG, is simultaneously a member of the Supervisory Board of Volkswagen AG.

Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche, Dr. rer. comm. Wolfgang Porsche, Peter Mosch and Marianne Heiß are members of the Supervisory Board of Volkswagen AG and members of the Supervisory Board of AUDI AG.

Due to the dual mandates, there could be instances in which there arises a conflict of interest in the structuring of business relationships between Volkswagen companies, as well as with other companies outside the Volkswagen Group, or a disadvantageous exercise of influence over the Volkswagen Group's business. This is particularly the case given the background that, due to the overlap of personnel and the Volkswagen Group's structure, decision-making within the Board of Management and the Supervisory Board cannot take place as independently as would be the case for subsidiaries which are not as connected with their parent company in the same manner. To the extent that conflicts of interest occur, the relevant members deal with them in a responsible manner and in accordance with legal requirements.

In the event of regular termination of their service on the Board of Management, the members of the Board of Management are entitled to a pension, including a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension. The agreed benefits are paid or made available when the Board of Management member reaches the age of 63 or 65. If the appointment to the Board of Management is terminated for cause through no fault of the Board of Management member, the claims are limited to a maximum of 2 years' remuneration. No severance payment is made if the appointment to the Board of Management is terminated for good cause for which the Board of Management member is responsible.

Dr. Louise Kiesling, Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche and Dr. rer. comm. Wolfgang Porsche are members of the Supervisory Board and are indirect owners of voting rights in Volkswagen AG.

Apart from the facts indicated above, there are no potential conflicts of interests between any duties to the Guarantor of the members of the Board of Management and the Supervisory Board and their private interests and or other duties.

5.19 **Legal and Arbitration Proceedings**

Various legal risks could potentially have materially adverse consequences for Volkswagen's business, results of operations, financial position and net assets.

5.19.1 ***Diesel Issue***

The Volkswagen Group is involved in extensive investigations and legal proceedings in relation to the diesel issue as further detailed below. See also "*Risk Factors — Risk Factors regarding Volkswagen Aktiengesellschaft and Volkswagen Group — Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen regarding findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any further investigations, and related civil and criminal litigation, may have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation, as well as the prices of its securities, including the Notes, and its ability to make payments under its securities*".

5.19.1.1 *Overview of the Diesel Issue*

The diesel issue is rooted in a modification of parts of the software of the relevant engine's control units – which, according to Volkswagen AG's legal position, is only unlawful under U.S. law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time.

In the months following publication of a study by the International Council on Clean Transportation in May 2014, Volkswagen AG's Powertrain Development department checked the test set-ups on which the study was based for plausibility and confirmed the unusually high NOx emissions from certain U.S. vehicles with type EA 189 2.0 l diesel engines. The California Air Resources Board (CARB) – a part of the environmental regulatory authority of California – was informed of this result, and, at the same time, Volkswagen offered to recalibrate the engine control unit software of type EA 189 diesel engines in the U.S. This measure was evaluated and adopted by the *Ausschuss für Produktsicherheit* (APS – Product Safety Committee), which initiates necessary and appropriate measures to ensure the safety and conformity of Volkswagen AG's products that are placed in the market.

In the course of the summer of 2015, it became successively apparent to individual members of Volkswagen AG's Board of Management that the cause of the discrepancies in the U.S. was a modification of parts of the software of the engine control unit, which was later identified as an unlawful "defeat device" as defined by U.S. law. This culminated in the disclosure of the existence of a "defeat device" in certain U.S. vehicles with diesel engines to EPA and CARB on September 3, 2015. According to the assessment of the responsible persons dealing with the matter at that time, the scope of the costs expected by the Volkswagen Group (recall costs, retrofitting costs and financial penalties) was not fundamentally dissimilar to that of previous cases involving other vehicle manufacturers, and, therefore, appeared to be manageable overall with a view to the business activities of the Volkswagen Group. This assessment by the Volkswagen Group was based, among other things, on the advice of a law firm engaged in the U.S. for compliance issues, according to which similar cases in the past were resolved amicably with the U.S. authorities.

On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 l diesel engines in the

U.S. In this context, on September 22, 2015, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA189 diesel engines and that around eleven million vehicles with such engines were sold worldwide. On November 2, 2015, the EPA issued a second "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with type V6 3.0 l diesel engines.

Numerous governmental proceedings seeking damages, recalls and/or technical fixes for affected diesel vehicles, criminal and administrative proceedings, consumer, dealer and salespersons claims and investor lawsuits were subsequently initiated in the U.S., Canada, Germany and the rest of the world.

After the first Notice of Violation was issued, Volkswagen AG initiated its own internal inquiries and an external investigation. The Supervisory Board of Volkswagen AG formed a special committee to coordinate the activities relating to the diesel issue for the Supervisory Board. To resolve U.S. criminal law charges, Volkswagen AG and the DoJ entered into a plea agreement, which includes a Statement of Facts. At the end of March 2021, the Supervisory Board of Volkswagen AG announced the completion of the investigation initiated in October 2015 into the causes of and those responsible for the diesel issue. The Board resolved to claim damages from Prof. Dr. Martin Winterkorn, former Chair of the Board of Management of Volkswagen AG, and from Rupert Stadler, former member of the Board of Management of Volkswagen AG and former Chair of the board of management of AUDI AG, for breach of their duty of care under stock corporation law. The investigation found no breaches of duty by other members of the Volkswagen AG Board of Management. The resolution was based on a review of liability claims conducted by a law firm on behalf of the Supervisory Board and the negligent breaches of duty identified in the resulting report. The investigation covered all members of the Board of Management who were in office during the relevant period. Furthermore, claims for damages were asserted against individual former members of the AUDI AG and Porsche AG boards of management. Claims were already asserted against a former member of the Volkswagen Passenger Cars brand board of management. In June 2021, Volkswagen and Audi entered into damage settlements (liability settlements) with Prof. Winterkorn and Mr. Stadler respectively in connection with the diesel issue. Prof. Winterkorn's total damage compensation amounts to €11.2 million and that of Mr. Stadler to €4.1 million. Volkswagen has furthermore reached agreement with the relevant insurers under its directors and officers liability policies (D&O insurance) on payment of an aggregate sum of €270 million (coverage settlement). In addition, agreement was reached on damage payments by a former member of AUDI AG's board of management and by a former member of Porsche AG's board of management.

Work in respect of the legal proceedings that are still pending in the U.S. and the rest of the world is ongoing, will require considerable efforts and coordination from Volkswagen, may demand significant management resources, and is expected to continue for some time. In connection with this further work, Volkswagen AG is being advised by a number of external law firms. Ongoing legal proceedings related to the diesel issue could result in further considerable financial charges.

The diesel issue has affected and will continue to affect Volkswagen's business, financial position and results of operations. From 2015 to 2022, Volkswagen recognized over €30 billion in expenses directly related to the diesel issue, adversely affecting its operating profit, financial position and results of operations.

As of December 31, 2022, contingent liabilities in relation to the diesel issue amounted to €4.2 billion in the aggregate (December 31, 2021: €4.3 billion), of which lawsuits filed by investors in Germany account for €3.6 billion (December 31, 2021: €3.6 billion). Also included are certain elements of the class action lawsuits relating to the diesel issue as well as proceedings/misdemeanor proceedings as far as these can be quantified. As some of these proceedings are still at a very early stage, the plaintiffs have in a number of cases so far not specified the basis of their claims and/or there is insufficient certainty about the number of plaintiffs or the amounts being claimed.

As of June 30, 2023, no additional expenses directly related to the diesel issue have been recognized.

Evaluating known information and making reliable estimates for provisions is a continuous process. The provisions recognized, and the contingent liabilities disclosed as well as the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors and the ongoing coordination with the authorities, and that the fact-finding efforts, excluding the investigations by the Supervisory Board, have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized in light of knowledge acquired or events occurring in the future cannot be ruled out. Furthermore, new information not known to Volkswagen AG's Board of Management at present may surface, requiring further revaluation of the amounts estimated. Considerable financial charges may be incurred, and further substantial provisions may be necessary as the issues and legal risks, fines and penalties crystallize.

Tax legislation varies from country to country and taxes related to vehicle registration or vehicle ownership are based on a variety of parameters. Investigations by various regulatory and government authorities, including in areas relating to tax, are ongoing. However, should any tax demands be made, Volkswagen may be required to make additional payments, which would thus increase costs.

5.19.1.2 *Coordination with authorities on technical measures*

In coordination with the respective responsible authorities, Volkswagen Group is making technical measures available designed to rectify the diesel issue in affected diesel vehicles worldwide. In this context, within the Volkswagen Group, Volkswagen AG has development responsibility for the four-cylinder diesel engines such as the type EA 189, and AUDI AG has development responsibility for the six- and eight-cylinder diesel engines such as the type V6 3.0 l and V8 diesel engines. These measures have resulted in, and may continue to result in, significant expenses for the Volkswagen Group.

In the United States and Canada, where Volkswagen's planned actions for the four-cylinder and six-cylinder diesel engines must be approved by U.S. regulators, intensive exchanges of information with the authorities have resulted in approval of emissions modifications for these engines in certain vehicles in the markets. Due to NOx limits in the United States and Canada that are considerably stricter than in the EU and much of the rest of the world, it is a greater technical challenge to refit the vehicles so that the emission standards defined in the U.S. settlement agreements for these vehicles can be achieved. In 2017 and 2018, the EPA/CARB issued the outstanding approvals needed for the technical solutions for affected vehicles with 2.0 l TDI and with V6 3.0 l TDI engines. In the case of 2.0 l Generation 2 diesel vehicles with manual transmissions, Volkswagen elected to withdraw the approved emissions modification proposal, whereby owners were given the option of a buyback and lessees were given the option of early lease termination. Further field measures with financial consequences cannot be ruled out completely at this time. On October 31, 2018, after discussions with DOJ, EPA, and CARB, the parties agreed to modify the First and Second Partial Consent Decrees to clarify that Volkswagen may repair certain technical issues with approved emissions modifications through an "AEM Correction" (Approved Emissions Modification Correction).

Where emissions modifications have been approved by U.S. regulators, similar emissions recall programs to those in the U.S. have been developed for Canada. Because, as in the U.S., no repair will be available in Canada for 2.0 l Generation 2 manual transmission vehicles, consumers in possession of these vehicles had the option to participate in the Canadian settlement and receive a buyback, trade-in or early lease termination or, if they had not already made a claim or received benefits, opt out of the settlement between June 15, 2018 and August 15, 2018.

Volkswagen may be required to repurchase any other 2.0 l Generation 2 diesel vehicles with manual transmissions and any other diesel vehicles sold in the U.S., Canada and elsewhere, even if not covered under a settlement. This could lead to further significant costs. For example, in Canada, as agreed with the federal environmental regulator, any owners or lessees of manual transmission 2.0 l Generation 2 diesel vehicles who made a claim by the September 1, 2018 settlement deadline could surrender their vehicle, even if they were not eligible under the Canadian settlement. Furthermore, if the technical solutions implemented by Volkswagen in order to rectify the diesel issue are not implemented in a timely or effective manner or have an undisclosed negative effect on the performance, fuel consumption or resale value of the affected vehicles, regulatory proceedings and/or customer claims for damages could be brought in the future.

In October and December 2015, the KBA ordered the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, SEAT and Audi brands to recall all EA189 diesel vehicles that had been issued with vehicle type approval by the KBA. The recall concerned the member states of the European Union (EU 27). Volkswagen Group has been recalling the affected vehicles, of which there are around 8.5 million in total in the EU 27, to service workshops since January 2016. The technical measures differ in scope depending on the engine variant. The technical measures cover software and in some cases hardware modifications, depending on the series and model year. The KBA has ascertained for all clusters (groups of vehicles) that the implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO_2 emissions figures, engine power, maximum torque and noise emissions. On Volkswagen's voluntary notification the KBA approved a voluntary modification for the technical measures for one class of EA189 engines (1.2l 3-cylinder only). In addition, in February 2020, Volkswagen together with AUDI AG proposed a voluntary modification to the onboard monitoring system (On-Board Diagnosis (OBD)) for certain vehicles equipped with EA 288 EU6 diesel engines, which has been accepted by the KBA in March 2020 for Volkswagen; whereas for AUDI AG the proposed voluntary modification has been accepted by the SNCH, the Luxembourg national certification and homologation authority (*Société Nationale de Certification et d'Homologation*, "**SNCH**") in April 2020. The implementation of the modification has been accepted by the KBA and is under varying stages of its roll-out.

Following the studies carried out by AUDI AG to check all relevant diesel concepts for possible irregularities and retrofit potential, measures proposed by AUDI AG have been adopted and mandated by the KBA in various recall orders pertaining to vehicle models with V6 and V8 TDI engines. AUDI AG continues to anticipate that the total cost, including recall expenses, of the ongoing largely software-based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. AUDI AG has in the meantime developed software updates for many of the affected powertrains and, after approval by the KBA, already installed these updates in the vehicles of a large number of affected customers. A few software updates regarding EU4 vehicles are still in the final approval process at the KBA.

In some countries outside the EU (excluding U.S. and Canada), vehicles are homologated by national type approval authorities; the technical measure had to be approved by the national authorities. This approval process has been concluded in all countries.

5.19.1.3 *Thermal Windows*

Separately, Volkswagen has also been involved in administrative proceedings with the KBA with respect to so-called 'thermal windows' in diesel vehicles. Based on industry-wide technical standards, many automotive manufacturers' diesel vehicles, including those of the Volkswagen Group, are equipped with a temperature dependent exhaust gas recirculation function (a so-called "**thermal window**"). Although the specific details of thermal windows may vary by manufacturer and model, the thermal window is essentially a function in which the exhaust gas recirculation rate ("**EGR**"), which, in certain conditions, alters a vehicles' normal emission profile, is gradually reduced or shut down completely outside a certain temperature range depending on the ambient temperature in order to protect the engine against damage and for safe operation of the vehicle.

In February 2023, the Administrative Court of Schleswig upheld a lawsuit brought by Deutsche Umwelthilfe against the KBA in the first instance and ordered the KBA to revoke the approval decision for a software update for certain older models of the EA189 Golf Plus, insofar as the approval decision relates to thermal windows. Both Volkswagen and the KBA have appealed the decision. In addition, in July 2022, the ECJ issued three (virtually identical) judgments concerning certain VW vehicles with EA189 engines according to which thermal windows are only permissible under two conditions: First, the thermal window must be necessary to protect the engine and ensure the safe operation of the vehicle. Second, the thermal window must not impair the effectiveness of the exhaust gas purification system due to its specific parameters during "most of the year". Whether a particular thermal window meets the standard set forth in the ECJ's judgments may depend on the "real driving conditions prevalent in the territory of the European Union", such as, among other factors, average ambient temperatures. The application of the standards set by the ECJ in individual cases is up to national authorities and courts. Following the ECJ ruling, the KBA opened administrative proceedings against specific Volkswagen brand diesel vehicles equipped with EA189 and V-TDI engines in which the ambient temperature-dependent EGR engages at similar climactic conditions to those identified by the ECJ in its decision.

Volkswagen Group had already begun the process of rolling out software updates to optimize the ambient temperature range for its thermal windows, which may affect a significant number of existing Volkswagen Group vehicles. Alongside this process, the KBA, in July 2023, issued an order stating that previous versions of thermal windows in some of the affected Audi diesel vehicles prior to the start of rollout for the new software update, did not fulfill the new ECJ-criteria. As of the date of this Prospectus, AUDI AG is still evaluating whether it will challenge the KBA order, however this does not affect Volkswagen Group's rollout of the software update.

Furthermore, it cannot be excluded that comparable KBA orders will be issued against other Volkswagen Group brands, potentially impacting a further substantial number of Volkswagen Group vehicles. While currently Volkswagen Group is proceeding with a voluntary software update, if Volkswagen is not able to implement the ongoing software updates in line with the KBA's expectations, the KBA may request further measures. Irrespective of whether software updates are available, the owners of these vehicles may seek damages from Volkswagen. In any such cases, Volkswagen Group may incur material costs and/or reputational damage.

Separately, in July 2023, Volkswagen AG presented to the KBA first results of technical tests of vehicles equipped with EA 288 EU6 diesel engines for a specific function which relates to engine temperature dependent exhaust gas recirculation (so-called "**Cor0**") and explained the correlation with the thermal window (ambient temperature dependent exhaust gas recirculation) function to the KBA. The Cor0 function is present in a significant number of current Volkswagen Group vehicles equipped with EA 288 diesel engines. Volkswagen AG explained to the KBA that, at the time of its implementation, the Cor0 function was justified to protect the engine against damage and for safe operation of the vehicle. The KBA has not assessed the Cor0 function yet but is currently investigating this to understand further details.

Since the outcome of the ruling(s) of administrative and civil courts on the thermal window is difficult to predict, the Volkswagen Group has decided, as a precautionary measure, to inform customers prior to their acquisition of a diesel vehicle (except vehicles also certified under real driving conditions as part of the certification process), about the thermal window and other functions challenged by the Administrative Court of Schleswig and other courts. Currently, Volkswagen Group is assessing whether it will extend the customer information to the current production (i.e. to vehicles for which verification of compliance under real driving conditions was required as part of the certification process). This could have an adverse impact on future sales of diesel vehicles.

5.19.1.4 *Criminal and administrative proceedings worldwide (excluding the United States/Canada)*

Criminal investigations, regulatory offense proceedings, and/or administrative proceedings have been opened in some countries (in Germany for example by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**")). The public prosecutor's offices in Braunschweig and Munich are investigating the core issues of the diesel case.

In April 2019, the Braunschweig Office of the Public Prosecutor issued an indictment against, among others, Volkswagen AG's former CEO, Martin Winterkorn, charging, among other things, fraud relating to type EA 189 engines in connection with the diesel issue. In September 2019, the Braunschweig Office of the Public Prosecutor furthermore indicted the current and a former Chairman of the Board of Management of Volkswagen AG as well as a former member of its Board of Management (currently Chairman of the Supervisory Board) on charges of market manipulation relating to capital market disclosure obligations in connection with the diesel issue. The Braunschweig Regional Court has named Volkswagen AG as a collateral participant in the proceedings.

The September 2019 proceedings have been fully dismissed with regard to one current and one former board member and with regard to Volkswagen AG; and so have the related BaFin proceedings in relation to the same individuals and Volkswagen AG. The capital market proceedings with regard to the former Chairman of the Board of Management of Volkswagen AG have been provisionally terminated but may be reinstated depending on the outcome in the investigations relating to fraud in connection with the type EA 189 engines.

In July 2019, the Munich II Office of the Public Prosecutor issued an indictment, against, among others, Rupert Stadler, the former Chairman of the board of management of AUDI AG, charging, among other things, fraud relating to 3.0l TDI engines in connection with the diesel issue. In June 2020, the Munich II Regional Court allowed the prosecution's charges in respect to four suspects, including the former Audi CEO, and opened the main proceedings. The trial began in September 2020.

In connection with the diesel issue, the Stuttgart Office of the Public Prosecutor is conducting a criminal investigation on suspicion of fraud and illegal advertising; this investigation also involves a member of the board of management of Porsche AG.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

Furthermore, additional administrative actions relating to the diesel issue are ongoing in other jurisdictions. The companies of the Volkswagen Group continue to cooperate with the government authorities. Whether the criminal and administrative proceedings will ultimately result in fines or other consequences for the Volkswagen Group, and if so what amounts these may entail, is currently subject to estimation risks. Should these proceedings result in adverse court decisions against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen and/or could have other material adverse financial consequences. In connection with the various criminal proceedings, offices of Volkswagen AG and its subsidiaries have been searched by different public prosecutor's offices. Contingent liabilities have been disclosed in cases where they can be assessed and for which the likelihood of a sanction was deemed not lower than 10%. Provisions were recognized to a small extent.

5.19.1.5 *Product-related lawsuits worldwide (excluding the United States/Canada)*

Customers, consumer associations and/or environmental associations in the affected markets have filed civil lawsuits against Volkswagen AG, other Volkswagen Group companies and non-Volkswagen Group importers and dealers involved in the sales process. In addition, it is possible that importers and dealers could assert claims against Volkswagen, for example through recourse claims. Further lawsuits are possible. Many of these proceedings are in an early procedural stage and it is difficult to assess their prospects of success or to quantify the exposure. In some proceedings it is even impossible to define the claimants' precise causes of action or allegations. However, should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

Customer class action lawsuits and actions brought by consumer and/or environmental organizations are pending against Volkswagen AG and other Volkswagen Group companies in a number of countries including Belgium, Brazil, England and Wales, France, Germany, Italy, the Netherlands, Portugal, and South Africa. Alleged rights to damages and other relief are asserted in these actions. The pending actions include in particular the following:

In Belgium, the Belgian consumer organization Test Aankoop VZW has filed a class action to which an opt-out mechanism has been held to apply. Given the opt-out rule, the class action potentially covers all vehicles with type EA 189 engines purchased by consumers on the Belgian market after September 1, 2014, unless the right to opt out is actively exercised. The asserted claims are based on purported violations of unfair competition and consumer protection law as well as on alleged breach of contract. In July 2023, a first-instance ruling was issued in the class action, ordering Volkswagen AG to pay 5% of the purchase price or 5% of the difference between the purchase price and the resale price, depending on whether the buyer still owned the vehicle at the time of the ruling or had resold it, if a consumer purchased a new or used EA189 vehicle between 1 September 2014 and 22 September 2015, did not apply the software update, and can provide relevant documentation.

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil, Volkswagen's Brazilian subsidiary, against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL172 million. Volkswagen do Brasil has appealed this decision. The judgment therefore remains non-final. The plaintiff in the second class action, which pertains to roughly 67 thousand later generation Amaroks, has appealed the trial court's October 2021 judgment dismissing the complaint and through a decision in June 2023, the appellate court rejected the appeal.

The financialright GmbH filed consolidated actions before various German courts asserting claims assigned to it by customers in Germany, Slovenia, and Switzerland against Volkswagen Group companies. Following the withdrawal of numerous motions for relief, approximately 11 thousand claims are currently still pending. Some cases have in the meantime moved to the first or second appeals level. In Germany, the Federal Court of Justice (BGH – *Bundesgerichtshof*) found the assignment of claims to financialright GmbH to be effective in a judgement from June 2022 concerning claims for damages by Swiss vehicle purchasers. The BGH did not deal with the substantive merits of the claims.

In England and Wales, the approximately 91 thousand claims in the single collective action (group litigation) against the Volkswagen Group were settled in May 2022 by an out-of-court settlement in the amount of GBP 193 million (€ 231 million) and a separate contribution to the claimants' legal costs and other fees. In addition, in late 2021 a new lawsuit was filed in court against Volkswagen AG, Volkswagen Financial Services (UK) Limited, and other Volkswagen Group companies in connection with diesel vehicles with various other engine types leased or sold in England, Wales, and Northern Ireland since 2009.

In France, a class action is pending that was filed by the French consumer organization Confédération de la Consommation, du Logement et du Cadre de Vie (CLCV) against Volkswagen Group Automotive Retail France and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action.

In Italy, a trial level judgment in favor of the plaintiffs was rendered by the Venice Regional Court in July 2021 in the class action brought by the consumer association Altroconsumo on behalf of Italian customers; the judgment requires Volkswagen AG and Volkswagen Group Italia to pay damages to some 63 thousand consumers in an aggregate amount of roughly € 185 million. Volkswagen AG and Volkswagen Group Italia have appealed this decision.

In the Netherlands, an opt-out class action is pending that was brought by Stichting Volkswagen Car Claim seeking declaratory rulings for up to 165 thousand customers. A declaratory judgment partially granting the relief sought was issued in July 2021. In the opinion of the court, Volkswagen AG and the other defendant Group companies acted unlawfully with respect to the original engine management software. The court moreover held that consumers are entitled to a purchase price reduction from the defendant dealerships. No specific payment obligations result from the declaratory judgment. Any individual claims would then have to be established afterwards in separate proceedings. Volkswagen AG and the other defendant Group companies have appealed the decision. Furthermore, an opt-out class action lawsuit brought by the Diesel Emissions Justice Foundation ("**DEJF**") seeking monetary damages on behalf of Dutch consumers is also pending. In March 2022, the court of first instance issued an interim judgment stating that the new class action regime, according to which not only the determination of claims but also the payment of damages can be asserted, was not applicable to these proceedings. Moreover, the court in Amsterdam had no jurisdiction to hear claims brought by consumers outside the Netherlands. DEJF appealed against the judgment, but only with regard to the applicability of the new class action regime, so that the decision of the court in Amsterdam with regard to its lack of jurisdiction over consumer actions outside the Netherlands is final and binding. The court of first instance stayed the proceedings at first instance pending a decision by the court of appeal.

In Portugal, a class action with opt-out mechanism by a Portuguese consumer organization is pending. Potentially, up to 70 thousand vehicles of the engine type EA 189 owned by consumers are affected by the class action. The lawsuit seeks the restitution of the purchase contracts and alleged claims for damages. In July 2023, the Supreme Court dismissed the class action as inadmissible due to the lack of standing of the litigating consumer organization.

In South Africa, an opt-out class action seeking damages is pending that pertains to around 80 thousand vehicles, including vehicles with type EA 189 engines.

Furthermore, individual lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in various countries; most of these lawsuits are seeking damages or rescission of the purchase contract.

In Germany, roughly 35 thousand individual lawsuits relating to various diesel engine types are currently pending against Volkswagen AG or other Group companies, with the plaintiffs suing for damages or rescission of the contract in most cases.

In 2020, the BGH issued a series of fundamental judgments deciding legal issues of major importance for the litigation still pending with regard to vehicles with type EA 189 engines. The BGH held that buyers who had purchased vehicles prior to public disclosure of the diesel issue had damage claims against Volkswagen AG. While buyers can require reimbursement of the purchase price paid, they must accept a deduction for the benefit derived from using the vehicle and must return it to Volkswagen AG. Buyers have no tort-based claim on the ground of intentional immoral damage if they purchased their vehicles after the ad hoc announcement of September 22, 2015 or if they raise claims based solely on a temperature-dependent emissions control feature (so-called thermal window) in the engine. In February 2022, the BGH issued further fundamental judgments concerning vehicles with EA 189 motors deciding that buyers of new vehicles of the Volkswagen brand were entitled to so-called residual damage claims against Volkswagen AG after the knowledge-based limitation period has expired, after previously denying such a claim for buyers of used cars. The BGH ruled that buyers must allow the benefits of use to be offset and can only demand payment against return of the vehicles and deduction of the dealer's margin. In an additional fundamental judgment rendered in July 2022 concerning vehicles with EA 189 engines, the BGH held that buyers of new vehicles of other Group brands have no claim for residual damages against Volkswagen AG. On May 8, 2023, an oral hearing before the BGH took place on the implications of the European Court of Justice ("**ECJ**") ruling of March 21, 2023 (Case C-100/21; Mercedes Benz Group) for German liability law. The oral hearing involved diesel proceedings against three manufacturers, including Volkswagen AG and AUDI AG, respectively. According to the ECJ ruling of March 21, 2023, the provisions of EU type-approval law are to be interpreted as protecting not only general legal interests but also individual interests of the individual purchaser of a vehicle against its manufacturer if this vehicle is equipped with an inadmissible defeat device. In late June 2023, the BGH issued further judgments in lawsuits against Volkswagen AG and AUDI AG addressing how the case law of the ECJ on the potential claims of buyers under European type approval law should be implemented in German law. The BGH held that the negligent use of an impermissible defeat device may in principle entitle plaintiffs to differential damages amounting to 5% to 15% of their vehicle's purchase price. Whether this claim is given in a particular instance is for the appeals courts to determine. The BGH stated that it did not matter whether the limits in the NEDC testing procedure would be complied with even when system functioning was modified. The BGH held that liability does not arise where the manufacturer is not at fault, e.g. because the relevant public authority had approved the defeat device in its specific configuration and taking account of identified combinations of defeat devices, or would have done so upon request. Where a claim for differential damages exists in principle, the buyer must furthermore accept an offset for the benefit derived from using the vehicle and for the vehicle's value to the extent these exceed the vehicle's diminished value. An implemented software update may also potentially mitigate damages.

Contingent liabilities are disclosed for these proceedings where the amount of such liabilities can be measured and the chance that the plaintiff will prevail was assessed as not implausible. Since many of these proceedings are still in an early procedural stage, it is in many cases not yet possible to quantify the realistic risk exposure. Furthermore, provisions were recognized to the extent necessary based on the current assessment.

At this time, it cannot be estimated how many customers will choose to file lawsuits in the future in addition to those already pending and what prospect of success such lawsuits might have.

5.19.1.6 *Investor proceedings outside the United States and Canada*

Private and institutional investors from Germany and abroad have filed claims seeking significant damages against Volkswagen AG – in some cases along with Porsche SE as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue. The claims relate to Volkswagen AG's shares and other securities, including bonds, issued by Volkswagen Group companies, as well as third-party securities.

The vast majority of these investor lawsuits are currently pending before the Braunschweig Regional Court. In August 2016, the Braunschweig Regional Court ordered that common issues of law and fact relevant to the lawsuits pending at the Braunschweig Regional Court be referred to the Higher Regional Court (*Oberlandesgericht*) in Braunschweig for binding declaratory rulings pursuant to the German Act on Model Case Proceedings in Disputes under Capital Markets Law (Capital Markets Model Case Act – KapMuG *(Kapitalanleger-Musterverfahrensgesetz)*). The lawsuits filed by investors against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common issues of law and fact will be binding for the pending cases that have been stayed in the described manner. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceeding before the Braunschweig Higher Regional Court began in September 2018 and are being continued at subsequent hearings. In March 2023, the Braunschweig Higher Regional Court invited the parties to consider entering into discussions aimed at a potential settlement, since the Braunschweig Higher Regional Court envisages the further proceedings to be extensive and time consuming. Volkswagen AG maintains that the investors' claims are unfounded but, without prejudice to its legal position, Volkswagen AG has indicated that it is prepared to consider the Braunschweig Higher Regional Court's suggestion, provided that the court proceedings continue. Furthermore, in July 2023, the

Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the Board of Management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office had or, reflecting Volkswagen AG's state of knowledge, lacked knowledge of the installation of switching devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. As of the date of this Prospectus, several witnesses have asserted alleged rights to refuse to testify. The Braunschweig Higher Regional Court will decide on whether, and to what extent, witnesses actually have a right to refuse to testify. According to the Braunschweig Higher Regional Court, Volkswagen AG bears the burden of proof regarding the lack of knowledge and grossly negligent lack of knowledge of persons responsible for ad hoc disclosures for a significant portion of the claims. Against this background, it is important for Volkswagen AG that sufficient evidence, including witness evidence, is made available to the court. Witness testimony hearings are scheduled to begin mid-September, 2023.

Further investor lawsuits have been filed with the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor. A further investor action for a binding declaratory ruling pursuant to the KapMuG is pending before the Stuttgart Higher Regional Court against Porsche SE; Volkswagen AG is involved in this action as a third party intervening in support of a party to the dispute. The Wolverhampton City Council, Administrating Authority for the West Midlands Metropolitan Authorities Pension Fund, has been appointed model case plaintiff. In late March 2023, the Stuttgart Higher Regional Court rendered a model declaratory judgment. Based on the determinations made in the model declaratory judgment and the current substantive status of the underlying actions, all of the suspended investor lawsuits against Porsche SE would in effect have to be dismissed. The model declaratory judgment is not yet final. The model case plaintiff, several interested parties summoned, and Porsche SE have petitioned the BGH for review on points of law. Volkswagen AG has declared its intervention as a third-party supporting the petition for review of Porsche SE.

Excluding the United States and Canada and following the withdrawal of various actions, claims in connection with the diesel issue totaling roughly €9.5 billion (plus accessory claims) are currently pending worldwide against Volkswagen AG in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims under the KapMuG. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized for these investor lawsuits. Contingent liabilities have been disclosed where the chance of success was estimated to be not less than 10%.

5.19.1.7 *Special Audit*

In a November 2017 ruling, the Higher Regional Court of Celle ordered, upon the request of three U.S. funds, the appointment of a special auditor for Volkswagen AG. The special auditor had to examine whether the members of the Board of Management and Supervisory Board of Volkswagen AG breached their duties in connection with the diesel issue from June 22, 2006 onwards and, if so, whether this resulted in damages for Volkswagen AG. The ruling by the Higher Regional Court of Celle was originally formally unappealable.

Volkswagen AG had lodged a constitutional appeal against this originally formally legally binding decision before the Federal Constitutional Court. Volkswagen AG had also lodged a constitutional complaint against the further, originally also formally legally binding decision of the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. In its decisions of September 2022, the Federal Constitutional Court upheld the two constitutional complaints and determined that the decisions of the Higher Regional Court of Celle repeatedly violated Volkswagen AG's constitutionally guaranteed rights. The decisions of the Higher Regional Court were set aside and the cases were referred back to the Higher Regional Court, which, as of the date of this Prospectus, has not yet heard the case following the referral. In addition, Volkswagen AG had brought an action for an injunction against the special auditor at the Regional Court of Braunschweig, requesting that the special audit not be carried out as long as the special auditor had not sufficiently demonstrated his independence. The Regional Court of Braunschweig dismissed the injunction action in the summer of 2022, and Volkswagen AG then appealed to the Higher Regional Court of Braunschweig.

In addition, a second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue has been filed with the Regional Court of Hanover. This proceeding was originally stayed pending a decision by the Federal Constitutional Court in the initial special auditor litigation. Following the rulings of the Federal Constitutional Court in November 2022 finding both constitutional complaints lodged by Volkswagen AG to be meritorious, the proceedings before the Hanover Regional Court have been resumed as a result but as of the date of this Prospectus, have not yet been heard by the Court.

5.19.1.8 *Proceedings in the United States/Canada*

Following the publication of the EPA's "Notices of Violation" of the U.S. Clean Air Act, Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. Volkswagen AG and/or other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. In addition, Volkswagen AG and other Volkswagen Group companies in the U.S. and Canada are facing litigation on a number of different fronts relating to the matters described in the EPA's "Notices of Violation".

A large number of putative class action lawsuits by consumers, investors, dealers and salespersons have been filed in U.S. federal courts and consolidated for pretrial coordination purposes in the federal multidistrict litigation proceeding in the State of California.

On January 4, 2016, the DoJ, Civil Division, on behalf of the EPA, initiated a civil complaint against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies. The action sought statutory penalties under the U.S. Clean Air Act, as well as certain injunctive relief, and was consolidated for pretrial coordination purposes in the California multidistrict litigation. On January 12, 2016, CARB announced that it intended to seek civil fines for alleged violations of the California Health & Safety Code and various CARB regulations.

Volkswagen was able to end many significant court and governmental proceedings in the U.S. by concluding settlement agreements with (i) the DoJ on behalf of the EPA and the State of California on behalf of CARB and the California Attorney General, (ii) the U.S. Federal Trade Commission, and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee (PSC) in a multi-district litigation in California. The settlement agreements resolved certain civil claims made in relation to affected diesel vehicles in the U.S. Depending on the type of diesel engine, under the settlement agreements Volkswagen provided for, *inter alia*, free emissions modification of vehicles, buy-backs/trade-ins or early lease terminations, and made cash payments to affected current owners or lessees as well as certain former owners or lessees. Volkswagen also agreed to support environmental programs, make significant investments over a period of ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives. Several thousand consumers initially opted out of the settlement agreements, and many of these consumers filed civil lawsuits seeking monetary damages for fraud and violations of state consumer protection acts. As a result of various subsequent resolutions, the only remaining opt-out proceeding concerns legal fees and costs for a group of opt-out plaintiffs who settled their claims but have not yet moved for payment of their legal fees and costs.

The DoJ also opened a criminal investigation focusing on allegations that various federal law criminal offenses were committed. As part of its plea agreement, Volkswagen AG pleaded guilty on March 10, 2017 to three felony counts under U.S. law: (i) conspiracy to defraud the U.S., to commit wire fraud and to violate the Clean Air Act, (ii) obstruction of justice, and (iii) using false statements to import cars into the U.S. The court accepted Volkswagen AG's guilty plea to all three charges and sentenced the company to three years' probation on April 21, 2017. The plea agreement provides for payment of a criminal fine of U.S.$2.8 billion. Pursuant to the terms of this agreement, Volkswagen was required to retain for a three-year period an external independent compliance monitor/compliance auditor to review and audit Volkswagen's compliance with its obligations under the settlement agreements. Larry D. Thompson was appointed as the independent compliance monitor in April 2017. This included overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, including an enhanced ethics program. On October 17, 2019, Volkswagen announced that it was granted a 90-day extension by DOJ and the Monitor to demonstrate that it has met its commitments under the terms of the plea agreement. On September 14, 2020, the term of the plea agreement and the term of the Independent Compliance Monitor retained pursuant to the plea agreement expired. Volkswagen will also continue to cooperate with the DoJ's ongoing prosecution of individual employees or former employees who may be responsible for criminal violations. Additionally, the term of the Independent Compliance Auditor under the Third Partial Consent Decree and the Third California Partial Consent Decree ended earlier in June 2020.

Volkswagen AG, AUDI AG and other Volkswagen Group companies have further agreed to pay a combined civil penalty of U.S.$ 1.45 billion to resolve U.S. federal customs-related claims in the U.S. Furthermore, Volkswagen AG and Volkswagen Group of America, Inc. have agreed to pay a smaller civil penalty to the DoJ to settle other potential claims arising under federal statute. DoJ prosecution into the conduct of various individuals relating to the diesel issue remain ongoing. Volkswagen is required to cooperate with these prosecutions. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution.

Moreover, investigations by U.S. regulatory and government authorities, including in areas relating to securities are ongoing. On March 14, 2019, the SEC filed a complaint in the U.S. District Court for the Northern District of California, against Volkswagen AG, Volkswagen Group of America Finance, LLC and VW Credit Inc., asserting claims under U.S. federal securities law based, among other things, on alleged misstatements and omissions in connection with the offer and sale of certain bonds and asset-backed securities. The SEC complaint seeks permanent injunctions, disgorgement of allegedly ill-gotten gains with prejudgment interest, and civil penalties. In August 2020, the court granted in part and denied in part Volkswagen's motion to dismiss. The claims dismissed by the court included all claims against VW Credit, Inc. related to asset-backed securities. In September 2020, the SEC filed an amended complaint that, among other things, removed the dismissed claims.

Further, private plaintiffs purporting to represent a putative class of individuals who purchased or leased TDI vehicles but who no longer owned or leased those vehicles filed a class action complaint in the federal multidistrict litigation in California. The court dismissed the complaint in November 2020. Plaintiffs appealed this decision to the Ninth Circuit, which affirmed the lower court's decision on January 20, 2022.

In the U.S., Volkswagen has reached separate agreements with the attorneys general of all 50 states, the District of Columbia and Puerto Rico to resolve their existing or potential consumer protection and unfair trade practices claims in connection with both 2.0l TDI and 3.0l TDI vehicles in the U.S. Volkswagen has also reached separate agreements with the attorneys general of seventeen U.S. states (California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington) to resolve their existing or potential future claims for civil penalties and injunctive relief for alleged violations of environmental laws. The attorney general of one other U.S. state (Texas) and some municipalities have suits pending in state and federal courts against Volkswagen AG, Volkswagen Group of America, Inc. and/or certain affiliates, alleging violations of environmental laws. The environmental claims of nine states – Alabama, Illinois, Minnesota, Missouri, Montana, Ohio, Tennessee, Texas, and Wyoming – as well as Hillsborough County (Florida), Salt Lake County (Utah), and two Texas counties, have been dismissed in full or in part by trial or appellate courts as preempted by federal law. On June 1, 2020, the U.S. Court of Appeals for the Ninth Circuit reversed in part the dismissal of the claims asserted by Hillsborough County and Salt Lake County. On June 29, 2021, the Ohio Supreme Court affirmed a decision by an Ohio appellate court that permitted certain environmental claims by Ohio to proceed. Volkswagen sought to appeal the U.S. Court of Appeals for the Ninth Circuit and Ohio Supreme Court decisions to the U.S. Supreme Court, but on November 15, 2021, the U.S. Supreme Court declined to hear Volkswagen's appeals. In January 2022, Volkswagen settled environmental claims brought by Ohio.

In May 2023, Volkswagen reached a settlement-in-principle (subject to documentation) to resolve environmental claims brought by Texas and the Texas counties. On June 22, 2023, a federal trial court granted Volkswagen summary judgment on all of the claims brought by Hillsborough County and Salt Lake County. Hillsborough County and Salt Lake County have appealed that decision.

A putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and omissions to disclose material facts, and that the value of these bonds declined after the EPA issued its "Notices of Violation". This lawsuit has also been consolidated in the federal multidistrict litigation proceeding in the State of California described above. On June 25, 2021, the Ninth Circuit granted Volkswagen's interlocutory appeal, reversing the district court's denial of Volkswagen's motion for summary judgment. In July 2021, plaintiff petitioned the Ninth Circuit for rehearing either before the original panel or *en banc*. On September 23, 2021, the Ninth Circuit denied the petition and on

October 12, 2021 issued the mandate formally entering its judgment of reversal and remanding to the district court for determination as to whether summary judgment should be granted.

As to pending matters in Canada, an environmental class action has been authorized on behalf of residents in Quebec. This action was authorized by the court on the sole issue of whether punitive damages could be recovered and on the basis that unresolved questions about the viability of plaintiffs' damages theory would be a matter for trial. The case has been settled for an all inclusive payment of CAD 6.7 million. The Superior Court of Quebec approved the settlement in June 2022 and an appeal of that approval on the limited subject of counsel fees has been dismissed in the meantime so that settlement may now proceed.

5.19.2 *Potential regulatory issues relating to hardware and software components used in certain type approval measurements for gasoline vehicles*

Porsche AG has discovered potential regulatory issues relating to vehicles for various markets worldwide. There are questions as to the permissibility of specific hardware and software components used in type approval measurements. Differences compared with production versions may also have occurred in certain cases. Based on the information presently available, current production is not affected. The issues are unrelated to the defeat devices that were at the root of the diesel issue. Porsche AG is cooperating with the relevant authorities including the Stuttgart Office of the Public Prosecutor, which is investigating the matter in Germany. Based on the available information, no formal criminal investigation has been opened against the company. Porsche's own internal investigations are largely complete. In January 2021, a consolidated complaint was filed with the U.S. District Court for the Northern District of California, combining six different class action complaints originally directed at Porsche AG and its American importer subsidiary, Volkswagen AG and AUDI AG and alleging that the affected vehicles used certain software and/or hardware that resulted in increased emissions and/or overstated fuel economy estimates as compared to the results of certification testing. In December 2021, the parties agreed to a draft settlement in the amount of USD 80 million (including a possible additional USD 5 million further payment obligation). Following a settlement hearing, the judge presiding in the matter granted final approval in November 2022 and the settlement amount was paid during the fiscal year 2022. In December 2022, a member of the class who had objected to the settlement filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit, challenging the final approval order. The appeal does not impact the ongoing processing of claims and payments to class members under the settlement. A further class action lawsuit, affecting a smaller number of vehicles, is pending in Canada, and Porsche AG has also been working with other regulatory authorities, such as the California Air Resources Board and the National Highway Traffic Safety Administration, to conclude inquiries in connection with this matter. In June 2022, the US Department of Justice issued a letter confirming that it would not be conducting any further inquiry into these issues.

5.19.3 *Investor Claims in connection with Porsche*

In 2011, ARFB Anlegerschutz UG (*haftungsbeschränkt*) filed a claim for damages against Volkswagen AG and Porsche SE for allegedly violating disclosure requirements under capital market law in connection with the acquisition of ordinary shares in Volkswagen AG by Porsche SE in 2008. The damages being sought based on allegedly assigned rights currently amount to approximately €2.26 billion plus interest. On September 30, 2022, the Higher Regional Court in Celle (Lower Saxony), in a declaratory judgment according to the German Act on Model Case Proceedings in Capital Markets Issues (KapMuG – *Kapitalanleger-Musterverfahrensgesetz*), rejected all applications of ARFB Anlegerschutz UG and the other summoned parties to assess a liability of Volkswagen AG and Porsche SE for being unfounded.

ARFB Anlegerschutz UG and another summoned party have filed appeals to the German Federal Court of Justice (*Bundesgerichtshof).* ARFB has confined its appeal to Porsche SE, while accepting the findings of the declaratory judgment in relation to Volkswagen. The other summoned party however has generally appealed and has also directed its appeal against Volkswagen AG.

Volkswagen AG continues to consider the alleged claims to be without merit. However, in the event of a settlement or an unfavorable decision in the legal proceedings, Volkswagen AG could sustain considerable losses.

5.19.4 ***Antitrust Proceedings***

5.19.4.1 *Europe*

In 2014, the European Commission opened antitrust proceedings against European truck manufacturers including MAN and Scania. With its first decision following individual settlements in July 2016 the European Commission fined five European truck manufacturers excluding MAN and Scania. MAN was not fined as the company had informed the European Commission about the irregularities as a key witness. With regard to Scania, the European Commission issued a contentious fine decision in September 2017 by which a fine of €0.88 billion was imposed. Scania appealed to the European Court in Luxembourg that rendered its decision in February 2022. The Scania appeal was fully rejected and the fining decision of the European Commission confirmed. In April 2022, Scania appealed against the judgment of the General Court of the European Union from February 2022 to the European Court of Justice. The €0.88 billion fine plus interest from the EU antitrust proceedings was paid in April 12, 2022, to avoid additional interest penalties. Following the settlement decisions, lawsuits for damages from a significant number of (direct and indirect) truck customers against MAN and Scania have been filed and will continue to be filed, which could result in substantial liabilities. With the merger of MAN SE and TRATON SE taking effect, TRATON SE has, in most jurisdictions, automatically assumed the procedural role of MAN SE as legal successor in the respective proceedings.

In July 2021, the European Commission assessed a fine totaling roughly €502 million against Volkswagen AG, AUDI AG and Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision has become final. The subject matter scope of the decision is limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers are not charged with any other misconduct such as price fixing or allocating markets and customers.

Based on the facts of the EU case, in April 2023 the Korean competition authority KFTC issued the administrative fine decision that it had announced in its February 2023 press release. As announced, no fine was imposed on Volkswagen AG, and Porsche AG is not affected by the decision. A fine equaling just under €3 million was imposed against AUDI AG. AUDI AG and Volkswagen AG have appealed the decision to the relevant court in Seoul/Korea. Proceedings in this matter have also been finalized in Turkey. There, these three Group brands have received a decision from the competition authority that did not impose any fines on the three Group brands. Based on comparable matters, the Chinese competition authority has instituted proceedings against Volkswagen, Audi, and Porsche, among others, and issued requests for information.

In March 2022, the European Commission and the CMA, the English antitrust authorities, searched the premises of various automotive manufacturers and automotive industry organizations and/or served them with formal requests for information. Within the Volkswagen Group, the investigation affects Volkswagen Group UK, which was searched by the *CMA*, and Volkswagen AG, which has received a Group-wide information request from the European Commission. The investigation relates to European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization ACEA, which are suspected of having agreed from 2001/2002 to the present to avoid paying for the services of recycling companies that dispose of ELV (specifically passenger cars and vans up to 3.75 tons). Also alleged is an agreement to refrain from competitive use of *ELV* issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. Volkswagen AG has responded to the European Commission's information requests. Volkswagen Group UK is cooperating with the CMA. The CMA has furthermore issued requests for information to Volkswagen AG in connection with this matter. In July 2022, Volkswagen AG filed an action for judicial review challenging the CMA's requests for information in particular because Volkswagen AG believes that they exceed the CMA's jurisdiction. In February 2023, the court issued a decision in favor of Volkswagen AG, to which the CMA filed an appeal in April 2023. Volkswagen AG continues to examine the possibilities for reasonable cooperation with CMA.

In addition, a few national and international authorities have initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. The above proceedings are currently pending, and it is too early to assess the potential consequences of the investigation on Volkswagen.

5.19.4.2 *United States and Canada*

In March 2020, the U.S. District Court for the Northern District of California dismissed two putative class action complaints brought by purchasers of German luxury vehicles alleging that, since the 1990s, several automobile manufacturers, including Volkswagen AG and other Group companies conspired to unlawfully increase the prices of German luxury vehicles in violation of U.S. antitrust and consumer protection law. The court held that the plaintiffs have not stated a claim for relief because the allegations in the complaints do not plausibly support the alleged agreements unreasonably restrained competition in violation of U.S. law. The plaintiffs appealed this ruling. In August 2021, the plaintiffs in one of the two class actions withdrew their appeal. In October 2021, the Ninth Circuit Court of Appeals affirmed the dismissal of the other class action by the U.S. District Court for the Northern District of California. In January 2022, the Ninth Circuit Court of Appeals denied the plaintiffs' motion (filed at the end of 2021) for rehearing on the decision in which the court had affirmed the judgment of the U.S. District Court. In February 2022, the U.S. District Court also denied the plaintiffs' motion to set aside its judgment and to be allowed to file a new complaint. In June 2022, the U.S. Supreme Court denied the petition filed by the plaintiffs seeking review of this decision.

Plaintiffs in Canada filed claims with similar allegations on behalf of putative classes of purchasers of German luxury vehicles against several automobile manufacturers, including Volkswagen Group Canada Inc., Audi Canada Inc., and other Group companies.

Additionally, Volkswagen AG and certain of its former executives and a current director have been named as defendants in a putative class action filed in the United States District Court for the Eastern District of New York. The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, based on allegations relating to statements in Volkswagen AG's Annual Reports for the years 2012 through 2016, including statements regarding Volkswagen AG's compliance measures, in particular those relating to competition and antitrust law. On May 20, 2021, the District Court dismissed with prejudice all of Plaintiffs' claims, holding that none of the statements identified by Plaintiffs gave rise to a cause of action under U.S. securities laws. On March 15, 2022, the United States Court of Appeals for the Second Circuit affirmed the District Court's dismissal of the action.

5.19.5 ***Nullification Lawsuits***

On August 23, 2021, two claims were initiated against Volkswagen in the District Court (Landgericht) of Hannover seeking nullification of certain resolutions passed at the annual General Meeting of Shareholders on July 22, 2021. Specifically, both claims seek nullification of: (i) the resolutions on the approval of settlement agreements with former Chairman of the Board of Management Professor Martin Winterkorn and former member of the Board of Management Rupert Stadler and (ii) the resolution on the approval of a settlement agreement with the D&O insurers of Volkswagen Aktiengesellschaft. Additionally, the second claim seeks nullification of: (i) the discharge of the members of the Board of Management for the fiscal year 2020 and (ii) the discharge of the members of the Supervisory Board for the fiscal year 2020. In its judgment dated October 12, 2022, the District Court (*Landgericht*) of Hannover dismissed both claims as unfounded and determined that the resolutions challenged by the claimants were lawful. The claimants then filed appeals with the Higher Regional Court (*Oberlandesgericht*) of Celle which have not yet been heard by the court.

5.19.6 ***VW Truck & Bus Ltda. Tax Proceedings***

In the tax proceedings between Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda. ("**VW Truck & Bus Ltda.**") and the Brazilian tax authorities, the Brazilian tax authorities took a different view of the tax implications of the acquisition structure chosen by MAN SE (now TRATON SE) for the acquisition of VW Truck & Bus Ltda in 2009. The tax proceedings have been divided into two auditing periods, covering the years 2009/2011 (***Phase 1***) and 2012/2014 (***Phase 2***). In December 2017, an adverse last instance judgment was rendered by the Brazilian Administrative Court (Phase 1), which was negative for VW Truck & Bus Ltda. VW Truck & Bus Ltda. appealed this judgement before a regular judicial court in 2018. The tax proceeding related to Phase 2 is still pending judgment by the Brazilian tax authorities. Because of the potential range of penalties plus interest which could apply under Brazilian law, the estimated size of the risk in the event that the tax authorities are able to prevail overall with their view is uncertain. This could result in a risk of about EUR 0.7 billion as of June 30, 2023 for the contested period from 2009 onward. This assessment is based on the accumulated accounts at the reporting date for the claimed tax liability including the potential penalty surcharges, as well as accumulated interest, but excluding any future interest and without discounting any cash flows. Several banks have issued bank guarantees for the benefit of VW Truck & Bus Ltda. as is customary in connection with such tax proceedings, which in turn are secured by TRATON SE.

5.19.7 *Navistar*

In December 2021, Navistar entered into a final Profit Sharing Settlement Agreement to terminate with past, present, and future effect certain disputes most recently litigated before an arbitration tribunal concerning the calculation of profit sharing amounts for purposes of Navistar's corporate retiree healthcare commitments.

At the same time and in the same context, an agreement to settle the class action lawsuits was also reached with class action members; this agreement was subject to approval by the supervising court. The final agreement provides for a payment by Navistar in an amount of €491 million (USD 556 million); in fulfillment of the agreement, Navistar has already made an initial payments totaling €88 million (USD 100 million). Navistar recognized provisions in this regard in prior periods. In June 2022, the Profit Sharing Settlement Agreement was approved by the competent court. Following this, Navistar made the contractually agreed final payment of USD 424 million (€401 million) including interest. The deadline for appealing the court's final approval of the class action settlement has expired.

5.19.8 *MAN SE merger squeeze-out*

The merger of MAN SE with TRATON SE was entered in the commercial register of MAN SE and TRATON SE on August 31, 2021. With this, MAN SE ceased to exist as an independent legal entity, and all rights and obligations were transferred to TRATON SE. MAN SE shares were delisted at the same time. Cash compensation in the amount of €70.68 per common and preferred share was paid out to MAN SE noncontrolling shareholders on September 3, 2021. This marked the conclusion of the MAN SE merger squeeze-out. The appropriateness of the cash compensation was reviewed by a court-appointed auditor as part of the judicial award proceedings initiated by affected noncontrolling interest shareholders. The auditor confirmed the cash compensation to be adequate. TRATON SE submitted its response to the court at the end of June 2022. Judicial proceedings are still underway. No provisions or contingent liabilities have been recognized.

5.19.9 *Environmental claims*

In November 2021, three claimants supported by Greenpeace filed a lawsuit against Volkswagen AG before the Braunschweig Regional Court. The action seeks to compel Volkswagen, *inter alia*, to initially reduce in stages and by beginning of 2030 completely cease its production and sale of vehicles with internal combustion engines as well as to significantly reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further seeks to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfil these demands as well. Simultaneously, another action with identical requests for relief and by and large the same rationale has been filed by an organic farmer with the support of Greenpeace before the Detmold Regional Court. Both lawsuits were dismissed in February 2023. The plaintiffs have filed appeals against the judgments dismissing their complaints (in March 2023 with the Braunschweig Higher Regional Court and in April 2023 with the Hamm Higher Regional Court). In the appeal proceedings, the motions were tightened to the effect that Volkswagen should, among other things, no longer be allowed to sell vehicles with internal combustion engines with immediate effect and worldwide.

5.20 **Legal Factors Influencing Business**

As with other international companies, Volkswagen's business is affected by numerous laws in Germany and abroad. In particular, these are legal requirements relating to development, production and distribution, and also include tax, capital market, commercial and company law, as well as antitrust, environmental, labor, banking, state aid, energy and insurance regulations.

Risks from the legal and political framework have a considerable impact on Volkswagen's future business success and have tended to become greater during the recent period. Regulations concerning vehicles' emissions, fuel consumption and safety play a particularly important role. Complying with these varied and often diverging regulations across the world requires strenuous efforts on the part of the automotive industry. In addition to emissions, consumption and safety regulations, traffic-policy restrictions for the reduction of traffic congestion, noise and pollution are becoming increasingly important in cities and urban areas in the European Union and other regions. For example, bans on diesel vehicles are being gradually implemented in several jurisdictions.

When transparent and economically viable, insurance cover is taken out for these risks. For the identifiable and measurable risks, corresponding provisions are recognized and information about contingent liabilities is disclosed. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. This particularly applies to legal risk assessment regarding the diesel issue.

6. TERMS AND CONDITIONS OF THE NC5 NOTES

Terms and Conditions

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

§ 1
(Form and Denomination)

(1) **Currency, Denomination and Form**.

Volkswagen International Finance N.V. (the "**Issuer**") issues undated unsecured subordinated notes with a first call date in 2028 in an aggregate principal amount of EUR 1,000,000,000 (the "**Notes**"). The Notes are issued in bearer form. The Notes are guaranteed on a subordinated basis by Volkswagen Aktiengesellschaft (the "**Guarantor**") and have a denomination of EUR 100,000 (the "**Specified Denomination**") per Note.

(2) **Global Notes and Exchange**.

The Notes will initially be represented by one temporary global bearer note (the "**Temporary Global Note**") without coupons which will be deposited with a common depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV (together hereinafter referred to as the "**Clearing System**") on or around the date of issue of the Notes. The Temporary Global Note will be exchangeable for a permanent global bearer note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without coupons not earlier than 40 and not later than 180 days after the date of issue of the Notes upon certification as to non-U.S. beneficial ownership in the Notes in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certification. No definitive notes or interest coupons will be issued.

Anleihebedingungen

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

§ 1
(Verbriefung und festgelegte Stückelung)

(1) **Währung, festgelegte Stückelung und Form**.

Volkswagen International Finance N.V. (die "**Emittentin**") begibt unbesicherte nachrangige Schuldverschreibungen ohne feste Laufzeit erstmals kündbar in 2028 im Gesamtnennbetrag von EUR 1.000.000.000 (die "**Schuldverschreibungen**"). Die Schuldverschreibungen lauten auf den Inhaber. Die Schuldverschreibungen werden von der Volkswagen Aktiengesellschaft auf nachrangiger Basis garantiert (die "**Garantin**") und haben eine Stückelung von je EUR 100.000 (die "**festgelegte Stückelung**").

(2) **Globalurkunden und Austausch**.

Die Schuldverschreibungen werden zunächst von einer vorläufigen Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft welche am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für Clearstream Banking S.A. und Euroclear Bank SA/NV (beide gemeinsam nachstehend als "**Clearingsystem**" bezeichnet) hinterlegt wird. Die Vorläufige Globalurkunde wird nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 Tagen nach dem Tag der Begebung der Schuldverschreibungen gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalurkunde (die "**Dauer-Globalurkunde**" und, gemeinsam mit der Vorläufigen Globalurkunde, die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Zahlungen auf die Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

(3) **Proportional Co-ownership Interests**.

The holders of the Notes (the "**Holders**") are entitled to proportional co-ownership interests or rights in the Temporary Global Note and the Permanent Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

(3) **Miteigentumsanteile**.

Den Inhabern der Schuldverschreibungen (die "**Gläubiger**") stehen Miteigentumsanteile bzw. Rechte an der Vorläufigen Globalurkunde und der Dauer-Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

§ 2
(Status)

(1) **Status of the Notes**.

The Issuer's obligations under the Notes constitute subordinated and unsecured obligations of the Issuer and in the event of the winding-up, dissolution or liquidation of the Issuer rank:

(a) senior only to the Junior Obligations of the Issuer,

(b) *pari passu* among themselves and with any Parity Obligations of the Issuer, and

(c) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

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

§ 2
(Status)

(1) **Status der Schuldverschreibungen**.

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin:

(a) nur Nachrangigen Verbindlichkeiten der Emittentin im Rang vorgehen,

(b) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen, und

(c) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

"**Nachrangige Verbindlichkeiten der Emittentin**" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, under such guarantee or other assumptions of liability rank or are expressed to rank *pari passu* with the instruments described under (i), (ii) and (iii).

Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

"**Parity Obligations of the Issuer**" means any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement where the Issuer's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes. For the avoidance of doubt, Parity Obligations of the Issuer include:

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

its undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342;

its undated unsecured subordinated notes with a first call date in 2024, ISIN XS1799938995;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2024, ISIN XS1799938995;

its undated unsecured subordinated notes with a first call date in 2025, ISIN XS2187689034;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2025, ISIN XS2187689034;

its undated unsecured subordinated notes with a first call date in 2026, ISIN XS1048428442;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2026, ISIN XS1048428442;

its undated unsecured subordinated notes with a first call date in 2027, ISIN XS1629774230;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS1629774230;

its undated unsecured subordinated notes with a first call date in 2027, ISIN XS2342732562;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS2342732562;

its undated unsecured subordinated notes with a first call date in 2028, ISIN XS1799939027;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS1799939027;

its undated unsecured subordinated notes with a first call date in 2029, ISIN XS2187689380;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2029, ISIN XS2187689380;

its undated unsecured subordinated notes with a first call date in 2030, ISIN XS1206541366;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2030, ISIN XS1206541366;

its undated unsecured subordinated notes with a first call date in 2031, ISIN XS2342732646; and

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2031, ISIN XS2342732646; und

its undated unsecured subordinated notes with a first call date in 2032, ISIN XS2675884733 (together the "**Hybrid Securities**").

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2032, ISIN XS2675884733 (zusammen die "**Hybridanleihen**").

"**Subsidiary of the Issuer**" means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Emittentin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

(2) **Insolvency or Liquidation of the Issuer**.

In an insolvency or liquidation of the Issuer, no payments under the Notes shall be made to the Holders unless all claims that, pursuant to § 2(1), rank senior to the Notes (condition precedent) have been discharged or secured in full (i.e. not only with a quota).

(2) **Insolvenz oder Liquidation der Emittentin**.

Im Falle einer Insolvenz oder Liquidation der Emittentin steht jedwede Zahlung unter den Schuldverschreibungen an die Gläubiger unter dem Vorbehalt, dass zuvor sämtliche Verpflichtungen auf gegenüber den Schuldverschreibungen gemäß § 2(1) vorrangige Verbindlichkeiten zur Gänze (d.h. nicht nur quotenmäßig) bezahlt oder sichergestellt wurden.

§ 3
(Guarantee)

§ 3
(Garantie)

(1) **Unconditional and Irrevocable Guarantee**.

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis as to payments (the "**Guarantee**").

(1) **Unbedingte und Unwiderrufliche Garantie**.

Die Schuldverschreibungen werden unbedingt und unwiderruflich durch die Garantin auf nachrangiger Ebene im

Hinblick auf Zahlungen garantiert (die "**Garantie**").

(2) **Status of the Guarantee**.

The obligations of the Guarantor under the Guarantee rank:

(a) senior only to the Junior Obligations of the Guarantor,

(b) *pari passu* with any other present and future Parity Obligations of the Guarantor, and

(c) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

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

"**Parity Obligations of the Guarantor**" means any present or future obligation which (i) is issued by the Guarantor and

(2) **Status der Garantie**.

Die Verbindlichkeiten der Garantin unter der Garantie:

(a) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,

(b) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und

(c) gehen allen anderen nicht nachrangingen Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

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

"**Gleichrangige Verbindlichkeiten der Garantin**" bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement where the Guarantor's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's Hybrid Securities.

von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus den Garantien für die Hybridanleihen.

"**Subsidiary of the Guarantor**" means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Garantin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

§ 4
(Prohibition of Set-off)

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

§ 4
(Aufrechnungsverbot)

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

§ 5
(Interest)

(1) **Interest accrual**.

From and including September 6, 2023 (the "**Interest Commencement Date**") to but excluding September 6, 2028 (the "**First Call Date**") the Notes bear interest on their Specified Denomination at a rate of 7.500 per cent. *per annum*.

From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4) the Notes bear interest on their Specified Denomination at the relevant Reset Rate of Interest.

§ 5
(Zinsen)

(1) **Zinslauf**.

In dem Zeitraum ab dem 6. September 2023 (der "**Verzinsungsbeginn**") (einschließlich) bis zum 6. September 2028 (der "**Erste Rückzahlungstermin**") (ausschließlich) werden die Schuldverschreibungen bezogen auf die festgelegte Stückelung mit 7,500 % *per annum* verzinst.

In dem Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt, werden die Schuldverschreibungen bezogen auf die festgelegte Stückelung mit dem jeweiligen Reset-Zinssatz verzinst.

Interest for each Interest Period is scheduled to be paid annually in arrear on September 6 of each year (each an "**Interest Payment Date**"), commencing on September 6, 2024 and will be due and payable (*fällig*) in accordance with the conditions set out in § 6.

Zinsen für jede Zinsperiode sind jährlich nachträglich am 6. September eines jeden Jahres (jeweils ein "**Zinszahlungstag**") zur Zahlung vorgesehen, erstmals am 6. September 2024, und werden nach Maßgabe der in § 6 dargelegten Bedingungen fällig.

(2) **Definitions**.

(2) **Definitionen**.

"**Reset Reference Rate**" for a Reset Period will be determined on the relevant Interest Determination Date prior to the Reset Date on which the relevant Reset Period commences as follows:

"**Reset-Referenzsatz**" wird für einen Reset-Zeitraum an dem betreffenden Zinsfestsetzungstag vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt, wie folgt festgelegt:

(a) For each Reset Period beginning prior to the occurrence of an Effective Date, if any, the Reset Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at the relevant time on the relevant Interest Determination Date, the Reset Reference Rate shall be equal to 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.

(a) Für jeden Reset-Zeitraum, der vor dem Eintritt eines etwaigen Stichtags beginnt, entspricht der Reset-Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestsetzungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der Reset-Referenzsatz dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

(b) For the Reset Period commencing immediately after the relevant Effective Date and all following Reset Periods, the Reset Reference Rate will be determined in accordance with this § 5(4).

For purposes of the determination of the Reset Reference Rate, any rate which is not expressed on an annual basis will be converted by the Calculation Agent to an annual basis.

(b) Für den Reset-Zeitraum, der unmittelbar nach dem jeweiligen Stichtag beginnt, und alle folgenden Reset-Zeiträume, wird der Reset-Referenzsatz, gemäß diesem § 5(4) bestimmt.

Für die Bestimmung des Reset-Referenzsatzes wird jeder nicht auf jährlicher Basis ausgedrückte Satz von der Berechnungsstelle auf eine jährliche Basis umgerechnet.

"**Reset Rate of Interest**" means the Reset Reference Rate for the relevant Reset Period in which the relevant Interest

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

Period falls plus the relevant Margin for the relevant Interest Period.

relevanten Marge für die jeweilige Zinsperiode.

"**Original Benchmark Rate**" on any day means (subject to § 5(4)) the annual Euro Mid Swap Rate (expressed as a percentage *per annum*) as at 11:00 a.m. (Frankfurt time), as displayed on the Screen Page as at or around 11:00 a.m. (Frankfurt time) (or, if later, as at or around such time at which the Euro Mid Swap Rate becomes available on the Screen Page) on such day.

"**Ursprünglicher Benchmarksatz**" an einem Tag bezeichnet den (vorbehaltlich § 5(4)) den jährlichen Euro-Mid-Swapsatz (ausgedrückt als Prozentsatz *per annum*) um 11:00 Uhr (Frankfurter Zeit), wie er auf der Bildschirmseite gegen 11:00 Uhr (Frankfurter Zeit) (oder zu einer späteren Uhrzeit, zu welcher der Euro-Mid-Swapsatz auf der Bildschirmseite verfügbar wird) an dem betreffenden Tag angezeigt wird.

For these purposes "**Euro Mid Swap Rate**" means the arithmetic mean of the bid and offered rates for the annual fixed leg of a fixed-for-floating interest rate swap transaction in Euro which (x) has a term of 5 years and (y) has a floating leg based on the 6-month EURIBOR rate (or the EURIBOR rate for such other tenor as is the then prevailing market standard tenor for such fixed-for-floating interest rate swap transactions in Euro).

Für diese Zwecke bezeichnet "**Euro-Mid-Swapsatz**" das arithmetische Mittel der nachgefragten (bid) und angebotenen (offered) Sätze für den jährlichen Festzinszahlungsstrom einer fest- bis variablen (fixed-for-floating) Zinsswap-Transaktion in Euro, (x) die eine 5-jährige Laufzeit hat, und (y) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR-Satz (oder dem EURIBOR-Satz für eine andere Laufzeit, die der Laufzeit gemäß dem dann vorherrschenden Marktstandard für solche fest- bis variable (fixed-for-floating) Zinsswap-Transaktionen in Euro entspricht) beruht.

Where:

Dabei gilt Folgendes:

"**Screen Page**" means the Reuters screen page "ICESWAP2" (or any successor page) under the heading " 11:00 AM" (or any successor heading) (the "**Original Screen Page**"). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another provider and/or page selected by the Issuer in its reasonable discretion (the "**Replacement Screen Page**"), the term "Screen Page" for purposes of the determination of the Original Benchmark Rate shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Issuer.

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite "ICESWAP2" (oder eine Nachfolgeseite) unter der Überschrift 11:00 AM" (oder einer Nachfolgeüberschrift) (die "**Ursprüngliche Bildschirmseite**"). Wenn die Ursprüngliche Bildschirmseite dauerhaft eingestellt wird, oder wenn darauf die Quotierung des Ursprünglichen Benchmarksatzes dauerhaft eingestellt wird, jedoch diese Quotierung von einem anderen Anbieter und/oder auf einer anderen, Bildschirmseite, der bzw. die von der Emittentin nach billigem Ermessen ausgewählt worden ist, verfügbar ist (die "**Ersatzbildschirmseite**"), dann bezeichnet der Begriff "Bildschirmseite" zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes die Ersatzbildschirmseite, und zwar ab dem Tag, an dem die Emittentin die Ersatzbildschirmseite auswählt.

"**Business Day**" means a day (other than a Saturday or Sunday) on which the Clearing System as well as all relevant

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie alle parts of real time gross settlement system operated by the Eurosystem or any successor/replacement system (T2) are operational to forward the relevant payment.

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

"**Margin**" means:

(i) in respect of each Interest Period from and including the First Call Date to but excluding September 6, 2033 (the "**First NC5 Step-up Date**"): 429.2 basis points *per annum* (no step-up);

(ii) in respect of each Interest Period from and including the First NC5 Step-up Date to but excluding September 6, 2048 (the "**Second NC5 Step-up Date**"): 454.2 basis points *per annum* (including a 25 basis points step-up); and

(iii) in respect of each Interest Period from and including the Second NC5 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4): 529.2 basis points *per annum* (including a further 75 basis points step-up).

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

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

betroffenen Bereiche des Real-time Gross Settlement System des Eurosystems oder dessen Nachfolger oder Ersatzsystem (T2) betriebsbereit sind, um die betreffende Zahlung abzuwickeln.

"**Zinsperiode**" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich).

"**Marge**" bezeichnet:

(i) für jede Zinsperiode ab dem Ersten Rückzahlungstermin (einschließlich) bis zum 6. September 2033 (der "**Erste NC5 Step-up Termin**"): 429,2 Basispunkte *per annum* (kein Step-Up);

(ii) für jede Zinsperiode ab dem Ersten NC5 Step-up Termin (einschließlich) bis zum 6. September 2048 (der "**Zweiter NC5 Step-up Termin**"): 454,2 Basispunkte *per annum* (einschließlich eines 25 Basispunkte Step-up); und

(iii) für jede Zinsperiode ab dem Zweiten NC5 Step-up Termin (einschließlich) bis zum Tag an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt: 529,2 Basispunkte *per annum* (einschließlich eines weiteren 75 Basispunkte Step-up).

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

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

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

(3) **Determination or calculation by Calculation Agent**

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

(4) **Benchmark Event**.

If the Issuer determines that a Benchmark Event has occurred in relation to the Original Benchmark Rate, the Issuer will notify the Calculation Agent, the Principal Paying Agent and, in accordance with § 13, the Holders thereof, and the relevant Reset Reference Rate will be determined as follows:

(a) *Independent Adviser*. The Issuer shall endeavor to appoint an Independent Adviser as soon as possible, who will determine a New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments.

(b) If prior to any relevant Interest Determination Date,

(i) the Issuer fails to appoint an Independent Adviser; or

(ii) the Independent Adviser appointed by it fails to determine a New Benchmark Rate,

the Reset Reference Rate applicable to the immediately following Reset Period shall be the Original Benchmark Rate on the last Interest Determination

"**Zinsfestsetzungstag**" ist der zweite Geschäftstag vor dem jeweiligen Reset-Termin.

(3) **Berechnungen und Feststellungen durch die Berechnungsstelle**.

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

(4) **Benchmark-Ereignis.**

Wenn die Emittentin feststellt, dass ein Benchmark-Ereignis in Bezug auf den Ursprünglichen Benchmarksatz eingetreten ist, wird die Emittentin diesen Umstand der Hauptzahlstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 13 den Gläubigern mitteilen und es gilt für die Bestimmung des jeweiligen Reset-Referenzsatzes Folgendes:

(a) *Unabhängiger Berater*. Die Emittentin wird sich bemühen, sobald wie möglich einen Unabhängigen Berater zu benennen, der einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen festlegt.

(b) Wenn vor dem jeweiligen Zinsfestsetzungstag

(i) die Emittentin keinen Unabhängigen Berater ernennt; oder

(ii) der von ihr ernannte Unabhängige Berater keinen Neuen Benchmarksatz festlegt,

dann entspricht der Reset-Referenzsatz für den unmittelbar nachfolgenden Reset-Zeitraum dem Ursprünglichen Benchmarksatz an dem letzten, unmittelbar vor dem Eintritt des

Date immediately preceding the relevant Effective Date.

relevanten Stichtags liegenden zurückliegenden Zinsfestsetzungstag.

If the fallback rate determined in accordance with this § 5(4)(b) is to be applied, § 5(4) will be operated again to determine the Reset Reference Rate applicable to the next subsequent Reset Period.

Falls der Ausweichsatz gemäß diesem § 5(4)(b) zur Anwendung kommt, wird § 5(4) erneut angewendet, um den Reset-Referenzsatz für den nächsten nachfolgenden Resetzeitraum zu bestimmen.

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

(i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate; or

(ii) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate,

and the "Reset Reference Rate" for all following Interest Periods will be (x) the relevant New Benchmark Rate on the relevant Interest Determination Date, plus (y) the Adjustment Spread.

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

(i) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz in der Folge anstelle des Ursprünglichen Benchmarksatzes maßgeblich; oder

(ii) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz in der Folge an Stelle des Ursprünglichen Benchmarksatzes maßgeblich

und der "Reset-Referenzsatz" für alle folgenden Zinsperioden entspricht (x) dem betreffenden Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

(d) *Benchmark Amendments*. If any relevant New Benchmark Rate and the applicable Adjustment Spread is determined, 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**"),

(d) *Benchmark-Änderungen*. Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne festgelegt wird, und wenn der Unabhängige Berater feststellt, dass Änderungen dieser Bedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu then the Independent Adviser will determine in its reasonable discretion the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 5(4)(e).

gewährleisten (diese Änderungen, die "Benchmark-Änderungen"), dann wird der Unabhängige Berater die Benchmark-Änderungen nach billigem Ermessen festlegen und die Emittentin diese durch eine Mitteilung gemäß § 5 Absatz (4)(e) bekanntmachen.

The Benchmark Amendments may include without limitation:

Diese Benchmark-Änderungen können insbesondere folgende Regelungen erfassen:

(i) the determination of the Reset Reference Rate; and/or

(i) die Feststellung des Reset-Referenzsatzes; und/oder

(ii) the definitions of the terms "Business Day", "Interest Payment Date", "Reset Date", "Interest Determination Date", "Day Count Fraction" and/or "Interest Period" (including the determination whether the Reset Reference Rate will be determined in advance on or prior to the relevant Interest Period or in arrear on or prior to the end of the relevant Interest Period); and/or

(ii) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag", "Reset-Termin", "Zinsfestsetzungstag", "Zinstagekoeffizient" und/oder "Zinsperiode" (einschließlich der Festlegung, ob der Referenzsatz vorausschauend vor oder zu Beginn der betreffenden Zinsperiode oder zurückblickend vor oder zum Ablauf der betreffenden Zinsperiode bestimmt wird); und/oder

(iii) the business day convention in § 8(2).

(iii) die Geschäftstagekonvention gemäß § 8(2).

(e) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any) and the relevant Effective Date in accordance with § 5(4)(h) or the fallback rate in accordance with § 5(4)(b) to the Calculation Agent, the Principal Paying Agent and, in accordance with § 13, the Holders as soon as such notification is (in the Issuer's view) practicable following the determination thereof. Such notice shall be irrevocable.

(e) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne, etwaige Benchmark-Änderungen und den betreffenden Stichtag gemäß § 5(4)(h) bzw. den Ausweichsatz nach § 5(4)(b) so bald nach deren Feststellung wie (nach Ansicht der Emittentin) praktikabel der Berechnungsstelle, der Hauptzahlstelle und den Gläubigern gemäß § 13 mitteilen. Eine solche Mitteilung ist unwiderruflich.

The New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any)

Der Neue Benchmarksatz, die Anpassungsspanne, etwaige Benchmark-Änderungen und der and the relevant Effective Date, each as specified in such notice, will be binding on the Issuer, the Calculation Agent, the Principal Paying Agent and the Holders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments with effect from the Effective Date.

betreffende Stichtag, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Berechnungsstelle, die Hauptzahlstelle und die Gläubiger bindend. Die Bedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

In addition, the Issuer may request the common depositary on behalf of CBL and Euroclear to supplement or amend these Terms and Conditions to reflect the Benchmark Amendments by attaching the documents submitted to the Global Note. The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) will become effective in accordance with the preceding paragraph regardless of whether the documents so submitted are attached to the Global Note.

Darüber hinaus kann die Emittentin die gemeinsame Verwahrstelle im Namen von CBL und Euroclear auffordern, diese Anleihebedingungen zu ergänzen oder zu ändern, um die Benchmark-Änderungen wiederzugeben, indem sie der Globalurkunde die vorgelegten Dokumente beifügt. Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen werden gemäß dem vorangehenden Absatz wirksam, ohne dass es darauf ankommt, ob die so vorgelegten Dokumente der Globalurkunde beigefügt werden.

(f) *Definitions*. As used in this § 5(4):

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,

(i) which in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(ii) which (if no such recommendation has been made, or in the case

(f) *Definitionen*. Zur Verwendung in § 5 (4):

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,

(i) die im Fall eines Nachfolge-Benchmarksatzes von einem Maßgeblichen Nominierungsgremium im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz förmlich empfohlen wird; oder

(ii) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines of an Alternative Benchmark Rate) is applied to the New Benchmark Rate in international debt capital markets transactions to produce an industry-accepted replacement reference rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

Alternativ-Benchmark-satzes) bei internationalen Anleihekapitalmarkttransaktionen auf den Neuen Benchmarksatz angewendet wird, um einen branchenweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest similar to the Original Benchmark Rate (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternativ-Benchmarksatz**" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise bei internationalen Anleihekapitalmarkttransaktionen zur Bestimmung von Zinssätzen die dem Ursprünglichen Benchmarksatz entsprechen (oder dazugehörigen Zinskomponenten) in der Festgelegten Währung angewendet wird, wobei sämtliche Festsetzungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Benchmark Amendments**" has the meaning given to it in § 5(4)(d).

"**Benchmark-Änderungen**" hat die in § 5 (4)(d) festgelegte Bedeutung.

"**Benchmark Event**" means:

(i) the Original Benchmark Rate ceasing to be published on a regular basis or ceasing to exist; or

(ii) a public statement by the administrator of the Original Benchmark Rate that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no

"**Benchmark-Ereignis**" bezeichnet:

(i) der Ursprüngliche Benchmarksatz wird nicht mehr regelmäßig veröffentlicht oder nicht fortgeführt; oder

(ii) eine öffentliche Bekannt-machung des Administrators des Ursprünglichen Benchmarksatzes dahingehend, dass dieser die Berechnung des Ursprünglichen Benchmarksatzes dauerhaft oder auf

successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or	unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen, in denen kein Nachfolge-Administrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes fortführen wird); oder
(iii) a public statement by the supervisor of the administrator of the Original Benchmark Rate, that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or	(iii) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes dahingehend, dass der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder fortgeführt werden wird; oder
(iv) a public statement by the supervisor of the administrator of the Original Benchmark Rate as a consequence of which the Original Benchmark Rate has been or will be prohibited from being used either generally, or in respect of the relevant Notes; or	(iv) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes infolge deren der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet wird bzw. verwendet werden darf; oder
(v) it has become unlawful for the Principal Paying Agent, the Calculation Agent or the Issuer to calculate or determine any Reset Reference Rate using the Original Benchmark Rate,	(v) den Umstand, dass die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung oder Bestimmung des Referenzsatzes für die Zahlstelle, die Berechnungsstelle oder die Emittentin rechtswidrig geworden ist,
provided that, for the purposes of (i) through (iii), a material alteration of the methodology used by the administrator or a public statement by the	wobei für die Zwecke von (i) bis (iii) eine wesentliche Änderung der bei Verzinsungsbeginn gültigen Methode für die Feststellung des Ursprünglichen

supervisor of the administrator of the Reset Reference Rate that the Reset Reference Rate is no longer representative of an underlying market on the Interest Commencement Date for the determination of the Original Benchmark Rate will be deemed as cessation and discontinuation, respectively, of the Original Benchmark Rate.

Benchmarksatzes durch den Administrator oder eine öffentliche Stellungnahme der Aufsichtsbehörde des Administrators des Referenzsatzes dahingehend, dass der Referenzsatz nicht länger repräsentativ für den zugrundeliegenden Markt ist, der Einstellung bzw. Nichtfortführung des Ursprünglichen Benchmarksatzes gleichsteht.

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

(i) 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

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

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

(i) die Zentralbank für die Währung, auf die sich die Benchmark oder der Bildschirmsatz beziehen, oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

(ii) jede Arbeitsgruppe oder jedes Komitee, die bzw. das von (I) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (II) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (III) einer Gruppe der zuvor genannten Zentralbanken oder anderen Aufsichtsbehörden oder (IV) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon gefördert, geführt oder mitgeführt oder gebildet wird.

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

"**Nachfolge-Benchmarksatz**" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der von dem Maßgeblichen Nominierungsgremium förmlich empfohlen wurde.

"**New Benchmark Rate**" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate.

"**Neuer Benchmarksatz**" bezeichnet den Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"**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.

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

(g) Any adjustment to the Original Benchmark Rate in case of a Benchmark Event will be made only to the extent that no Rating Event would occur as a result of such adjustment.

(g) Eine Anpassung des Ursprünglichen Benchmarksatzes im Falle eines Benchmark-Ereignisses darf nur insoweit durchgeführt werden, als durch diese Anpassung kein Ratingereignis eintritt.

(h) The effective date for the application of this § 5(4) (the "**Effective Date**") will be:

(i) if the Benchmark Event has occurred as a result of clause (i) of the definition of the term "**Benchmark Event**", the date of the occurrence of the Benchmark Event; or

(ii) if the Benchmark Event has occurred as a result of clause (ii), (iii) or (iv) 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

(h) Der Stichtag für die Anwendung dieses § 5 (4) (der "**Stichtag**") ist:

(i) der Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund des Absatzes (i) der Definition des Begriffs "**Benchmark-Ereignis**" eingetreten ist; oder

(ii) der 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 (ii), (iii) oder (iv) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

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

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

(i) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 5(4) 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.

(i) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 5 (4) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

(5) **Day Count Fraction**.

Where interest is to be calculated in respect of any period of time that is equal to or shorter than an Interest Period (the "**Calculation Period**"), the interest will be calculated on the basis of the actual number of days elapsed in such Calculation Period (from and including the day from which interest begins to accrue to but excluding the day on which it falls due), divided by the number of days in the Interest Period in which the Calculation Period falls (Act/Act (ICMA)) (including the first such day of the relevant Interest Period but excluding the last day of the relevant Interest Period).

(5) **Zinstagekoeffizient**.

Sind Zinsen für einen Zeitraum zu berechnen (der "**Zinsberechnungszeitraum**"), der kürzer als eine Zinsperiode ist oder einer Zinsperiode entspricht, so werden sie auf der Grundlage der tatsächlichen Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (ab dem ersten Tag, an dem Zinsen auflaufen (einschließlich) bis zu dem Tag, an dem die Zinsen fällig werden (ausschließlich)) berechnet, dividiert durch die Anzahl der Tage in der Zinsperiode, in die der betreffende Zinsberechnungszeitraum fällt (Act/Act (ICMA)) (einschließlich des ersten Tages der betreffenden Zinsperiode, aber ausschließlich des letzten Tages der betreffenden Zinsperiode).

(6) **Cessation of interest accrual**.

The Notes will cease to bear interest from the beginning of the day their aggregate principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3(1).

(6) **Zinslaufende**.

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Gesamtnennbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 3(1) bestimmt.

§ 6
(Due date for interest payments; Deferral of interest payments; Payment of Arrears of Interest)

(1) **Due date for interest payments; optional interest deferral**.

(a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Holders not less than 10 Business Days prior the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest (in whole but not in part).

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

Interest not due and payable in accordance with this § 6(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

(b) Arrears of Interest will not bear interest.

(2) **Optional Settlement of Arrears of Interest**.

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

§ 6
(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen)

(1) **Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub**.

(a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Gläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

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

Nach Maßgabe dieses § 6(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

(b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) **Freiwillige Zahlung von Aufgeschobenen Zinszahlungen**.

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

Zahlung festgelegten Termin enthalten muss.

(3) **Mandatory Payment of Arrears of Interest**

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

(a) the calendar day on which a dividend, other distribution or other payment was validly resolved on, declared, paid, or made in respect of Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such dividend, other distribution or payment was required in respect of employee share schemes);

(b) the calendar day on which the Issuer, the Guarantor, a Subsidiary of the Issuer or a Subsidiary of the Guarantor has redeemed, repurchased or otherwise acquired Junior Obligations of the Issuer, Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such redemption or repurchase was mandatory under the terms of the instrument or required in respect of employee share schemes);

(c) the calendar day on which the Notes are redeemed;

(d) the next Interest Payment Date on which the Issuer pays interest on the Notes scheduled to be paid on such Interest Payment Date; or

(e) the calendar day after an order is made for the winding-up,

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

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

(a) am Kalendertag, an dem eine Dividende oder sonstige Ausschüttung oder sonstige Zahlung in Bezug auf Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin erklärt, beschlossen, gezahlt oder geleistet wurde (außer in dem Fall, dass die Dividende oder sonstige Ausschüttung oder Zahlung unter einem Mitarbeiterbeteiligungsprogram m erforderlich war);

(b) am Kalendertag, an dem die Emittentin, die Garantin, eine Tochtergesellschaft der Emittentin oder eine Tochtergesellschaft der Garantin Nachrangige Verbindlichkeiten der Emittentin, Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin zurückgekauft, zurückgezahlt oder anderweitig erworben hat (außer in dem Fall, dass die Rückzahlung oder der Rückkauf nach den Bedingungen des Instruments verpflichtend war oder unter einem Mitarbeiterbeteiligungsprogram m erforderlich war);

(c) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt wurden;

(d) am nächsten Zinszahlungstag, an dem die Emittentin Zinsen auf die Schuldverschreibungen zahlt; oder

(e) am Kalendertag, nach dem ein Beschluss zur Auflösung, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or Guarantor, as the case may be);

Abwicklung oder Liquidation der Emittentin oder der Garantin ergangen ist (aber nur, wenn dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht und die Emittentin bzw. die Garantin noch zahlungsfähig sind und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt);

provided that

mit der Maßgabe, dass

(x) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such parity or junior obligations to make such payment, such redemption, such repurchase or such other acquisition; and

(x) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft nach Maßgabe der Emissionsbedingungen der betreffenden gleichrangigen oder nachrangigen Verbindlichkeit zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; und

(y) in the case (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations of the Issuer or Parity Obligations of the Guarantor in whole or in part in a public tender offer or public exchange offer at a purchase price per Parity Obligation below its par value.

(y) im vorgenannten Fall (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.

§ 7
(Redemption and Repurchase)

(1) **No Scheduled Redemption**.

The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 7.

(2) **Repurchase**.

Subject to applicable laws, the Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(3) **Redemption at the Option of the Issuer and in Case of Minimum Outstanding Aggregate Principal Amount**.

(a) The Issuer may, upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13 call the Notes for redemption (in whole but not in part) for the first time with effect as of the First Call Date and subsequently with effect as of each Interest Payment Date thereafter.

(b) The Issuer may, upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if at least 80 per cent. of the aggregate principal amount of the Notes (including any notes additionally issued in accordance with § 12) have been redeemed or purchased and cancelled.

(c) The notice shall set forth the underlying facts of the Issuer's right to redemption and specify

§ 7
(Rückzahlung und Rückkauf)

(1) **Keine Endfälligkeit**.

Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 7, nicht zurückgezahlt.

(2) **Rückkauf**.

Die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin kann, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

(3) **Rückzahlung nach Wahl der Emittentin und bei geringem ausstehendem Gesamtnennbetrag**.

(a) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag, und danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen.

(b) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls mindestens 80 % des Gesamtnennbetrages der Schuldverschreibungen (einschließlich Schuldverschreibungen, die gemäß § 12 zusätzlich begeben worden sind) zurückgezahlt oder erworben und eingezogen worden sind.

(c) Die Bekanntmachung hat die zugrundeliegenden Tatsachen des Rechts der Emittentin auf the redemption date. In the case of such call for redemption, the Issuer shall redeem each Note at its Specified Denomination plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.

Rückzahlung und den Rückzahlungstag anzugeben. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrer festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.

(4) **Other Special Redemption Events**.

The Issuer may upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if any of the special events as set forth below has occurred. In this case the Issuer shall redeem each Note at the Early Redemption Amount on the redemption date specified in the notice. The notice shall set forth the underlying facts of the Issuer's right to early redemption and specify the redemption date:

(a) If (i)(A) any Rating Agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Guarantor's senior obligations, attributed to the Notes at the Issue Date (a "**Loss in Equity Credit**"), or (B) the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any Rating Agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (the events described in (A) and (B) each a "**Rating Event**") and (ii) the Issuer has given notice to the Holders in accordance with

(4) **Besondere Rückzahlungsereignisse**.

Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls eines der folgenden besonderen Ereignisse eingetreten ist. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Vorzeitigen Rückzahlungsbetrag zurückzuzahlen. Die Bekanntmachung hat den Grund der vorzeitigen Rückzahlung und den Rückzahlungstag anzugeben:

(a) Falls (i)(A) eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Kategorie von Eigenkapital (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Garantin unterstützen) wie am Ausgabetag einzuordnen sind (ein "**Verlust der Eigenkapitalzuordnung**"), oder (B) die Emittentin hat eine schriftliche Bestätigung von einer Ratingagentur erhalten und hat diese an die Hauptzahlstelle in Kopie weitergegeben, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser

§ 13 of such Rating Event prior to giving the notice of redemption referred to above.

Methodologie, ein Verlust der Eigenkapitalzuordnung erfolgt ist (die Ereignisse unter (A) und (B) jeweils ein "**Ratingereignis**") und (ii) die Emittentin die Gläubiger über das Ratingereignis gemäß § 13 informiert hat, bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Deutschland GmbH or any of its successors, and "**S&P**" means S&P Global Ratings Europe Limited, or any of its subsidiaries or successors.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Deutschland GmbH oder eine ihrer Nachfolgegesellschaften bezeichnet und "**S&P**" S&P Global Ratings Europe Limited oder eine ihrer Tochter- oder Nachfolgegesellschaften bezeichnet.

(b) A recognized accountancy firm, acting upon instructions of the Issuer or Guarantor, has delivered a letter or report to the Issuer or Guarantor, stating that as a result of a change in accounting principles (or the application thereof) since the Interest Commencement Date ("**Issue Date**"), the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Guarantor pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Guarantor (an "**Accounting Event**").

(b) Eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin oder der Garantin handelt, hat der Emittentin oder der Garantin einen Brief oder ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Auslegung) seit dem Verzinsungsbeginn (der "**Ausgabetag**") die Schuldverschreibungen nicht oder nicht mehr als "Eigenkapital" in den konsolidierten Jahres- oder Halbjahresabschlüssen der Garantin gemäß den International Financial Reporting Standards ("**IFRS**") bzw. anderen Rechnungslegungsstandards, die die Garantin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen (ein "**Rechnungslegungsereignis**").

(c) An opinion of a recognized law firm of international standing has been delivered to the Issuer or Guarantor after the Issue Date, stating that by reason of a change in German or Dutch law or regulation, or any change in the official application or interpretation of such law, the tax regime of any payments under the

(c) Erhalt durch die Emittentin oder die Garantin eines Gutachtens einer international anerkannten Rechtsanwaltskanzlei, aus dem hervorgeht, dass nach dem Ausgabetag als Folge einer Änderung von deutschem oder niederländischen Recht oder dessen offizieller Auslegung oder Anwendung die steuerliche

Notes is modified and such modification results in payments of interest payable in respect of the Notes being no longer deductible by the Issuer or the Guarantor for corporate income or any other comparable tax purposes in whole or in part; and such risk cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Deductibility Event**").

Behandlung von Zinszahlungen in Bezug auf die Schuldverschreibungen zahlbar sind, dergestalt geändert wurde, dass sie bei der Emittentin oder der Garantin nicht mehr für die Zwecke der Körperschaftssteuer oder andere vergleichbare Steuern ganz oder teilweise abzugsfähig sind; und die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann (ein "**Steuerereignis**").

(d) If, by reason of any change in German or Dutch law or published regulations becoming effective after the Issue Date, the Issuer or the Guarantor would have to pay Additional Amounts, provided that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate (a "**Gross-up Event**").

(d) Falls die Emittentin oder die Garantin als Folge einer nach dem Ausgabetag wirksam werdenden Änderung von deutschen oder niederländischen Gesetzen oder veröffentlichten Vorschriften verpflichtet ist, Zusätzliche Beträge zu zahlen, allerdings nur soweit die Emittentin oder Garantin die Zahlungsverpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält (ein "**Gross-up Ereignis**").

The "**Early Redemption Amount**" shall be equal to 101 per cent. of the Specified Denomination plus accrued and unpaid interest and any Arrears of Interest in the case of a Rating Event, Accounting Event or Tax Deductibility Event, and 100 per cent. of the Specified Denomination plus accrued and unpaid interest and any Arrears of Interest in the case of a Gross-Up Event.

Der "**Vorzeitige Rückzahlungsbetrag**" bezeichnet 101 % der festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Ratingereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses und 100% der festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Gross-Up Ereignisses.

§ 8 (Payments)

(1) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euro. Payment of principal and interest on the Notes will be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order will to the extent of amounts so paid constitute the discharge of the Issuer from its

§ 8 (Zahlungen)

(1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen

corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 9.

Kontoinhaber. Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 9 ein.

(2) If the due date for any payment of principal and/or interest is not a Business Day, payment will be effected only on the next Business Day. The Holders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

(2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Gläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

§ 9
(Taxation)

All payments of principal and interest in respect of the Notes by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Issuer or the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable otherwise than by withholding or deduction from amounts payable; or

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Netherlands or the Federal Republic of Germany and not merely by reason of the fact that

§ 9
(Besteuerung)

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Emittentin oder gegebenenfalls die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Emittentin oder die Garantin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Emittentin oder die Garantin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(a) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder

(b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Netherlands or the Federal Republic of Germany; or

allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(c) 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 Issuer's country of domicile for tax purposes or the Guarantor'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

(c) 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 bzw. der Staat, in dem die Garantin 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) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13;

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

(e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

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

(f) are payable by reason of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

(f) aufgrund des Niederländischen Quellensteuergesetzes 2021 (*Wet bronbelasting 2021*) zahlbar sind.

Notwithstanding anything to the contrary in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by Sections 1471 to 1474 ("**FATCA**") of the U.S. Internal Revenue Code of 1986, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA and none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any FATCA withholding or deduction imposed on or with respect to any Note.

Ungeachtet anders lautender Bestimmungen in den Anleihebedingungen, kann die Emittentin sämtliche Beträge einbehalten oder abziehen, die nach § § 1471 - 1474 ("**FATCA**") des US-amerikanischen Steuergesetzes von 1986 (*U.S. Internal Revenue Code of 1986*) anfallen oder nach einem Vertrag, einem Gesetz, einer Verordnung oder sonstigen offiziellen Leitlinien, die FATCA umsetzen, oder nach einer Vereinbarung (oder damit verbundenen Leitlinien) zwischen der Emittentin, der Zahlstelle oder einer anderen Person und den Vereinigten Staaten, einer anderen Jurisdiktion, oder einer Behörde der Vorgenannten, die FATCA umsetzen, und weder die Emittentin, eine Zahlstelle oder eine andere Person ist verpflichtet, zusätzliche Beträge hinsichtlich eines FATCA-Einbehalts oder – Abzugs zu zahlen, der bezüglich der Schuldverschreibungen auferlegt wurde oder hinsichtlich dieser anfällt.

§ 10
(Presentation Period, Prescription)

The period for presentation of the Notes will be reduced to 10 years. The period of limitation for all claims (including claims for interest payment and repayment, if any) under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 10
(Vorlegungsfrist, Verjährung)

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für alle Ansprüche (inklusive Ansprüche auf Zinszahlungen und gegebenenfalls Rückzahlung) aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

§ 11
(Paying and Calculation Agent)

(1) **Appointment**.

The Issuer has appointed Citibank, N.A., London Branch as principal paying agent with respect to the Notes (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 11(2), the "**Paying Agents**").

The Issuer has appointed Citibank, N.A., London Branch as calculation agent with respect to the Notes (the "**Calculation Agent**" and, together with the Paying Agents, the "**Agents**").

The addresses of the specified offices of the Agents are:

Principal Paying Agent:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Calculation Agent:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

(2) **Variation or Termination of Appointment**.

The Issuer reserves the right at any time to vary or terminate the appointment of any

§ 11
(Zahlstellen und Berechnungsstelle)

(1) **Bestellung**.

Die Emittentin hat Citibank, N.A., London Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 11(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**") bestellt.

Die Emittentin hat Citibank, N.A., London Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die "**Berechnungsstelle**" und, gemeinsam mit den Zahlstellen, die "**Verwaltungsstellen**") bestellt.

Die Geschäftsräume der Verwaltungsstellen befinden sich unter den folgenden Adressen:

Hauptzahlstelle:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
Vereinigtes Königreich

Berechnungsstelle:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
Vereinigtes Königreich

(2) **Änderung oder Beendigung der Bestellung**.

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle

Paying Agent and to appoint successor or additional Paying Agents. Notice of any change in the Paying Agents or in the specified office of any Paying Agent will promptly be given to the Holders pursuant to § 13.

zu verändern oder zu beenden und Nachfolger bzw. zusätzliche Zahlstellen zu ernennen. Den Gläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebenen Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

(3) **Status of the Agents**.

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

(3) **Status der beauftragten Stellen**.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Gläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 12
(Further Issues)

The Issuer may from time to time, without the consent of the Holders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

§ 12
(Weitere Emissionen)

Die Emittentin kann ohne Zustimmung der Gläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen haben und die zusammen mit den Schuldverschreibungen eine einzige Anleihe bilden.

§ 13
(Notices)

(1) **Notices Published on www.LuxSE.com.**

All notices regarding the Notes will be published (so long as any of the Notes is listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on www.LuxSE.com. Any notice will become effective for all purposes on the date of the first such publication.

(2) **Notices delivered to the Clearing System**.

The Issuer will also be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders; any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.

§ 13
(Bekanntmachungen)

(1) **Bekanntmachungen auf www.LuxSE.com.**

Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange eine der Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert ist) auf der Internet-Seite der Luxemburger Börse unter www.LuxSE.com veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.

(2) **Mitteilungen, die an das Clearingsystem weitergeleitet werden**.

Die Emittentin ist ferner berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Gläubiger zu übermitteln; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

§ 14
(Substitution)

(1) **Substitution**.

The Issuer may at any time, without the consent of the Holders, substitute for itself any majority-owned subsidiary of the Guarantor whose primary purpose is to raise financing for the Guarantor and other group entities as new debtor (the "**New Debtor**") in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:

(a) the Issuer is not in default in respect of any amount payable under any of the Notes;

(b) the New Debtor assumes all obligations of the Issuer in respect of the Notes;

(c) the New Debtor and the Issuer have obtained all authorizations and approvals necessary for the substitution and the fulfillment of the obligations under or in connection with the Notes;

(d) the New Debtor has obtained all necessary governmental authorizations and may transfer to the Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Debtor has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;

(e) the New Debtor has agreed to indemnify the Holders against such taxes, duties or

§ 14
(Ersetzung)

(1) **Ersetzung**.

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger eine Tochtergesellschaft im Mehrheitsbesitz der Garantin, deren vorrangiger Zweck die Beschaffung von Kapital für die Garantin und andere Konzerngesellschaften ist, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit Schuld befreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Anleiheschuldnerin**"), sofern:

(a) die Emittentin nicht mit irgendwelchen auf die Schuldverschreibungen zahlbaren Beträgen in Verzug ist;

(b) die Neue Anleiheschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;

(c) die Neue Anleiheschuldnerin und die Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen und Zustimmungen erhalten hat;

(d) die Neue Anleiheschuldnerin alle behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der hierin festgelegten Währung zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

(e) die Neue Anleiheschuldnerin sich verpflichtet hat, die Gläubiger hinsichtlich solcher governmental charges as may be imposed on the Holders in connection with the substitution;

Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Gläubigern bezüglich der Ersetzung auferlegt werden;

(f) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the New Debtor, such Notes will continue to be listed on such stock exchange; and

(f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Anleiheschuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind; und

(g) no event would occur as a result of the substitution that would give rise to the right of the New Debtor to call the Notes for redemption pursuant to § 7(4).

(g) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Neue Anleiheschuldnerin dazu berechtigen würde, die Schuldverschreibungen gemäß § 7(4) zu kündigen und zurückzuzahlen.

(2) **References**.

In the event of a substitution pursuant to § 14(1), any reference in these Terms and Conditions to the Issuer will be a reference to the New Debtor and any reference to the Netherlands will be a reference to the New Debtor's country (countries) of domicile for tax purposes.

(2) **Bezugnahmen**.

Im Fall einer Schuldnerersetzung gemäß § 14(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Niederlande als eine solche auf den Staat (die Staaten), in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

(3) **Notice and Effectiveness of Substitution**.

Notice of any substitution of the Issuer will be given by publication in accordance with § 13. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 14, any previous New Debtor will be discharged from any and all obligations under the Notes.

(3) **Bekanntmachung und Wirksamwerden der Ersetzung**.

Die Ersetzung der Emittentin ist gemäß § 13 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und, im Falle einer wiederholten Anwendung dieses § 14, jede frühere Neue Anleiheschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

§ 15
(Enforcement)

(1) If the Issuer fails to pay any interest or principal on the Notes when due, each Holder may institute legal proceedings to enforce payment of the amounts due or file an application for the institution of

§ 15
(Durchsetzung)

(1) Falls die Emittentin Zinsen oder Kapital auf die Schuldverschreibungen bei Fälligkeit nicht oder nicht rechtzeitig zahlt, ist jeder Gläubiger berechtigt, rechtliche Schritte zur Durchsetzung der fälligen Beträge einzuleiten oder einen Antrag auf Eröffnung eines

insolvency proceedings for the assets of the Issuer.

Insolvenzverfahrens über das Vermögen der Emittentin zu stellen.

(2) Any Holder may, by notice in text form addressed to the Issuer and the Principal Paying Agent, declare its Notes due and payable, whereupon such Notes shall become immediately due and payable at their Specified Denomination plus any interest accrued on such Notes to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due to be paid pursuant to § 6(3) without further action or formality, if an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

(2) Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen durch Mitteilung in Textform gegenüber der Emittentin und der Hauptzahlstelle zur Rückzahlung fällig zu stellen, woraufhin diese Schuldverschreibungen sofort zu ihrer festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 6(3) zur Nachzahlung fälligen Aufgeschobenen Zinszahlungen ohne weitere Handlungen oder Formalitäten fällig werden, falls eine Anordnung zur Abwicklung, Auflösung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

(3) There is no cross default under the Notes.

(3) Die Schuldverschreibungen sehen keinen Drittverzug vor.

§ 16
(Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative)

§ 16
(Änderung der Anleihebedingungen durch Beschluss der Gläubiger; Gemeinsamer Vertreter)

(1) The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Holders pursuant to § § 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz - SchVG*), as amended from time to time (the "**SchVG**"). In particular, the Holders 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 § 12, by resolutions passed by such majority of the votes of the Holders as stated under § 16(2) below. A duly passed majority resolution will be binding upon all Holders.

(1) Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Gläubiger nach Maßgabe der § § 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG) in seiner jeweiligen gültigen Fassung (das "**SchVG**") ändern. Die Gläubiger 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 § 12 abschließend geregelt ist, mit den in dem nachstehenden § 16(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich.

(2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders 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.

(2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger 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.

(3) Resolutions of the Holders will be made either in a Holders' meeting in accordance with § 16(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 16(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Holders holding Notes in the total amount of 5 per cent. of the outstanding aggregate principal amount of the Notes may in writing request to convene a Holders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.

(3) Beschlüsse der Gläubiger werden entweder in einer Gläubigerversammlung nach § 16(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 16(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Gläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, schriftlich die Durchführung einer Gläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(a) Resolutions of the Holders in a Holders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Holders' 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 the Holders in the agenda of the meeting. The attendance at the Holders' meeting or the exercise of voting rights requires a registration of the Holders prior to the meeting.

(a) Beschlüsse der Gläubiger 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 Gläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Gläubiger vor der Versammlung erforderlich.

(b) Resolutions of the Holders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance with § 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 Holders together with the request for voting.

(b) Beschlüsse der Gläubiger 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 Gläubigern bekannt gegeben.

(4) The exercise of voting rights is subject to the registration of the Holders. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(4) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner 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 dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

(5) If it is ascertained that no quorum exists for the vote without meeting pursuant to § 16(3)(b), 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. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Holders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second Holders' meeting. Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day

(5) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 16(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines

such registration has been sent until and including the stated end of the meeting.

Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

(6) The Holders 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 Holders 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 § 16(1) hereof,

(6) Die Gläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger 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 § 16(1) zuzustimmen.

(7) Any notices concerning this § 16 will be made in accordance with § 5 et seq. of the SchVG and § 13.

(7) Bekanntmachungen betreffend diesen § 16 erfolgen gemäß den § § 5ff. SchVG sowie nach § 13.

§ 17
(Final Provisions)

(1) **Applicable Law**.

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

(2) **Place of Jurisdiction**.

To the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.

The local court (*Amtsgericht*) of Frankfurt 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*) of Frankfurt am Main will have exclusive jurisdiction for all judgments over

§ 17
(Schlussbestimmungen)

(1) **Anzuwendendes Recht**.

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

(2) **Gerichtsstand**.

Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten ist, soweit gesetzlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichert, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Gläubiger ist gemäß § 20 Absatz 3 SchVG contested resolutions by Holders in accordance with § 20(3) SchVG.

(3) **Place of Performance**.

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

(4) **Enforcement of Rights**.

Any Holder may in any proceedings against the Issuer or to which the Holder and the Issuer are parties protect and enforce in his own name his rights arising under his Notes on the basis of:

(a) a certificate issued by his Custodian (A) stating the full name and address of the Holder, (B) specifying an aggregate principal amount of Notes credited on the date of such statement to such Holder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and

(b) a copy of the Global Notes relating to the Notes, certified as being true copies by a duly authorised officer of the Clearing System or the Principal Paying Agent; or

(c) any other means of evidence permitted in legal proceedings in the country of enforcement.

"**Custodian**" means any bank or other financial institution with which the Holder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

das Landgericht Frankfurt am Main ausschließlich zuständig.

(3) **Erfüllungsort**.

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(4) **Geltendmachung von Rechten**.

Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

(a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Gläubigers bezeichnet, (B) den gesamten Nennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Gläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie

(b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunden; oder

(c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

"**Depotbank**" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Gläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

§ 18
(Language)

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

§ 18
(Sprache)

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

Restrictions regarding the Redemption and Repurchase of the Notes

Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen.

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

Der folgende Absatz in Kursivschrift ist nicht Bestandteil der Anleihebedingungen.

The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Notes only to the extent they are replaced with instruments with equivalent S&P equity credit. The net proceeds received by the Issuer, the Guarantor or subsidiary of the Guarantor from the sale to third party purchasers of securities which are assigned an S&P equity credit that is at least equal to the initial equity credit of the Notes (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) will count as replacement.

Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen) die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit sie durch Instrumente mit gleichwertiger S&P Eigenkapitalanrechnung ersetzt werden. Als Ersatz gelten die Nettoerlöse, die die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin aus dem Verkauf an Dritte von Wertpapieren erhält, die eine S&P Eigenkapitalanrechnung haben, die mindestens so hoch ist wie die ursprüngliche S&P Eigenkapitalanrechnung der Schuldverschreibungen (wobei Änderungen der Hybrid Rating Methodologie oder deren Auslegung seit dem Tag der Begebung der Schuldverschreibungen berücksichtigt werden).

The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:

(i) if the rating assigned by S&P to the Issuer or the Guarantor is at least BBB+ (or such similar nomenclature then used by S&P) and the Issuer or the Guarantor (as applicable) is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or

(ii) in the case of repurchase of less than (x) 10 per cent of the aggregate principal amount of the outstanding subordinated notes of the Issuer in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the outstanding subordinated notes of the Issuer originally issued in any period of 10 consecutive years is repurchased, or

Es gelten jedoch folgende Ausnahmen in Bezug auf die Absicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:

(i) wenn das der Emittentin oder der Garantin durch S&P erteilte Rating mindestens BBB+ (oder eine vergleichbare Bezeichnung durch S&P) beträgt und die Emittentin oder die Garantin (je nach Fall) sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder

(ii) im Fall eines Rückkaufs von Nachrangigen Schuldverschreibungen in Höhe von weniger als (x) 10 % des Gesamtnennbetrags der ausstehenden Nachrangigen Schuldverschreibungen der Emittentin während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25 % des Gesamtnennbetrags der ausstehenden Nachrangigen Schuldverschreibungen der Emittentin während einer Frist von 10 aufeinander folgenden Jahren oder

(iii) *if the Notes are redeemed pursuant to a Rating Event (to the extent it is triggered by a change of methodology at S&P), an Accounting Event, a Tax Deductibility Event or a Gross-Up Event, or*

(iv) *if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*

(v) *if such redemption or repurchase occurs on or after September 6, 2048.*

(vi) *in the case of a repurchase, such repurchase relates to an aggregate principal amount of the Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's or the Guarantor's subordinated notes to which Standard & Poor's then assigns equity content under its prevailing methodology*

(iii) *im Fall der Rückzahlung der Schuldverschreibungen gemäß einem Ratingereignis (sofern es durch eine Änderung von S&P Methodologie verursacht wurde), einem Rechnungslegungsereignis, einem Steuerereignis oder einem Gross-Up Ereignis erfolgt oder*

(iv) *wenn die Schuldverschreibungen keine Eigenkapitalanrechung (oder eine solche von S&P zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen oder*

(v) *wenn die Rückzahlung oder der Rückkauf am oder nach dem 6. September 2048 erfolgt.*

(vi) *im Fall eines Rückkaufs, der Rückkauf sich auf Schuldverschreibungen mit einem Nennbetrag bezieht, der weniger oder gleich dem Überschussbetrag über jenem Gesamtnennbetrag an Nachrangige Schuldverschreibungen der Emittenten oder Garantin ist, für die Standard & Poor's noch eine Eigenkapitalanrechnung nach deren jeweils geltenden Eigenkapitalanrechnungsmethoden vorsieht*

7. TERMS AND CONDITIONS OF THE NC9 NOTES

Terms and Conditions

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

§ 1
(Form and Denomination)

(1) **Currency, Denomination and Form**.

Volkswagen International Finance N.V. (the "**Issuer**") issues undated unsecured subordinated notes with a first call date in 2032 in an aggregate principal amount of EUR 750,000,000 (the "**Notes**"). The Notes are issued in bearer form. The Notes are guaranteed on a subordinated basis by Volkswagen Aktiengesellschaft (the "**Guarantor**") and have a denomination of EUR 100,000 (the "**Specified Denomination**") per Note.

(2) **Global Notes and Exchange**.

The Notes will initially be represented by one temporary global bearer note (the "**Temporary Global Note**") without coupons which will be deposited with a common depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV (together hereinafter referred to as the "**Clearing System**") on or around the date of issue of the Notes. The Temporary Global Note will be exchangeable for a permanent global bearer note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without coupons not earlier than 40 and not later than 180 days after the date of issue of the Notes upon certification as to non-U.S. beneficial ownership in the Notes in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certification. No definitive notes or interest coupons will be issued.

Anleihebedingungen

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

§ 1
(Verbriefung und festgelegte Stückelung)

(1) **Währung, festgelegte Stückelung und Form**.

Volkswagen International Finance N.V. (die "**Emittentin**") begibt unbesicherte nachrangige Schuldverschreibungen ohne feste Laufzeit erstmals kündbar in 2032 im Gesamtnennbetrag von EUR 750.000.000 (die "**Schuldverschreibungen**"). Die Schuldverschreibungen lauten auf den Inhaber. Die Schuldverschreibungen werden von der Volkswagen Aktiengesellschaft auf nachrangiger Basis garantiert (die "**Garantin**") und haben eine Stückelung von je EUR 100.000 (die "**festgelegte Stückelung**").

(2) **Globalurkunden und Austausch**.

Die Schuldverschreibungen werden zunächst von einer vorläufigen Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft welche am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für Clearstream Banking S.A. und Euroclear Bank SA/NV (beide gemeinsam nachstehend als "**Clearingsystem**" bezeichnet) hinterlegt wird. Die Vorläufige Globalurkunde wird nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 Tagen nach dem Tag der Begebung der Schuldverschreibungen gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalurkunde (die "**Dauer-Globalurkunde**" und, gemeinsam mit der Vorläufigen Globalurkunde, die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Zahlungen auf die Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

(3) **Proportional Co-ownership Interests**.

The holders of the Notes (the "**Holders**") are entitled to proportional co-ownership interests or rights in the Temporary Global Note and the Permanent Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

(3) **Miteigentumsanteile**.

Den Inhabern der Schuldverschreibungen (die "**Gläubiger**") stehen Miteigentumsanteile bzw. Rechte an der Vorläufigen Globalurkunde und der Dauer-Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

§ 2
(Status)

(1) **Status of the Notes**.

The Issuer's obligations under the Notes constitute subordinated and unsecured obligations of the Issuer and in the event of the winding-up, dissolution or liquidation of the Issuer rank:

(a) senior only to the Junior Obligations of the Issuer,

(b) *pari passu* among themselves and with any Parity Obligations of the Issuer, and

(c) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

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

§ 2
(Status)

(1) **Status der Schuldverschreibungen**.

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin:

(a) nur Nachrangigen Verbindlichkeiten der Emittentin im Rang vorgehen,

(b) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen, und

(c) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

"**Nachrangige Verbindlichkeiten der Emittentin**" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, under such guarantee or other assumptions of liability rank or are expressed to rank *pari passu* with the instruments described under (i), (ii) and (iii).

Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

"**Parity Obligations of the Issuer**" means any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement where the Issuer's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes. For the avoidance of doubt, Parity Obligations of the Issuer include:

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

its undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342;

its undated unsecured subordinated notes with a first call date in 2024, ISIN XS1799938995;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2024, ISIN XS1799938995;

its undated unsecured subordinated notes with a first call date in 2025, ISIN XS2187689034;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2025, ISIN XS2187689034;

its undated unsecured subordinated notes with a first call date in 2026, ISIN XS1048428442;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2026, ISIN XS1048428442;

its undated unsecured subordinated notes with a first call date in 2027, ISIN XS1629774230;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS1629774230;

its undated unsecured subordinated notes with a first call date in 2027, ISIN XS2342732562;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS2342732562;

its undated unsecured subordinated notes with a first call date in 2028, ISIN XS1799939027;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS1799939027;

its undated unsecured subordinated notes with a first call date in 2029, ISIN XS2187689380;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2029, ISIN XS2187689380;

its undated unsecured subordinated notes with a first call date in 2030, ISIN XS1206541366;

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2030, ISIN XS1206541366;

its undated unsecured subordinated notes with a first call date in 2031, ISIN XS2342732646; and

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2031, ISIN XS2342732646; und

its undated unsecured subordinated notes with a first call date in 2028, ISIN XS2675884576 (together the "**Hybrid Securities**").

die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS2675884576 (zusammen die "**Hybridanleihen**").

"**Subsidiary of the Issuer**" means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Emittentin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

(2) **Insolvency or Liquidation of the Issuer**.

(2) **Insolvenz oder Liquidation der Emittentin**.

In an insolvency or liquidation of the Issuer, no payments under the Notes shall be made to the Holders unless all claims that, pursuant to § 2(1), rank senior to the Notes (condition precedent) have been discharged or secured in full (i.e. not only with a quota).

Im Falle einer Insolvenz oder Liquidation der Emittentin steht jedwede Zahlung unter den Schuldverschreibungen an die Gläubiger unter dem Vorbehalt, dass zuvor sämtliche Verpflichtungen auf gegenüber den Schuldverschreibungen gemäß § 2(1) vorrangige Verbindlichkeiten zur Gänze (d.h. nicht nur quotenmäßig) bezahlt oder sichergestellt wurden.

§ 3
(Guarantee)

§ 3
(Garantie)

(1) **Unconditional and Irrevocable Guarantee**.

(1) **Unbedingte und Unwiderrufliche Garantie**.

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis as to payments (the "**Guarantee**").

Die Schuldverschreibungen werden unbedingt und unwiderruflich durch die Garantin auf nachrangiger Ebene im

Hinblick auf Zahlungen garantiert (die "**Garantie**").

(2) **Status of the Guarantee**.

The obligations of the Guarantor under the Guarantee rank:

(a) senior only to the Junior Obligations of the Guarantor,

(b) *pari passu* with any other present and future Parity Obligations of the Guarantor, and

(c) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

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

"**Parity Obligations of the Guarantor**" means any present or future obligation which (i) is issued by the Guarantor and

(2) **Status der Garantie**.

Die Verbindlichkeiten der Garantin unter der Garantie:

(a) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,

(b) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und

(c) gehen allen anderen nicht nachrangingen Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

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

"**Gleichrangige Verbindlichkeiten der Garantin**" bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement where the Guarantor's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's Hybrid Securities.

von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus den Garantien für die Hybridanleihen.

"**Subsidiary of the Guarantor**" means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Garantin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

§ 4
(Prohibition of Set-off)

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

§ 4
(Aufrechnungsverbot)

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

§ 5
(Interest)

(1) **Interest accrual**.

From and including September 6, 2023 (the "**Interest Commencement Date**") to but excluding September 6, 2032 (the "**First Call Date**") the Notes bear interest on their Specified Denomination at a rate of 7.875 per cent. *per annum*.

From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4) the Notes bear interest on their Specified Denomination at the relevant Reset Rate of Interest.

§ 5
(Zinsen)

(1) **Zinslauf**.

In dem Zeitraum ab dem 6. September 2023 (der "**Verzinsungsbeginn**") (einschließlich) bis zum 6. September 2032 (der "**Erste Rückzahlungstermin**") (ausschließlich) werden die Schuldverschreibungen bezogen auf die festgelegte Stückelung mit 7,875 % *per annum* verzinst.

In dem Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt, werden die Schuldverschreibungen bezogen auf die festgelegte Stückelung mit dem jeweiligen Reset-Zinssatz verzinst.

Interest for each Interest Period is scheduled to be paid annually in arrear on September 6 of each year (each an "**Interest Payment Date**"), commencing on September 6, 2024 and will be due and payable (*fällig*) in accordance with the conditions set out in § 6.

Zinsen für jede Zinsperiode sind jährlich nachträglich am 6. September eines jeden Jahres (jeweils ein "**Zinszahlungstag**") zur Zahlung vorgesehen, erstmals am 6. September 2024, und werden nach Maßgabe der in § 6 dargelegten Bedingungen fällig.

(2) **Definitions**.

(2) **Definitionen**.

"**Reset Reference Rate**" for a Reset Period will be determined on the relevant Interest Determination Date prior to the Reset Date on which the relevant Reset Period commences as follows:

"**Reset-Referenzsatz**" wird für einen Reset-Zeitraum an dem betreffenden Zinsfestsetzungstag vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt, wie folgt festgelegt:

(a) For each Reset Period beginning prior to the occurrence of an Effective Date, if any, the Reset Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at the relevant time on the relevant Interest Determination Date, the Reset Reference Rate shall be equal to 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.

(a) Für jeden Reset-Zeitraum, der vor dem Eintritt eines etwaigen Stichtags beginnt, entspricht der Reset-Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestsetzungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der Reset-Referenzsatz dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

(b) For the Reset Period commencing immediately after the relevant Effective Date and all following Reset Periods, the Reset Reference Rate will be determined in accordance with this § 5(4).

For purposes of the determination of the Reset Reference Rate, any rate which is not expressed on an annual basis will be converted by the Calculation Agent to an annual basis.

(b) Für den Reset-Zeitraum, der unmittelbar nach dem jeweiligen Stichtag beginnt, und alle folgenden Reset-Zeiträume, wird der Reset-Referenzsatz, gemäß diesem § 5(4) bestimmt.

Für die Bestimmung des Reset-Referenzsatzes wird jeder nicht auf jährlicher Basis ausgedrückte Satz von der Berechnungsstelle auf eine jährliche Basis umgerechnet.

"**Reset Rate of Interest**" means the Reset Reference Rate for the relevant Reset Period in which the relevant Interest

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

Period falls plus the relevant Margin for the relevant Interest Period.

relevanten Marge für die jeweilige Zinsperiode.

"**Original Benchmark Rate**" on any day means (subject to § 5(4)) the annual Euro Mid Swap Rate (expressed as a percentage *per annum*) as at 11:00 a.m. (Frankfurt time), as displayed on the Screen Page as at or around 11:00 a.m. (Frankfurt time) (or, if later, as at or around such time at which the Euro Mid Swap Rate becomes available on the Screen Page) on such day.

"**Ursprünglicher Benchmarksatz**" an einem Tag bezeichnet den (vorbehaltlich § 5(4)) den jährlichen Euro-Mid-Swapsatz (ausgedrückt als Prozentsatz *per annum*) um 11:00 Uhr (Frankfurter Zeit), wie er auf der Bildschirmseite gegen 11:00 Uhr (Frankfurter Zeit) (oder zu einer späteren Uhrzeit, zu welcher der Euro-Mid-Swapsatz auf der Bildschirmseite verfügbar wird) an dem betreffenden Tag angezeigt wird.

For these purposes "**Euro Mid Swap Rate**" means the arithmetic mean of the bid and offered rates for the annual fixed leg of a fixed-for-floating interest rate swap transaction in Euro which (x) has a term of 9 years and (y) has a floating leg based on the 6-month EURIBOR rate (or the EURIBOR rate for such other tenor as is the then prevailing market standard tenor for such fixed-for-floating interest rate swap transactions in Euro).

Für diese Zwecke bezeichnet "**Euro-Mid-Swapsatz**" das arithmetische Mittel der nachgefragten (bid) und angebotenen (offered) Sätze für den jährlichen Festzinszahlungsstrom einer fest- bis variablen (fixed-for-floating) Zinsswap-Transaktion in Euro, (x) die eine 9-jährige Laufzeit hat, und (y) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR-Satz (oder dem EURIBOR-Satz für eine andere Laufzeit, die der Laufzeit gemäß dem dann vorherrschenden Marktstandard für solche fest- bis variable (fixed-for-floating) Zinsswap-Transaktionen in Euro entspricht) beruht.

Where:

Dabei gilt Folgendes:

"**Screen Page**" means the Reuters screen page "ICESWAP2" (or any successor page) under the heading " 11:00 AM" (or any successor heading) (the "**Original Screen Page**"). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another provider and/or page selected by the Issuer in its reasonable discretion (the "**Replacement Screen Page**"), the term "Screen Page" for purposes of the determination of the Original Benchmark Rate shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Issuer.

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite "ICESWAP2" (oder eine Nachfolgeseite) unter der Überschrift 11:00 AM" (oder einer Nachfolgeüberschrift) (die "**Ursprüngliche Bildschirmseite**"). Wenn die Ursprüngliche Bildschirmseite dauerhaft eingestellt wird, oder wenn darauf die Quotierung des Ursprünglichen Benchmarksatzes dauerhaft eingestellt wird, jedoch diese Quotierung von einem anderen Anbieter und/oder auf einer anderen, Bildschirmseite, der bzw. die von der Emittentin nach billigem Ermessen ausgewählt worden ist, verfügbar ist (die "**Ersatzbildschirmseite**"), dann bezeichnet der Begriff "Bildschirmseite" zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes die Ersatzbildschirmseite, und zwar ab dem Tag, an dem die Emittentin die Ersatzbildschirmseite auswählt.

"**Business Day**" means a day (other than a Saturday or Sunday) on which the Clearing System as well as all relevant

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie alle parts of real time gross settlement system operated by the Eurosystem or any successor/replacement system (T2) are operational to forward the relevant payment.

betroffenen Bereiche des Real-time Gross Settlement System des Eurosystems oder dessen Nachfolger oder Ersatzsystem (T2) betriebsbereit sind, um die betreffende Zahlung abzuwickeln.

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

"**Zinsperiode**" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich).

"**Margin**" means:

(i) in respect of each Interest Period from and including the First Call Date to but excluding September 6, 2033 (the "**First NC9 Step-up Date**"): 478.3 basis points *per annum* (no step-up);

(ii) in respect of each Interest Period from and including the First NC9 Step-up Date to but excluding September 6, 2052 (the "**Second NC9 Step-up Date**"): 503.3 basis points *per annum* (including a 25 basis points step-up); and

(iii) in respect of each Interest Period from and including the Second NC9 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4): 578.3 basis points *per annum* (including a further 75 basis points step-up).

"**Marge**" bezeichnet:

(i) für jede Zinsperiode ab dem Ersten Rückzahlungstermin (einschließlich) bis zum 6. September 2033 (der "**Erste NC9 Step-up Termin**"): 478,3 Basispunkte *per annum* (kein Step-Up);

(ii) für jede Zinsperiode ab dem Ersten NC9 Step-up Termin (einschließlich) bis zum 6. September 2052 (der "**Zweiter NC9 Step-up Termin**"): 503,3 Basispunkte *per annum* (einschließlich eines 25 Basispunkte Step-up); und

(iii) für jede Zinsperiode ab dem Zweiten NC9 Step-up Termin (einschließlich) bis zum Tag an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt: 578,3 Basispunkte *per annum* (einschließlich eines weiteren 75 Basispunkte Step-up).

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

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

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

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

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

(3) **Determination or calculation by Calculation Agent**

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

(4) **Benchmark Event**.

If the Issuer determines that a Benchmark Event has occurred in relation to the Original Benchmark Rate, the Issuer will notify the Calculation Agent, the Principal Paying Agent and, in accordance with § 13, the Holders thereof, and the relevant Reset Reference Rate will be determined as follows:

(a) *Independent Adviser*. The Issuer shall endeavor to appoint an Independent Adviser as soon as possible, who will determine a New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments.

(b) If prior to any relevant Interest Determination Date,

(i) the Issuer fails to appoint an Independent Adviser; or

(ii) the Independent Adviser appointed by it fails to determine a New Benchmark Rate,

the Reset Reference Rate applicable to the immediately following Reset Period shall be the Original Benchmark Rate on the last Interest Determination

"**Zinsfestsetzungstag**" ist der zweite Geschäftstag vor dem jeweiligen Reset-Termin.

(3) **Berechnungen und Feststellungen durch die Berechnungsstelle**.

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

(4) **Benchmark-Ereignis.**

Wenn die Emittentin feststellt, dass ein Benchmark-Ereignis in Bezug auf den Ursprünglichen Benchmarksatz eingetreten ist, wird die Emittentin diesen Umstand der Hauptzahlstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 13 den Gläubigern mitteilen und es gilt für die Bestimmung des jeweiligen Reset-Referenzsatzes Folgendes:

(a) *Unabhängiger Berater*. Die Emittentin wird sich bemühen, sobald wie möglich einen Unabhängigen Berater zu benennen, der einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen festlegt.

(b) Wenn vor dem jeweiligen Zinsfestsetzungstag

(i) die Emittentin keinen Unabhängigen Berater ernennt; oder

(ii) der von ihr ernannte Unabhängige Berater keinen Neuen Benchmarksatz festlegt,

dann entspricht der Reset-Referenzsatz für den unmittelbar nachfolgenden Reset-Zeitraum dem Ursprünglichen Benchmarksatz an dem letzten, unmittelbar vor dem Eintritt des

Date immediately preceding the relevant Effective Date.

relevanten Stichtags liegenden zurückliegenden Zinsfestsetzungstag.

If the fallback rate determined in accordance with this § 5(4)(b) is to be applied, § 5(4) will be operated again to determine the Reset Reference Rate applicable to the next subsequent Reset Period.

Falls der Ausweichsatz gemäß diesem § 5(4)(b) zur Anwendung kommt, wird § 5(4) erneut angewendet, um den Reset-Referenzsatz für den nächsten nachfolgenden Resetzeitraum zu bestimmen.

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

(i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate; or

(ii) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate,

and the "Reset Reference Rate" for all following Interest Periods will be (x) the relevant New Benchmark Rate on the relevant Interest Determination Date, plus (y) the Adjustment Spread.

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

(i) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz in der Folge anstelle des Ursprünglichen Benchmarksatzes maßgeblich; oder

(ii) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz in der Folge an Stelle des Ursprünglichen Benchmarksatzes maßgeblich

und der "Reset-Referenzsatz" für alle folgenden Zinsperioden entspricht (x) dem betreffenden Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

(d) *Benchmark Amendments*. If any relevant New Benchmark Rate and the applicable Adjustment Spread is determined, 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**"),

(d) *Benchmark-Änderungen*. Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne festgelegt wird, und wenn der Unabhängige Berater feststellt, dass Änderungen dieser Bedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu then the Independent Adviser will determine in its reasonable discretion the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 5(4)(e).

gewährleisten (diese Änderungen, die "Benchmark-Änderungen"), dann wird der Unabhängige Berater die Benchmark-Änderungen nach billigem Ermessen festlegen und die Emittentin diese durch eine Mitteilung gemäß § 5 Absatz (4)(e) bekanntmachen.

The Benchmark Amendments may include without limitation:

Diese Benchmark-Änderungen können insbesondere folgende Regelungen erfassen:

(i) the determination of the Reset Reference Rate; and/or

(i) die Feststellung des Reset-Referenzsatzes; und/oder

(ii) the definitions of the terms "Business Day", "Interest Payment Date", "Reset Date", "Interest Determination Date", "Day Count Fraction" and/or "Interest Period" (including the determination whether the Reset Reference Rate will be determined in advance on or prior to the relevant Interest Period or in arrear on or prior to the end of the relevant Interest Period); and/or

(ii) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag", "Reset-Termin", "Zinsfestsetzungstag", "Zinstagekoeffizient" und/oder "Zinsperiode" (einschließlich der Festlegung, ob der Referenzsatz vorausschauend vor oder zu Beginn der betreffenden Zinsperiode oder zurückblickend vor oder zum Ablauf der betreffenden Zinsperiode bestimmt wird); und/oder

(iii) the business day convention in § 8(2).

(iii) die Geschäftstagekonvention gemäß § 8(2).

(e) *Notices, etc*. The Issuer will notify any New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any) and the relevant Effective Date in accordance with § 5(4)(h) or the fallback rate in accordance with § 5(4)(b) to the Calculation Agent, the Principal Paying Agent and, in accordance with § 13, the Holders as soon as such notification is (in the Issuer's view) practicable following the determination thereof. Such notice shall be irrevocable.

(e) *Mitteilungen, etc*. Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne, etwaige Benchmark-Änderungen und den betreffenden Stichtag gemäß § 5(4)(h) bzw. den Ausweichsatz nach § 5(4)(b) so bald nach deren Feststellung wie (nach Ansicht der Emittentin) praktikabel der Berechnungsstelle, der Hauptzahlstelle und den Gläubigern gemäß § 13 mitteilen. Eine solche Mitteilung ist unwiderruflich.

The New Benchmark Rate, the Adjustment Spread, the Benchmark Amendments (if any)

Der Neue Benchmarksatz, die Anpassungsspanne, etwaige Benchmark-Änderungen und der and the relevant Effective Date, each as specified in such notice, will be binding on the Issuer, the Calculation Agent, the Principal Paying Agent and the Holders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments with effect from the Effective Date.

In addition, the Issuer may request the common depositary on behalf of CBL and Euroclear to supplement or amend these Terms and Conditions to reflect the Benchmark Amendments by attaching the documents submitted to the Global Note. The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) will become effective in accordance with the preceding paragraph regardless of whether the documents so submitted are attached to the Global Note.

(f) *Definitions*. As used in this § 5(4):

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,

(i) which in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(ii) which (if no such recommendation has been made, or in the case

betreffende Stichtag, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Berechnungsstelle, die Hauptzahlstelle und die Gläubiger bindend. Die Bedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

Darüber hinaus kann die Emittentin die gemeinsame Verwahrstelle im Namen von CBL und Euroclear auffordern, diese Anleihebedingungen zu ergänzen oder zu ändern, um die Benchmark-Änderungen wiederzugeben, indem sie der Globalurkunde die vorgelegten Dokumente beifügt. Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen werden gemäß dem vorangehenden Absatz wirksam, ohne dass es darauf ankommt, ob die so vorgelegten Dokumente der Globalurkunde beigefügt werden.

(f) *Definitionen*. Zur Verwendung in § 5 (4):

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,

(i) die im Fall eines Nachfolge-Benchmarksatzes von einem Maßgeblichen Nominierungsgremium im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz förmlich empfohlen wird; oder

(ii) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines of an Alternative Benchmark Rate) is applied to the New Benchmark Rate in international debt capital markets transactions to produce an industry-accepted replacement reference rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

Alternativ-Benchmark-satzes) bei internationalen Anleihekapitalmarkttransaktionen auf den Neuen Benchmarksatz angewendet wird, um einen branchenweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest similar to the Original Benchmark Rate (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternativ-Benchmarksatz**" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise bei internationalen Anleihekapitalmarkttransaktionen zur Bestimmung von Zinssätzen die dem Ursprünglichen Benchmarksatz entsprechen (oder dazugehörigen Zinskomponenten) in der Festgelegten Währung angewendet wird, wobei sämtliche Festsetzungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Benchmark Amendments**" has the meaning given to it in § 5(4)(d).

"**Benchmark-Änderungen**" hat die in § 5 (4)(d) festgelegte Bedeutung.

"**Benchmark Event**" means:

(i) the Original Benchmark Rate ceasing to be published on a regular basis or ceasing to exist; or

(ii) a public statement by the administrator of the Original Benchmark Rate that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no

"**Benchmark-Ereignis**" bezeichnet:

(i) der Ursprüngliche Benchmarksatz wird nicht mehr regelmäßig veröffentlicht oder nicht fortgeführt; oder

(ii) eine öffentliche Bekannt-machung des Administrators des Ursprünglichen Benchmarksatzes dahingehend, dass dieser die Berechnung des Ursprünglichen Benchmarksatzes dauerhaft oder auf successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Benchmark Rate, that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Benchmark Rate as a consequence of which the Original Benchmark Rate has been or will be prohibited from being used either generally, or in respect of the relevant Notes; or

(v) it has become unlawful for the Principal Paying Agent, the Calculation Agent or the Issuer to calculate or determine any Reset Reference Rate using the Original Benchmark Rate,

provided that, for the purposes of (i) through (iii), a material alteration of the methodology used by the administrator or a public statement by the

unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen, in denen kein Nachfolge-Administrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes fortführen wird); oder

(iii) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes dahingehend, dass der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder fortgeführt werden wird; oder

(iv) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes infolge deren der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet wird bzw. verwendet werden darf; oder

(v) den Umstand, dass die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung oder Bestimmung des Referenzsatzes für die Zahlstelle, die Berechnungsstelle oder die Emittentin rechtswidrig geworden ist,

wobei für die Zwecke von (i) bis (iii) eine wesentliche Änderung der bei Verzinsungsbeginn gültigen Methode für die Feststellung des Ursprünglichen supervisor of the administrator of the Reset Reference Rate that the Reset Reference Rate is no longer representative of an underlying market on the Interest Commencement Date for the determination of the Original Benchmark Rate will be deemed as cessation and discontinuation, respectively, of the Original Benchmark Rate.

Benchmarksatzes durch den Administrator oder eine öffentliche Stellungnahme der Aufsichtsbehörde des Administrators des Referenzsatzes dahingehend, dass der Referenzsatz nicht länger repräsentativ für den zugrundeliegenden Markt ist, der Einstellung bzw. Nichtfortführung des Ursprünglichen Benchmarksatzes gleichsteht.

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

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

(i) 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

(i) die Zentralbank für die Währung, auf die sich die Benchmark oder der Bildschirmsatz beziehen, oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

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

(ii) jede Arbeitsgruppe oder jedes Komitee, die bzw. das von (I) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (II) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (III) einer Gruppe der zuvor genannten Zentralbanken oder anderen Aufsichtsbehörden oder (IV) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon gefördert, geführt

"**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.

"**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.

(g) Any adjustment to the Original Benchmark Rate in case of a Benchmark Event will be made only to the extent that no Rating Event would occur as a result of such adjustment.

(h) The effective date for the application of this § 5(4) (the "**Effective Date**") will be:

(i) if the Benchmark Event has occurred as a result of clause (i) of the definition of the term "**Benchmark Event**", the date of the occurrence of the Benchmark Event; or

(ii) if the Benchmark Event has occurred as a result of clause (ii), (iii) or (iv) 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

oder mitgeführt oder gebildet wird.

"**Nachfolge-Benchmarksatz**" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der von dem Maßgeblichen Nominierungsgremium förmlich empfohlen wurde.

"**Neuer Benchmarksatz**" bezeichnet den Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

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

(g) Eine Anpassung des Ursprünglichen Benchmarksatzes im Falle eines Benchmark-Ereignisses darf nur insoweit durchgeführt werden, als durch diese Anpassung kein Ratingereignis eintritt.

(h) Der Stichtag für die Anwendung dieses § 5 (4) (der "**Stichtag**") ist:

(i) der Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund des Absatzes (i) der Definition des Begriffs "**Benchmark-Ereignis**" eingetreten ist; oder

(ii) der 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 (ii), (iii) oder (iv) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

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

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

(i) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 5(4) 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.

(i) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 5 (4) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

(5) **Day Count Fraction**.

Where interest is to be calculated in respect of any period of time that is equal to or shorter than an Interest Period (the "**Calculation Period**"), the interest will be calculated on the basis of the actual number of days elapsed in such Calculation Period (from and including the day from which interest begins to accrue to but excluding the day on which it falls due), divided by the number of days in the Interest Period in which the Calculation Period falls (Act/Act (ICMA)) (including the first such day of the relevant Interest Period but excluding the last day of the relevant Interest Period).

(5) **Zinstagekoeffizient**.

Sind Zinsen für einen Zeitraum zu berechnen (der "**Zinsberechnungszeitraum**"), der kürzer als eine Zinsperiode ist oder einer Zinsperiode entspricht, so werden sie auf der Grundlage der tatsächlichen Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (ab dem ersten Tag, an dem Zinsen auflaufen (einschließlich) bis zu dem Tag, an dem die Zinsen fällig werden (ausschließlich)) berechnet, dividiert durch die Anzahl der Tage in der Zinsperiode, in die der betreffende Zinsberechnungszeitraum fällt (Act/Act (ICMA)) (einschließlich des ersten Tages der betreffenden Zinsperiode, aber ausschließlich des letzten Tages der betreffenden Zinsperiode).

(6) **Cessation of interest accrual**.

The Notes will cease to bear interest from the beginning of the day their aggregate principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3(1).

(6) **Zinslaufende**.

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Gesamtnennbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 3(1) bestimmt.

§ 6
(Due date for interest payments; Deferral of interest payments; Payment of Arrears of Interest)

(1) **Due date for interest payments; optional interest deferral**.

(a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Holders not less than 10 Business Days prior the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest (in whole but not in part).

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

Interest not due and payable in accordance with this § 6(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

(b) Arrears of Interest will not bear interest.

(2) **Optional Settlement of Arrears of Interest**.

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

§ 6
(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen)

(1) **Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub**.

(a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Gläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

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

Nach Maßgabe dieses § 6(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

(b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) **Freiwillige Zahlung von Aufgeschobenen Zinszahlungen**.

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

Zahlung festgelegten Termin enthalten muss.

(3) **Mandatory Payment of Arrears of Interest**

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

(a) the calendar day on which a dividend, other distribution or other payment was validly resolved on, declared, paid, or made in respect of Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such dividend, other distribution or payment was required in respect of employee share schemes);

(b) the calendar day on which the Issuer, the Guarantor, a Subsidiary of the Issuer or a Subsidiary of the Guarantor has redeemed, repurchased or otherwise acquired Junior Obligations of the Issuer, Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such redemption or repurchase was mandatory under the terms of the instrument or required in respect of employee share schemes);

(c) the calendar day on which the Notes are redeemed;

(d) the next Interest Payment Date on which the Issuer pays interest on the Notes scheduled to be paid on such Interest Payment Date; or

(e) the calendar day after an order is made for the winding-up,

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

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

(a) am Kalendertag, an dem eine Dividende oder sonstige Ausschüttung oder sonstige Zahlung in Bezug auf Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin erklärt, beschlossen, gezahlt oder geleistet wurde (außer in dem Fall, dass die Dividende oder sonstige Ausschüttung oder Zahlung unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);

(b) am Kalendertag, an dem die Emittentin, die Garantin, eine Tochtergesellschaft der Emittentin oder eine Tochtergesellschaft der Garantin Nachrangige Verbindlichkeiten der Emittentin, Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin zurückgekauft, zurückgezahlt oder anderweitig erworben hat (außer in dem Fall, dass die Rückzahlung oder der Rückkauf nach den Bedingungen des Instruments verpflichtend war oder unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);

(c) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt wurden;

(d) am nächsten Zinszahlungstag, an dem die Emittentin Zinsen auf die Schuldverschreibungen zahlt; oder

(e) am Kalendertag, nach dem ein Beschluss zur Auflösung, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or Guarantor, as the case may be);

Abwicklung oder Liquidation der Emittentin oder der Garantin ergangen ist (aber nur, wenn dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht und die Emittentin bzw. die Garantin noch zahlungsfähig sind und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt);

provided that

mit der Maßgabe, dass

(x) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such parity or junior obligations to make such payment, such redemption, such repurchase or such other acquisition; and

(x) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft nach Maßgabe der Emissionsbedingungen der betreffenden gleichrangigen oder nachrangigen Verbindlichkeit zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; und

(y) in the case (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations of the Issuer or Parity Obligations of the Guarantor in whole or in part in a public tender offer or public exchange offer at a purchase price per Parity Obligation below its par value.

(y) im vorgenannten Fall (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.

§ 7
(Redemption and Repurchase)

(1) **No Scheduled Redemption**.

The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 7.

(2) **Repurchase**.

Subject to applicable laws, the Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(3) **Redemption at the Option of the Issuer and in Case of Minimum Outstanding Aggregate Principal Amount**.

(a) The Issuer may, upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13 call the Notes for redemption (in whole but not in part) for the first time with effect as of the First Call Date and subsequently with effect as of each Interest Payment Date thereafter.

(b) The Issuer may, upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if at least 80 per cent. of the aggregate principal amount of the Notes (including any notes additionally issued in accordance with § 12) have been redeemed or purchased and cancelled.

(c) The notice shall set forth the underlying facts of the Issuer's right to redemption and specify

§ 7
(Rückzahlung und Rückkauf)

(1) **Keine Endfälligkeit**.

Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 7, nicht zurückgezahlt.

(2) **Rückkauf**.

Die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin kann, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

(3) **Rückzahlung nach Wahl der Emittentin und bei geringem ausstehendem Gesamtnennbetrag**.

(a) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag, und danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen.

(b) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls mindestens 80 % des Gesamtnennbetrages der Schuldverschreibungen (einschließlich Schuldverschreibungen, die gemäß § 12 zusätzlich begeben worden sind) zurückgezahlt oder erworben und eingezogen worden sind.

(c) Die Bekanntmachung hat die zugrundeliegenden Tatsachen des Rechts der Emittentin auf the redemption date. In the case of such call for redemption, the Issuer shall redeem each Note at its Specified Denomination plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.

Rückzahlung und den Rückzahlungstag anzugeben. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrer festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.

(4) **Other Special Redemption Events**.

The Issuer may upon giving not less than 20 nor more than 40 Business Days' notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if any of the special events as set forth below has occurred. In this case the Issuer shall redeem each Note at the Early Redemption Amount on the redemption date specified in the notice. The notice shall set forth the underlying facts of the Issuer's right to early redemption and specify the redemption date:

(4) **Besondere Rückzahlungsereignisse**.

Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls eines der folgenden besonderen Ereignisse eingetreten ist. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Vorzeitigen Rückzahlungsbetrag zurückzuzahlen. Die Bekanntmachung hat den Grund der vorzeitigen Rückzahlung und den Rückzahlungstag anzugeben:

(a) If (i)(A) any Rating Agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Guarantor's senior obligations, attributed to the Notes at the Issue Date (a "**Loss in Equity Credit**"), or (B) the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any Rating Agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (the events described in (A) and (B) each a "**Rating Event**") and (ii) the Issuer has given notice to the Holders in accordance with

(a) Falls (i)(A) eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Kategorie von Eigenkapital (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Garantin unterstützen) wie am Ausgabetag einzuordnen sind (ein "**Verlust der Eigenkapitalzuordnung**"), oder (B) die Emittentin hat eine schriftliche Bestätigung von einer Ratingagentur erhalten und hat diese an die Hauptzahlstelle in Kopie weitergegeben, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser

§ 13 of such Rating Event prior to giving the notice of redemption referred to above.

Methodologie, ein Verlust der Eigenkapitalzuordnung erfolgt ist (die Ereignisse unter (A) und (B) jeweils ein "**Ratingereignis**") und (ii) die Emittentin die Gläubiger über das Ratingereignis gemäß § 13 informiert hat, bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Deutschland GmbH or any of its successors, and "**S&P**" means S&P Global Ratings Europe Limited, or any of its subsidiaries or successors.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Deutschland GmbH oder eine ihrer Nachfolgegesellschaften bezeichnet und "**S&P**" S&P Global Ratings Europe Limited oder eine ihrer Tochter- oder Nachfolgegesellschaften bezeichnet.

(b) A recognized accountancy firm, acting upon instructions of the Issuer or Guarantor, has delivered a letter or report to the Issuer or Guarantor, stating that as a result of a change in accounting principles (or the application thereof) since the Interest Commencement Date ("**Issue Date**"), the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Guarantor pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Guarantor (an "**Accounting Event**").

(b) Eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin oder der Garantin handelt, hat der Emittentin oder der Garantin einen Brief oder ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Auslegung) seit dem Verzinsungsbeginn (der "**Ausgabetag**") die Schuldverschreibungen nicht oder nicht mehr als "Eigenkapital" in den konsolidierten Jahres- oder Halbjahresabschlüssen der Garantin gemäß den International Financial Reporting Standards ("**IFRS**") bzw. anderen Rechnungslegungsstandards, die die Garantin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen (ein "**Rechnungslegungsereignis**").

(c) An opinion of a recognized law firm of international standing has been delivered to the Issuer or Guarantor after the Issue Date, stating that by reason of a change in German or Dutch law or regulation, or any change in the official application or interpretation of such law, the tax regime of any payments under the

(c) Erhalt durch die Emittentin oder die Garantin eines Gutachtens einer international anerkannten Rechtsanwaltskanzlei, aus dem hervorgeht, dass nach dem Ausgabetag als Folge einer Änderung von deutschem oder niederländischen Recht oder dessen offizieller Auslegung oder Anwendung die steuerliche

Notes is modified and such modification results in payments of interest payable in respect of the Notes being no longer deductible by the Issuer or the Guarantor for corporate income or any other comparable tax purposes in whole or in part; and such risk cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Deductibility Event**").

Behandlung von Zinszahlungen in Bezug auf die Schuldverschreibungen zahlbar sind, dergestalt geändert wurde, dass sie bei der Emittentin oder der Garantin nicht mehr für die Zwecke der Körperschaftssteuer oder andere vergleichbare Steuern ganz oder teilweise abzugsfähig sind; und die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann (ein "**Steuerereignis**").

(d) If, by reason of any change in German or Dutch law or published regulations becoming effective after the Issue Date, the Issuer or the Guarantor would have to pay Additional Amounts, provided that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate (a "**Gross-up Event**").

(d) Falls die Emittentin oder die Garantin als Folge einer nach dem Ausgabetag wirksam werdenden Änderung von deutschen oder niederländischen Gesetzen oder veröffentlichten Vorschriften verpflichtet ist, Zusätzliche Beträge zu zahlen, allerdings nur soweit die Emittentin oder Garantin die Zahlungsverpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält (ein "**Gross-up Ereignis**").

The "**Early Redemption Amount**" shall be equal to 101 per cent. of the Specified Denomination plus accrued and unpaid interest and any Arrears of Interest in the case of a Rating Event, Accounting Event or Tax Deductibility Event, and 100 per cent. of the Specified Denomination plus accrued and unpaid interest and any Arrears of Interest in the case of a Gross-Up Event.

Der "**Vorzeitige Rückzahlungsbetrag**" bezeichnet 101 % der festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Ratingereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses und 100 % der festgelegten Stückelung zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Gross-Up Ereignisses.

§ 8
(Payments)

(1) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euro. Payment of principal and interest on the Notes will be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order will to the extent of amounts so paid constitute the discharge of the Issuer from its

§ 8
(Zahlungen)

(1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen

corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 9.

Kontoinhaber. Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 9 ein.

(2) If the due date for any payment of principal and/or interest is not a Business Day, payment will be effected only on the next Business Day. The Holders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

(2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Gläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

§ 9
(Taxation)

All payments of principal and interest in respect of the Notes by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Issuer or the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

§ 9
(Besteuerung)

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Emittentin oder gegebenenfalls die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Emittentin oder die Garantin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Emittentin oder die Garantin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(a) are payable otherwise than by withholding or deduction from amounts payable; or

(a) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Netherlands or the Federal Republic of Germany and not merely by reason of the fact that

(b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Netherlands or the Federal Republic of Germany; or

allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(c) 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 Issuer's country of domicile for tax purposes or the Guarantor'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

(c) 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 bzw. der Staat, in dem die Garantin 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) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13;

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

(e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

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

(f) are payable by reason of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

(f) aufgrund des Niederländischen Quellensteuergesetzes 2021 (*Wet bronbelasting 2021*) zahlbar sind.

Notwithstanding anything to the contrary in these Terms and Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by Sections 1471 to 1474 ("**FATCA**") of the U.S. Internal Revenue Code of 1986, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA and none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any FATCA withholding or deduction imposed on or with respect to any Note.

Ungeachtet anders lautender Bestimmungen in den Anleihebedingungen, kann die Emittentin sämtliche Beträge einbehalten oder abziehen, die nach § § 1471 - 1474 ("**FATCA**") des US-amerikanischen Steuergesetzes von 1986 (*U.S. Internal Revenue Code of 1986*) anfallen oder nach einem Vertrag, einem Gesetz, einer Verordnung oder sonstigen offiziellen Leitlinien, die FATCA umsetzen, oder nach einer Vereinbarung (oder damit verbundenen Leitlinien) zwischen der Emittentin, der Zahlstelle oder einer anderen Person und den Vereinigten Staaten, einer anderen Jurisdiktion, oder einer Behörde der Vorgenannten, die FATCA umsetzen, und weder die Emittentin, eine Zahlstelle oder eine andere Person ist verpflichtet, zusätzliche Beträge hinsichtlich eines FATCA-Einbehalts oder – Abzugs zu zahlen, der bezüglich der Schuldverschreibungen auferlegt wurde oder hinsichtlich dieser anfällt.

§ 10
(Presentation Period, Prescription)

The period for presentation of the Notes will be reduced to 10 years. The period of limitation for all claims (including claims for interest payment and repayment, if any) under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 10
(Vorlegungsfrist, Verjährung)

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für alle Ansprüche (inklusive Ansprüche auf Zinszahlungen und gegebenenfalls Rückzahlung) aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

§ 11
(Paying and Calculation Agent)

(1) **Appointment**.

The Issuer has appointed Citibank, N.A., London Branch as principal paying agent with respect to the Notes (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 11(2), the "**Paying Agents**").

The Issuer has appointed Citibank, N.A., London Branch as calculation agent with respect to the Notes (the "**Calculation Agent**" and, together with the Paying Agents, the "**Agents**").

The addresses of the specified offices of the Agents are:

Principal Paying Agent:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Calculation Agent:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

(2) **Variation or Termination of Appointment**.

The Issuer reserves the right at any time to vary or terminate the appointment of any

§ 11
(Zahlstellen und Berechnungsstelle)

(1) **Bestellung**.

Die Emittentin hat Citibank, N.A., London Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 11(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**") bestellt.

Die Emittentin hat Citibank, N.A., London Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die "**Berechnungsstelle**" und, gemeinsam mit den Zahlstellen, die "**Verwaltungsstellen**") bestellt.

Die Geschäftsräume der Verwaltungsstellen befinden sich unter den folgenden Adressen:

Hauptzahlstelle:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
Vereinigtes Königreich

Berechnungsstelle:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
Vereinigtes Königreich

(2) **Änderung oder Beendigung der Bestellung**.

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle

Paying Agent and to appoint successor or additional Paying Agents. Notice of any change in the Paying Agents or in the specified office of any Paying Agent will promptly be given to the Holders pursuant to § 13.

zu verändern oder zu beenden und Nachfolger bzw. zusätzliche Zahlstellen zu ernennen. Den Gläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebenen Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

(3) **Status of the Agents**.

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

(3) **Status der beauftragten Stellen**.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Gläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 12
(Further Issues)

The Issuer may from time to time, without the consent of the Holders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

§ 12
(Weitere Emissionen)

Die Emittentin kann ohne Zustimmung der Gläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen haben und die zusammen mit den Schuldverschreibungen eine einzige Anleihe bilden.

§ 13
(Notices)

(1) **Notices Published on www.LuxSE.com**.

All notices regarding the Notes will be published (so long as any of the Notes is listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on www.LuxSE.com. Any notice will become effective for all purposes on the date of the first such publication.

(2) **Notices delivered to the Clearing System**.

The Issuer will also be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders; any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.

§ 13
(Bekanntmachungen)

(1) **Bekanntmachungen auf www.LuxSE.com**.

Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange eine der Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert ist) auf der Internet-Seite der Luxemburger Börse unter www.LuxSE.com veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.

(2) **Mitteilungen, die an das Clearingsystem weitergeleitet werden**.

Die Emittentin ist ferner berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Gläubiger zu übermitteln; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

§ 14
(Substitution)

(1) **Substitution**.

The Issuer may at any time, without the consent of the Holders, substitute for itself any majority-owned subsidiary of the Guarantor whose primary purpose is to raise financing for the Guarantor and other group entities as new debtor (the "**New Debtor**") in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:

(a) the Issuer is not in default in respect of any amount payable under any of the Notes;

(b) the New Debtor assumes all obligations of the Issuer in respect of the Notes;

(c) the New Debtor and the Issuer have obtained all authorizations and approvals necessary for the substitution and the fulfillment of the obligations under or in connection with the Notes;

(d) the New Debtor has obtained all necessary governmental authorizations and may transfer to the Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Debtor has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;

(e) the New Debtor has agreed to indemnify the Holders against such taxes, duties or

§ 14
(Ersetzung)

(1) **Ersetzung**.

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger eine Tochtergesellschaft im Mehrheitsbesitz der Garantin, deren vorrangiger Zweck die Beschaffung von Kapital für die Garantin und andere Konzerngesellschaften ist, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit Schuld befreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Anleiheschuldnerin**"), sofern:

(a) die Emittentin nicht mit irgendwelchen auf die Schuldverschreibungen zahlbaren Beträgen in Verzug ist;

(b) die Neue Anleiheschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;

(c) die Neue Anleiheschuldnerin und die Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen und Zustimmungen erhalten hat;

(d) die Neue Anleiheschuldnerin alle behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der hierin festgelegten Währung zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

(e) die Neue Anleiheschuldnerin sich verpflichtet hat, die Gläubiger hinsichtlich solcher governmental charges as may be imposed on the Holders in connection with the substitution;

Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Gläubigern bezüglich der Ersetzung auferlegt werden;

(f) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the New Debtor, such Notes will continue to be listed on such stock exchange; and

(f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Anleiheschuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind; und

(g) no event would occur as a result of the substitution that would give rise to the right of the New Debtor to call the Notes for redemption pursuant to § 7(4).

(g) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Neue Anleiheschuldnerin dazu berechtigen würde, die Schuldverschreibungen gemäß § 7(4) zu kündigen und zurückzuzahlen.

(2) **References**.

In the event of a substitution pursuant to § 14(1), any reference in these Terms and Conditions to the Issuer will be a reference to the New Debtor and any reference to the Netherlands will be a reference to the New Debtor's country (countries) of domicile for tax purposes.

(2) **Bezugnahmen**.

Im Fall einer Schuldnerersetzung gemäß § 14(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Niederlande als eine solche auf den Staat (die Staaten), in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

(3) **Notice and Effectiveness of Substitution**.

Notice of any substitution of the Issuer will be given by publication in accordance with § 13. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 14, any previous New Debtor will be discharged from any and all obligations under the Notes.

(3) **Bekanntmachung und Wirksamwerden der Ersetzung**.

Die Ersetzung der Emittentin ist gemäß § 13 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und, im Falle einer wiederholten Anwendung dieses § 14, jede frühere Neue Anleiheschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

§ 15
(Enforcement)

(1) If the Issuer fails to pay any interest or principal on the Notes when due, each Holder may institute legal proceedings to enforce payment of the amounts due or file an application for the institution of

§ 15
(Durchsetzung)

(1) Falls die Emittentin Zinsen oder Kapital auf die Schuldverschreibungen bei Fälligkeit nicht oder nicht rechtzeitig zahlt, ist jeder Gläubiger berechtigt, rechtliche Schritte zur Durchsetzung der fälligen Beträge einzuleiten oder einen Antrag auf Eröffnung eines

insolvency proceedings for the assets of the Issuer.

Insolvenzverfahrens über das Vermögen der Emittentin zu stellen.

(2) Any Holder may, by notice in text form addressed to the Issuer and the Principal Paying Agent, declare its Notes due and payable, whereupon such Notes shall become immediately due and payable at their Specified Denomination plus any interest accrued on such Notes to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due to be paid pursuant to § 6(3) without further action or formality, if an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

(2) Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen durch Mitteilung in Textform gegenüber der Emittentin und der Hauptzahlstelle zur Rückzahlung fällig zu stellen, woraufhin diese Schuldverschreibungen sofort zu ihrer festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 6(3) zur Nachzahlung fälligen Aufgeschobenen Zinszahlungen ohne weitere Handlungen oder Formalitäten fällig werden, falls eine Anordnung zur Abwicklung, Auflösung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

(3) There is no cross default under the Notes.

(3) Die Schuldverschreibungen sehen keinen Drittverzug vor.

§ 16
(Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative)

§ 16
(Änderung der Anleihebedingungen durch Beschluss der Gläubiger; Gemeinsamer Vertreter)

(1) The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Holders pursuant to § § 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz - SchVG*), as amended from time to time (the "**SchVG**"). In particular, the Holders 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 § 12, by resolutions passed by such majority of the votes of the Holders as stated under § 16(2) below. A duly passed majority resolution will be binding upon all Holders.

(1) Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Gläubiger nach Maßgabe der § § 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG) in seiner jeweiligen gültigen Fassung (das "**SchVG**") ändern. Die Gläubiger 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 § 12 abschließend geregelt ist, mit den in dem nachstehenden § 16(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich.

(2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders 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.

(2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger 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.

(3) Resolutions of the Holders will be made either in a Holders' meeting in accordance with § 16(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 16(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Holders holding Notes in the total amount of 5 per cent. of the outstanding aggregate principal amount of the Notes may in writing request to convene a Holders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.

(3) Beschlüsse der Gläubiger werden entweder in einer Gläubigerversammlung nach § 16(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 16(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Gläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, schriftlich die Durchführung einer Gläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(a) Resolutions of the Holders in a Holders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Holders' 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 the Holders in the agenda of the meeting. The attendance at the Holders' meeting or the exercise of voting rights requires a registration of the Holders prior to the meeting.

(a) Beschlüsse der Gläubiger 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 Gläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Gläubiger vor der Versammlung erforderlich.

(b) Resolutions of the Holders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance with § 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 Holders together with the request for voting.

(b) Beschlüsse der Gläubiger 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 Gläubigern bekannt gegeben.

(4) The exercise of voting rights is subject to the registration of the Holders. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(4) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner 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 dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

(5) If it is ascertained that no quorum exists for the vote without meeting pursuant to § 16(3)(b), 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. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Holders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second Holders' meeting. Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day

(5) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 16(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines

such registration has been sent until and including the stated end of the meeting.

Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

(6) The Holders 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 Holders 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 § 16(1) hereof,

(6) Die Gläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger 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 § 16(1) zuzustimmen.

(7) Any notices concerning this § 16 will be made in accordance with § 5 et seq. of the SchVG and § 13.

(7) Bekanntmachungen betreffend diesen § 16 erfolgen gemäß den § § 5ff. SchVG sowie nach § 13.

§ 17
(Final Provisions)

§ 17
(Schlussbestimmungen)

(1) **Applicable Law**.

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

(1) **Anzuwendendes Recht**.

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

(2) **Place of Jurisdiction**.

To the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.

The local court (*Amtsgericht*) of Frankfurt 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*) of Frankfurt am Main will have exclusive jurisdiction for all judgments over

(2) **Gerichtsstand**.

Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten ist, soweit gesetzlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichert, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Gläubiger ist gemäß § 20 Absatz 3 SchVG contested resolutions by Holders in accordance with § 20(3) SchVG.

(3) **Place of Performance**.

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

(4) **Enforcement of Rights**.

Any Holder may in any proceedings against the Issuer or to which the Holder and the Issuer are parties protect and enforce in his own name his rights arising under his Notes on the basis of:

(a) a certificate issued by his Custodian (A) stating the full name and address of the Holder, (B) specifying an aggregate principal amount of Notes credited on the date of such statement to such Holder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and

(b) a copy of the Global Notes relating to the Notes, certified as being true copies by a duly authorised officer of the Clearing System or the Principal Paying Agent; or

(c) any other means of evidence permitted in legal proceedings in the country of enforcement.

"**Custodian**" means any bank or other financial institution with which the Holder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

das Landgericht Frankfurt am Main ausschließlich zuständig.

(3) **Erfüllungsort**.

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(4) **Geltendmachung von Rechten**.

Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

(a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Gläubigers bezeichnet, (B) den gesamten Nennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Gläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie

(b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunden; oder

(c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

"**Depotbank**" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Gläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

§ 18
(Language)

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

Restrictions regarding the Redemption and Repurchase of the Notes

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

The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Notes only to the extent they are replaced with instruments with equivalent S&P equity credit. The net proceeds received by the Issuer, the Guarantor or subsidiary of the Guarantor from the sale to third party purchasers of securities which are assigned an S&P equity credit that is at least equal to the initial equity credit of the Notes (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) will count as replacement.

The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:

(i) if the rating assigned by S&P to the Issuer or the Guarantor is at least BBB+ (or such similar nomenclature then used by S&P) and the Issuer or the Guarantor (as applicable) is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or

(ii) in the case of repurchase of less than (x) 10 per cent of the aggregate principal amount of the outstanding subordinated notes of the Issuer in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the outstanding subordinated notes of the Issuer originally issued in any period of 10 consecutive years is repurchased, or

§ 18
(Sprache)

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

Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen.

Der folgende Absatz in Kursivschrift ist nicht Bestandteil der Anleihebedingungen.

Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen) die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit sie durch Instrumente mit gleichwertiger S&P Eigenkapitalanrechnung ersetzt werden. Als Ersatz gelten die Nettoerlöse, die die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin aus dem Verkauf an Dritte von Wertpapieren erhält, die eine S&P Eigenkapitalanrechnung haben, die mindestens so hoch ist wie die ursprüngliche S&P Eigenkapitalanrechnung der Schuldverschreibungen (wobei Änderungen der Hybrid Rating Methodologie oder deren Auslegung seit dem Tag der Begebung der Schuldverschreibungen berücksichtigt werden).

Es gelten jedoch folgende Ausnahmen in Bezug auf die Absicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:

(i) wenn das der Emittentin oder der Garantin durch S&P erteilte Rating mindestens BBB+ (oder eine vergleichbare Bezeichnung durch S&P) beträgt und die Emittentin oder die Garantin (je nach Fall) sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder

(ii) im Fall eines Rückkaufs von Nachrangigen Schuldverschreibungen in Höhe von weniger als (x) 10 % des Gesamtnennbetrags der ausstehenden Nachrangigen Schuldverschreibungen der Emittentin während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25 % des Gesamtnennbetrags der ausstehenden Nachrangigen Schuldverschreibungen der Emittentin während einer Frist von 10 aufeinander folgenden Jahren oder

(iii) *if the Notes are redeemed pursuant to a Rating Event (to the extent it is triggered by a change of methodology at S&P), an Accounting Event, a Tax Deductibility Event or a Gross-Up Event, or*

(iii) *im Fall der Rückzahlung der Schuldverschreibungen gemäß einem Ratingereignis (sofern es durch eine Änderung von S&P Methodologie verursacht wurde), einem Rechnungslegungsereignis, einem Steuerereignis oder einem Gross-Up Ereignis erfolgt oder*

(iv) *if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*

(iv) *wenn die Schuldverschreibungen keine Eigenkapitalanrechung (oder eine solche von S&P zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen oder*

(v) *if such redemption or repurchase occurs on or after September 6, 2052.*

(v) *wenn die Rückzahlung oder der Rückkauf am oder nach dem 6. September 2052 erfolgt.*

(vi) *in the case of a repurchase, such repurchase relates to an aggregate principal amount of the Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's or the Guarantor's subordinated notes to which Standard & Poor's then assigns equity content under its prevailing methodology*

(vi) *im Fall eines Rückkaufs, der Rückkauf sich auf Schuldverschreibungen mit einem Nennbetrag bezieht, der weniger oder gleich dem Überschussbetrag über jenem Gesamtnennbetrag an Nachrangige Schuldverschreibungen der Emittenten oder Garantin ist, für die Standard & Poor's noch eine Eigenkapitalanrechnung nach deren jeweils geltenden Eigenkapitalanrechnungsmethoden vorsieht*

8. GUARANTEE FOR THE NC5 NOTES

GUARANTEE

of

Volkswagen Aktiengesellschaft
(Wolfsburg, *Germany*)
(the "**Guarantor**")

for the benefit of the Holders of the EUR 1,000,000,000 guaranteed undated unsecured subordinated Notes with a first call date in 2028 (the "**Notes**"), divided into notes in bearer form with a denomination of EUR 100,000 each, which rank *pari passu* among themselves, issued by

Volkswagen International Finance N.V.
(incorporated as a limited liability company under the laws of the Netherlands)
(the "**Issuer**")

ISIN XS2675884576.

WHEREAS:

(A) The Guarantor intends to guarantee on a subordinated basis the due and punctual payment of any amounts payable by the Issuer in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**").

(B) The intent and purpose of this Guarantee is to ensure that the Holders under any and all circumstances, whether factual or legal, and irrespective of validity or enforceability of the obligations of the Issuer under the Notes, or any other reasons on the basis of which the Issuer may fail to fulfil its obligations, receive on the respective due date any and all sums payable in accordance with the Terms and Conditions.

IT IS AGREED AS FOLLOWS:

1. Definitions

Terms used in this Guarantee and not otherwise defined herein will have the meaning attributed to them in the Terms and Conditions.

GARANTIE

der

Volkswagen Aktiengesellschaft
(Wolfsburg, *Deutschland*)
(die "**Garantin**")

zugunsten der Gläubiger der EUR 1.000.000.000 garantierten, unbefristeten, nicht besicherten nachrangigen Schuldverschreibungen, erstmals kündbar in 2028 (die "**Schuldverschreibungen**"), eingeteilt in untereinander gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen mit einer festgelegten Stückelung von je EUR 100.000, die von der

Volkswagen International Finance N.V.
(einer mit beschränkter Haftung nach dem Recht der Niederlande errichteten Gesellschaft)
(die "**Emittentin**")

begeben worden sind, ISIN XS2675884576.

VORBEMERKUNG:

(A) Die Garantin beabsichtigt die ordnungsgemäße Zahlung von allen Beträgen, die nach Maßgabe der Emissionsbedingungen (die "**Emissionsbedingungen**") der von der Emittentin begebenen Schuldverschreibungen zu zahlen sind, auf nachrangiger Basis zu garantieren.

(B) Es ist Sinn und Zweck dieser Garantie, sicherzustellen, dass die Gläubiger unter allen tatsächlichen und rechtlichen Umständen und unabhängig von Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Emittentin aus den Schuldverschreibungen und unabhängig von sonstigen Gründen, aufgrund derer die Emittentin ihre Verpflichtungen nicht erfüllt, bei Fälligkeit alle nach Maßgabe der Emissionsbedingungen zu zahlenden Beträge erhalten.

ES WIRD FOLGENDES VEREINBART:

1. Definitionen

Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

2. Guarantee

(a) The Guarantor unconditionally and irrevocably guarantees towards Citibank N.A., London Branch (the "**Principal Paying Agent**") for the benefit of each holder (each a "**Holder**") of each Note (which expression will include any Global Note representing the Notes), the due payment of all amounts which are payable by the Issuer in accordance with the Terms and Conditions, as and when the same will become due.

(b) The obligations of the Guarantor under the Guarantee rank:

(i) senior only to the Junior Obligations of the Guarantor,

(ii) *pari passu* with any other present and future Parity Obligations of the Guarantor, and

(iii) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

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

2. Garantie

(a) Die Garantin übernimmt gegenüber Citibank N.A., London Branch (die "**Hauptzahlstelle**") zugunsten jedes Gläubigers (jeweils ein "Gläubiger") der Schuldverschreibungen (wobei dieser Begriff jede Globalurkunde, welche die Schuldverschreibungen verbrieft, einschließt), die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung aller gemäß den Emissionsbedingungen von der Emittentin zu zahlenden Beträge bei Fälligkeit.

(b) Die Verbindlichkeiten der Garantin unter der Garantie:

(i) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,

(ii) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und

(iii) gehen allen anderen nicht nachranginge Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

"**Nachrangige Verbindlichkeiten der Garantin**" bezeichnet (i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die instruments described under (i), (ii) and (iii).

betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

"**Parity Obligations of the Guarantor**" means any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement where the Guarantor's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include:

"**Gleichrangige Verbindlichkeiten der Garantin**" bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem:

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2024, ISIN XS1799938995,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2024, ISIN XS1799938995,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2025, ISIN XS2187689034,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2025, ISIN XS2187689034,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2026, ISIN XS1048428442,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2026, ISIN XS1048428442,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2027, ISIN XS1629774230,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS1629774230,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2027, ISIN XS2342732562,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS2342732562,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2028, ISIN XS1799939027,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS1799939027,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2029, ISIN XS2187689380,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2029, ISIN XS2187689380,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2030, ISIN XS1206541366,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2030, ISIN XS1206541366,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2031, ISIN XS2342732646, and

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2031, ISIN XS2342732646, und

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2032, ISIN XS2675884733.

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2032, ISIN XS2675884733.

"**Subsidiary of the Guarantor**" means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Garantin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält.

(c) In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Guarantor, the claims of the Holders under the Guarantee will be satisfied after (but only after) the obligations of the Guarantor that rank senior to the Notes. In any such event, Holders will not receive any amounts payable in respect of the Guarantee until the claims of all obligations of the Guarantor that rank senior to the Notes have first been satisfied in full.

(c) Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Garantin werden die Ansprüche der Gläubiger aus der Garantie erst nach den Ansprüchen der Inhaber aller anderen gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin bedient. In einem solchen Fall werden die Gläubiger keine Zahlungen auf die Garantie erhalten, bis alle Ansprüche aus den gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin vollständig bedient sind.

No Holder may set off any claims arising under the Guarantee against claims that

Die Gläubiger sind nicht berechtigt, Forderungen aus der Garantie mit the Guarantor may have against it. The Guarantor may not set off any claims it may have against any Holder against any of its obligations under the Guarantee.

etwaigen gegen sie gerichteten Forderungen der Garantin aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Gläubigern mit den Verpflichtungen aus der Garantie aufzurechnen.

(d) The obligations of the Guarantor under this guarantee (i) will be separate and independent from the obligations of the Issuer under the Notes, (ii) will exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) will not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes.

(d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Emittentin aus den Schuldverschreibungen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit oder Durchsetzbarkeit der Schuldverschreibungen und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen eingegangenen Zahlungsverpflichtungen.

(e) In the event of a substitution of the Issuer by a New Debtor pursuant to § 14 of the Terms and Conditions, this Guarantee will extend to any and all amounts payable by the New Debtor pursuant to the Terms and Conditions. The foregoing will also apply if the New Debtor will have assumed the obligations arising under the Notes directly from the Guarantor.

(e) Im Falle einer Ersetzung der Emittentin durch eine Neue Anleiheschuldnerin gemäß § 14 der Emissionsbedingungen erstreckt sich diese Garantie auf sämtliche von der Neuen Anleiheschuldnerin gemäß den Emissionsbedingungen zu zahlenden Beträge. Dies gilt auch dann, wenn die Neue Anleiheschuldnerin die Verpflichtungen aus den Schuldverschreibungen unmittelbar von der Garantin übernommen hat.

(f) The Guarantor will make all payments in respect of the Notes and the Guarantee without deduction of taxes or other duties unless the Guarantor is required by law to deduct such taxes or other duties under the law applicable on September 6, 2023.

(f) Die Garantin wird sämtliche auf die Schuldverschreibungen und die Garantie zu zahlenden Beträge ohne Abzug von Steuern oder sonstigen Abgaben leisten, es sei denn, die Garantin ist zu deren Abzug nach dem am 6. September 2023 geltenden Recht gesetzlich verpflichtet.

All payments of principal and interest in respect of the Notes by the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Guarantor will pay such Additional Amounts as may be necessary in order that the net amounts received by the Holders after such

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Garantin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

diesem Fall wird die Garantin diejenigen Zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(i) are payable otherwise than by withholding or deduction from amounts payable; or

(i) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder

(ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Netherlands or the Federal Republic of Germany; or

(ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(iii) are withheld or deducted from amounts payable and are required to be made pursuant to the European Council Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iii) aufgrund einer Richtlinie des Europäischen Rats betreffend die Besteuerung von Zinserträgen oder aufgrund einer gesetzlichen Vorschrift, die eine solche Richtlinie umsetzt oder befolgt oder erlassen wurde, um einer solchen Richtlinie zu entsprechen, von zahlbaren Erträgen einzubehalten oder abzuziehen sind; oder

(iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13 of the Terms and Conditions; or

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

(v) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.		(v) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.	
3.	This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) of the BGB. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.	3.	Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.
4.	The Principal Paying Agent does not act in a fiduciary or in any other similar capacity for the Holders.	4.	Die Hauptzahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.
5.	Miscellaneous Provisions	5.	Verschiedene Bestimmungen
(a)	This Guarantee will be governed by, and construed in accordance with, German law.	(a)	Diese Garantie unterliegt deutschem Recht.
(b)	Place of performance will be Frankfurt am Main.	(b)	Erfüllungsort ist Frankfurt am Main.
(c)	The District Court (*Landgericht*) in Frankfurt am Main will have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.	(c)	Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.
(d)	On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Principal Paying Agent, each Holder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.	(d)	Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der Hauptzahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.
(e)	The Principal Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.	(e)	Die Hauptzahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.
6.	In relation to amendments of the terms of the Guarantee by resolution of the Holders with the consent of the Guarantor, § 16 of the Terms and Conditions applies *mutatis mutandis*.	6.	Für Änderungen der Bedingungen der Garantie durch Beschluss der Gläubiger mit Zustimmung der Garantin gilt § 16 der Emissionsbedingungen entsprechend.

9. GUARANTEE FOR THE NC9 NOTES

GUARANTEE

of

Volkswagen Aktiengesellschaft
(Wolfsburg, *Germany*)
(the "**Guarantor**")

for the benefit of the Holders of the EUR 750,000,000 guaranteed undated unsecured subordinated Notes with a first call date in 2032 (the "**Notes**"), divided into notes in bearer form with a denomination of EUR 100,000 each, which rank *pari passu* among themselves, issued by

Volkswagen International Finance N.V.
(incorporated as a limited liability company under the laws of the Netherlands)
(the "**Issuer**")

ISIN XS2675884733.

WHEREAS:

(A) The Guarantor intends to guarantee on a subordinated basis the due and punctual payment of any amounts payable by the Issuer in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**").

(B) The intent and purpose of this Guarantee is to ensure that the Holders under any and all circumstances, whether factual or legal, and irrespective of validity or enforceability of the obligations of the Issuer under the Notes, or any other reasons on the basis of which the Issuer may fail to fulfil its obligations, receive on the respective due date any and all sums payable in accordance with the Terms and Conditions.

IT IS AGREED AS FOLLOWS:

1. Definitions

Terms used in this Guarantee and not otherwise defined herein will have the meaning attributed to them in the Terms and Conditions.

GARANTIE

der

Volkswagen Aktiengesellschaft
(Wolfsburg, *Deutschland*)
(die "**Garantin**")

zugunsten der Gläubiger der EUR 750.000.000 garantierten, unbefristeten, nicht besicherten nachrangigen Schuldverschreibungen, erstmals kündbar in 2032 (die "**Schuldverschreibungen**"), eingeteilt in untereinander gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen mit einer festgelegten Stückelung von je EUR 100.000, die von der

Volkswagen International Finance N.V.
(einer mit beschränkter Haftung nach dem Recht der Niederlande errichteten Gesellschaft)
(die "**Emittentin**")

begeben worden sind, ISIN XS2675884733.

VORBEMERKUNG:

(A) Die Garantin beabsichtigt die ordnungsgemäße Zahlung von allen Beträgen, die nach Maßgabe der Emissionsbedingungen (die "**Emissionsbedingungen**") der von der Emittentin begebenen Schuldverschreibungen zu zahlen sind, auf nachrangiger Basis zu garantieren.

(B) Es ist Sinn und Zweck dieser Garantie, sicherzustellen, dass die Gläubiger unter allen tatsächlichen und rechtlichen Umständen und unabhängig von Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Emittentin aus den Schuldverschreibungen und unabhängig von sonstigen Gründen, aufgrund derer die Emittentin ihre Verpflichtungen nicht erfüllt, bei Fälligkeit alle nach Maßgabe der Emissionsbedingungen zu zahlenden Beträge erhalten.

ES WIRD FOLGENDES VEREINBART:

1. Definitionen

Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

2. Guarantee

(a) The Guarantor unconditionally and irrevocably guarantees towards Citibank N.A., London Branch (the "**Principal Paying Agent**") for the benefit of each holder (each a "**Holder**") of each Note (which expression will include any Global Note representing the Notes), the due payment of all amounts which are payable by the Issuer in accordance with the Terms and Conditions, as and when the same will become due.

(b) The obligations of the Guarantor under the Guarantee rank:

(i) senior only to the Junior Obligations of the Guarantor,

(ii) *pari passu* with any other present and future Parity Obligations of the Guarantor, and

(iii) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

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

2. Garantie

(a) Die Garantin übernimmt gegenüber Citibank N.A., London Branch (die "Hauptzahlstelle") zugunsten jedes Gläubigers (jeweils ein "**Gläubiger**") der Schuldverschreibungen (wobei dieser Begriff jede Globalurkunde, welche die Schuldverschreibungen verbrieft, einschließt), die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung aller gemäß den Emissionsbedingungen von der Emittentin zu zahlenden Beträge bei Fälligkeit.

(b) Die Verbindlichkeiten der Garantin unter der Garantie:

(i) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,

(ii) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und

(iii) gehen allen anderen nicht nachranginge Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

"**Nachrangige Verbindlichkeiten der Garantin**" bezeichnet (i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die instruments described under (i), (ii) and (iii).

betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

"**Parity Obligations of the Guarantor**" means any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement where the Guarantor's obligations under such guarantee or support agreement rank or are expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include:

"**Gleichrangige Verbindlichkeiten der Garantin**" bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem:

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2024, ISIN XS1799938995,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2024, ISIN XS1799938995,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2025, ISIN XS2187689034,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2025, ISIN XS2187689034,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2026, ISIN XS1048428442,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2026, ISIN XS1048428442,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2027, ISIN XS1629774230,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS1629774230,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2027, ISIN XS2342732562,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2027, ISIN XS2342732562,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2028, ISIN XS1799939027,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS1799939027,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2029, ISIN XS2187689380,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2029, ISIN XS2187689380,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2030, ISIN XS1206541366,

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2030, ISIN XS1206541366,

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2031, ISIN XS2342732646, and

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2031, ISIN XS2342732646, und

its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date 2028, ISIN XS2675884576.

ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2028, ISIN XS2675884576.

"**Subsidiary of the Guarantor**" means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

"**Tochtergesellschaft der Garantin**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält.

(c) In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Guarantor, the claims of the Holders under the Guarantee will be satisfied after (but only after) the obligations of the Guarantor that rank senior to the Notes. In any such event, Holders will not receive any amounts payable in respect of the Guarantee until the claims of all obligations of the Guarantor that rank senior to the Notes have first been satisfied in full.

(c) Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Garantin werden die Ansprüche der Gläubiger aus der Garantie erst nach den Ansprüchen der Inhaber aller anderen gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin bedient. In einem solchen Fall werden die Gläubiger keine Zahlungen auf die Garantie erhalten, bis alle Ansprüche aus den gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin vollständig bedient sind.

No Holder may set off any claims arising under the Guarantee against claims that

Die Gläubiger sind nicht berechtigt, Forderungen aus der Garantie mit the Guarantor may have against it. The Guarantor may not set off any claims it may have against any Holder against any of its obligations under the Guarantee.

etwaigen gegen sie gerichteten Forderungen der Garantin aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Gläubigern mit den Verpflichtungen aus der Garantie aufzurechnen.

(d) The obligations of the Guarantor under this guarantee (i) will be separate and independent from the obligations of the Issuer under the Notes, (ii) will exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) will not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes.

(d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Emittentin aus den Schuldverschreibungen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit oder Durchsetzbarkeit der Schuldverschreibungen und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen eingegangenen Zahlungsverpflichtungen.

(e) In the event of a substitution of the Issuer by a New Debtor pursuant to § 14 of the Terms and Conditions, this Guarantee will extend to any and all amounts payable by the New Debtor pursuant to the Terms and Conditions. The foregoing will also apply if the New Debtor will have assumed the obligations arising under the Notes directly from the Guarantor.

(e) Im Falle einer Ersetzung der Emittentin durch eine Neue Anleiheschuldnerin gemäß § 14 der Emissionsbedingungen erstreckt sich diese Garantie auf sämtliche von der Neuen Anleiheschuldnerin gemäß den Emissionsbedingungen zu zahlenden Beträge. Dies gilt auch dann, wenn die Neue Anleiheschuldnerin die Verpflichtungen aus den Schuldverschreibungen unmittelbar von der Garantin übernommen hat.

(f) The Guarantor will make all payments in respect of the Notes and the Guarantee without deduction of taxes or other duties unless the Guarantor is required by law to deduct such taxes or other duties under the law applicable on September 6, 2023.

(f) Die Garantin wird sämtliche auf die Schuldverschreibungen und die Garantie zu zahlenden Beträge an die Gläubiger ohne Abzug von Steuern oder sonstigen Abgaben leisten, es sei denn, die Garantin ist zu deren Abzug nach dem am 6. September 2023 geltenden Recht gesetzlich verpflichtet.

All payments of principal and interest in respect of the Notes by the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Guarantor will pay such Additional Amounts as may be necessary in order that the net amounts

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Garantin ist gesetzlich verpflichtet, einen solchen received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Garantin diejenigen Zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(i) are payable otherwise than by withholding or deduction from amounts payable; or

(ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Netherlands or the Federal Republic of Germany; or

(iii) are withheld or deducted from amounts payable and are required to be made pursuant to the European Council Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13 of the Terms and Conditions; or

(i) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder

(ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(iii) aufgrund einer Richtlinie des Europäischen Rats betreffend die Besteuerung von Zinserträgen oder aufgrund einer gesetzlichen Vorschrift, die eine solche Richtlinie umsetzt oder befolgt oder erlassen wurde, um einer solchen Richtlinie zu entsprechen, von zahlbaren Erträgen einzubehalten oder abzuziehen sind; oder

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

(v) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

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

3. This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) of the BGB. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.

3. Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.

4. The Principal Paying Agent does not act in a fiduciary or in any other similar capacity for the Holders.

4. Die Hauptzahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

5. Miscellaneous Provisions

5. Verschiedene Bestimmungen

(a) This Guarantee will be governed by, and construed in accordance with, German law.

(a) Diese Garantie unterliegt deutschem Recht.

(b) Place of performance will be Frankfurt am Main.

(b) Erfüllungsort ist Frankfurt am Main.

(c) The District Court (*Landgericht*) in Frankfurt am Main will have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.

(c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.

(d) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Principal Paying Agent, each Holder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.

(d) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der Hauptzahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

(e) The Principal Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.

(e) Die Hauptzahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.

6. In relation to amendments of the terms of the Guarantee by resolution of the Holders with the consent of the Guarantor, § 16 of the Terms and Conditions applies *mutatis mutandis*.

6. Für Änderungen der Bedingungen der Garantie durch Beschluss der Gläubiger mit Zustimmung der Garantin gilt § 16 der Emissionsbedingungen entsprechend.

10. IMPACT OF VARIOUS TAXATION REGIMES

The following is a general overview of certain tax consequences under the tax laws of Luxembourg, the Federal Republic of Germany and the Netherlands of the acquisition, ownership and disposal of the Notes. This overview does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser, relates only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer. This overview is based on the laws of Luxembourg, the Federal Republic of Germany and the Netherlands currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It is not intended to be, nor should it be construed to be, legal or tax advice.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN LUXEMBOURG, THE FEDERAL REPUBLIC OF GERMANY AND THE NETHERLANDS AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

10.1 Taxation in Luxembourg

The following overview is of a general nature. It contains the information required on taxation by the Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019. Information exceeding this information requirement is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

10.1.1 *Luxembourg tax residency of the Holders*

A Holder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

10.1.2 *Withholding tax and self-applied tax*

10.1.2.1 *Non-resident Holders*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Holders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Holders.

10.1.2.2 *Resident Holders*

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005 as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Holders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Holders.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her/its private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Law as amended, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20% tax (the "**Levy**") on interest payments made after

December 31, 2007 by paying agents located in a Member State of the European Union other than Luxembourg or a Member State of the European Economic Area.

10.1.3 ***Taxation of the Holders***

10.1.3.1 *Taxation of Luxembourg non-residents*

Holders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed place of business or a permanent representative in Luxembourg to which the Notes are attributable are not liable to any Luxembourg income tax, whether they receive payments of principal or interest (including accrued but unpaid interest) or realize capital gains upon redemption, repurchase, sale or exchange of any Notes.

Holders who are non-residents of Luxembourg and who have a permanent establishment, a fixed place of business or a permanent representative in Luxembourg to which the Notes are attributable may have to include any interest received or accrued, as well as any capital gain realized on the sale or disposal of the Notes in their taxable income for Luxembourg income tax assessment purposes.

10.1.3.2 *Taxation of Luxembourg residents*

10.1.3.2.1 General

Holders who are resident of Luxembourg must, for income tax purposes, include any interest paid or accrued in their taxable income. Specific exemptions may be available for certain tax payers benefiting from a particular status.

10.1.3.2.2 Luxembourg resident individuals

A Luxembourg resident individual Holder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts under the Notes, except if a withholding tax has been levied by the Luxembourg paying agent on such payments or, in case of a non-resident paying agent, if such individual Holder has opted for the Levy.

Under Luxembourg domestic tax law, gains realized upon the sale, disposal or redemption of the Notes, which do not constitute zero coupon notes, by a Luxembourg resident individual Holder, who acts in the course of the management of his/her private wealth, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the acquisition of the Notes. A Luxembourg resident individual Holder, who acts in the course of the management of his/her private wealth, has further to include the portion of the gain corresponding to accrued but unpaid income in respect of the Notes in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement.

A gain realized upon a sale of zero coupon notes before their maturity by Luxembourg resident individual Holders, in the course of the management of their private wealth must be included in their taxable income for Luxembourg income tax assessment purposes.

Luxembourg resident individual Holders acting in the course of the management of a professional or business undertaking to which the Notes are attributable, may have to include any interest received or accrued, as well as any gain realized on the sale or disposal of the Notes, in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed. The same tax treatment applies to non-resident Holders who have a permanent establishment or a permanent representative in Luxembourg to which the Notes are attributable.

10.1.3.2.3 Luxembourg corporate residents

Luxembourg corporate Holders must include any interest received or accrued, as well as any gain realized on the sale or disposal of the Notes, in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

10.1.3.2.4 Luxembourg corporate residents benefiting from a special tax regime

Luxembourg corporate resident Holders who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the law of 17 December 2010 (amending the laws of 20 December 2002), (ii) specialized investment funds subject to the law dated 13 February 2007 (as amended), (iii) family wealth management companies subject to the law dated 11 May 2007 (as amended) or (iv) reserved alternative investment funds within the meaning of the law of 23 July 2016, provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies, are exempt from income tax in Luxembourg and thus income derived from the Notes, as well as gains realized thereon, are not subject to Luxembourg income taxes.

10.1.4 ***Net Wealth Tax***

Luxembourg resident Holders or non-resident Holders who have a permanent establishment or a permanent representative in Luxembourg to which the Notes are attributable, are subject to Luxembourg wealth tax on such Notes, except if the Holder is (i) a resident or non-resident individual taxpayer, or (ii) an undertaking for collective investment subject to the law of 17 December 2010 (amending the law of 20 December 2002), or (iii) a securitization vehicle governed by the law of 22 March 2004 (as amended) on securitization, or (iv) a company governed by the law of 15 June 2004 (as amended) on venture capital vehicles, or (v) a specialized investment fund subject to the law of 13 February 2007 (as amended) or (vi) a family wealth management company subject to the law of 11 May 2007 (as amended), or (vii) a company governed by the law of July 13, 2005 (as amended) on professional pension institutions, or (viii) a reserved alternative investment fund within the meaning of the law of 14 July 2016.

However, please note that (i) securitization companies governed by the law of 22 March 2004 on securitization, as amended, or (ii) capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or (iii) capital companies governed by the law of July 13, 2005 (as amended) on professional pension institutions, or (iv) reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof remain subject to minimum net wealth tax.

This minimum net wealth tax amounts to EUR 4,815, if the relevant Holder holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90% of its total balance sheet value and if the total balance sheet value of these very assets exceeds EUR 350,000 or (b) to a minimum net wealth tax between EUR 535 and EUR 32,100 based on the total amount of its assets.

10.1.5 ***Other Taxes***

10.1.5.1 *Registration taxes and stamp duties*

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the Holders as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, redemption or repurchase of the Notes. However, registration of the Notes may be required if the Notes are either (i) attached as an annex to an act (*annexés à un acte*) that itself is subject to mandatory registration or (ii) deposited in the minutes of a notary (*déposés au rang des minutes d'un notaire*). In such cases, the Notes will be subject to a fixed EUR 12 duty payable by the party registering, or being ordered to register, the Notes. The same registration duty may also apply upon voluntary registration of the Notes in Luxembourg (although there is no obligation to do so).

10.1.5.2 *Value added tax*

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

10.1.5.3 *Inheritance tax and gift tax*

No estate or inheritance taxes are levied on the transfer of the Notes upon death of a Holder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Gift tax may be due on a gift or donation of Notes if the gift is recorded in a deed passed in front of a Luxembourg notary or otherwise registered in Luxembourg

10.2 Taxation in Germany

10.2.1 *Investors resident in Germany*

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

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

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

10.2.1.2 *Income*

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

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

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. If similar Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the sale are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward to subsequent assessment periods. However, if the losses result from the full or partial non-recoverability of the repayment claim under the Notes including a default of the Issuer or a (voluntary) waiver, such losses together with other losses of such kind of the same year and loss-carry forwards of previous years can only be offset up to an amount of EUR 20,000 ("**Limitation on Loss Deduction**"). Any exceeding loss amount can be carried forward and offset against future savings income, but again subject to the EUR 20,000 limitation. Given that the Limitation on Loss Deduction will not be applied by the German Disbursing Agent (as defined below) holding the Notes in custody, investors suffering losses which are subject to the Limitation on Loss Deduction are required to declare such losses in their income tax return.

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

10.2.1.3 *German withholding tax (Kapitalertragsteuer)*

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

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

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

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 1,000 (EUR 2,000 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes. If, however, the Issuer is deemed to be resident in Germany for tax purposes and if, further, the Notes qualify as hybrid instruments (e.g., silent partnership, profit participating notes, jouissance rights (*Genussrechte*)), German withholding tax has to be imposed by the Issuer irrespective of whether or not the Notes are kept or administered in a custodial account maintained with a German Disbursing Agent.

10.2.1.4 *Tax assessment*

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and satisfy the investor's income tax obligation with regard to the underlying savings income. If no or no sufficient withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file an income tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the income tax return for church tax purposes.

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

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 1,000 (EUR 2,000 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal income tax rate.

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

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

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

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

10.2.1.6 *Solidarity Surcharge*

The solidarity surcharge is levied for wage tax and income tax purposes only if the individual income tax of the investor exceeds a certain threshold. In 2023, the threshold is EUR 17,543 (EUR 35,086 for jointly assessed spouses or registered life partners). In2024, the threshold will be increased to EUR 18,130 (EUR 36,260 for jointly assessed spouses or registered life partners). However, the solidarity surcharge remains in place for purposes of the withholding tax on investment income (*Kapitalertragsteuer*), the flat tax regime and the corporate income tax irrespective of the relevant income.

10.2.2 ***Investors not resident in Germany***

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

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

10.2.3 ***Inheritance and Gift Tax***

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

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

10.2.4 ***Other Taxes***

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

10.3 **Taxation in the Netherlands**

The following overview of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of Notes, being an individual or a non-resident entity, does not have nor will have a substantial interest (*aanmerkelijk belang*), or — in the case of such holder being an entity — a deemed substantial interest, in the Issuer and that no connected person (*verbonden persoon*) to the holder has or will have a substantial interest in the Issuer.

Generally speaking, individuals have a substantial interest in a company if (a) such individuals, either alone or together with their partners, directly or indirectly have, or are deemed to have or (b) certain relatives of such individuals or their partners directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company. Generally, an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this overview refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the overview refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes.

10.3.1 *Withholding Tax*

All payments of principal and interest by the Issuer under the Notes can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, save that Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the annually updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a participant that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that participant would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to the participant directly, all within the meaning of the Withholding Tax Act 2021 (*Wet bronbelasting 2021)*.

10.3.2 ***Taxes on Income and Capital Gains***

10.3.2.1 *Residents*

10.3.2.1.1 Resident entities

An entity holding Notes which is or is deemed to be resident in the Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 25.8% in 2023).

10.3.2.1.2 Resident individuals

An individual holding Notes who is or is deemed to be resident in the Netherlands for Dutch income tax purposes will generally be subject to Dutch income tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 49.5% in 2023) if:

(a) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(b) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor (b) applies, the individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. For the fiscal year 2023, separate deemed return percentages for savings, debts and investments apply, up to 6.17 per cent. for the category investments (including the Notes), as at the beginning of the relevant fiscal year. The applicable percentages will be updated annually on the basis of historic market yields. Subject to certain anti-abuse provisions, the product of an amount equal to (a) the total deemed return divided by the sum of savings, debts and investments and (b) the sum of savings, debts and investments minus a tax-free allowance, forms the individual's taxable income from savings and investments (including the Notes) for 2023 and will be taxed at the prevailing statutory rate (32 per cent. in 2023).

10.3.2.2 *Non-residents*

A holder of Notes which is not and is not deemed to be resident in the Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Notes, unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in the Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

10.3.3 ***Gift and Inheritance Taxes***

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

(i) the holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or

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

10.3.4 *Value Added Tax*

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue or acquisition of Notes, payments of principal or interest under the Notes, or payments in consideration for a disposal of Notes.

10.3.5 *Other Taxes and Duties*

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the acquisition, holding or disposal of Notes, the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

10.3.6 *Residence*

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

11. SUBSCRIPTION, SALE AND OFFER OF THE NOTES

11.1 General

Pursuant to a subscription agreement dated August 29, 2023 (the "**Subscription Agreement**") among the Issuer, the Guarantor and the Joint Lead Managers, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed, subject to certain customary closing conditions, to purchase the Notes on the Issue Date. The Issuer has furthermore agreed to pay certain commissions to the Joint Lead Managers and to reimburse the Joint Lead Managers for certain expenses incurred in connection with the issue of the Notes. Commissions may also be payable by the Joint Lead Managers to certain third-party intermediaries in connection with the initial sale and distribution of the Notes.

The Subscription Agreement provides that the Joint Lead Managers under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, Notes will not be delivered to investors. Furthermore, the Issuer and the Guarantor have agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

11.2 Yield

The yield in respect of:

(i) the NC5 Notes from the Issue Date to the NC5 First Call Date is 7.500 per cent. per annum; and

(ii) the NC9 Notes from the Issue Date to the NC9 First Call Date is 7.875 per cent. per annum;

and is calculated on the basis of the relevant issue price of the Notes and is not an indication of future yield.

11.3 Delivery of the Notes to Investors

Delivery and payment of the Notes will be made on the Issue Date, i.e. September 6, 2023. The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefor.

12. SELLING RESTRICTIONS

12.1 United States of America

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S.

Each Manager has represented and agreed that it has offered and sold the Notes and the Guarantees, and it will offer and sell the Notes and the Guarantees (a) as part of their distribution at any time and (b) otherwise until 40 days after the completion of the distribution of all the Notes and the Guarantees only in accordance with Rule 903 of Regulation S. Neither any Manager, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Guarantees in the United States, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Manager has also agreed that at or prior to confirmation of sale of the Notes and the Guarantees, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes and the Guarantees from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes and the Guarantees covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes and the Guarantees as determined and certified by each Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Notes will be issued in accordance with the provisions of U.S. Treas. Reg. § 1.163-5I(2)(i)(D), or substantially identical successor provisions (the "**TEFRA D Rules**").

Each Manager has represented, warranted and undertaken that:

(i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Manager has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;

(ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(iii) if such Manager is a United States person, it represents that it is acquiring the Notes for purposes of resale, in connection with their original issuance and if such Manager retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6) or substantially identical successor provision;

(iv) with respect to each affiliate that acquires from such Manager Notes for the purposes of offering or selling such Notes during the restricted period, such Manager either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) above on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the purchaser of the Notes and the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii) above; and

(v) if such Manager enters into a written contract with a distributor within the meaning of the TEFRA D Rules that is not an affiliate of such Manager and that acquires Notes from such Manager for the purposes of offering or selling such Notes during the restricted period pursuant to such contract, it will obtain from such distributor, for the benefit of the Issuer, the representations and agreements contained in sub-clauses (i), (ii), (iii) and (iv) above and this sub-clause (v).

Terms used in sub-clauses (i), (ii), (iii), (iv) and (v) above have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantees and the Issue Date therefor, an offer or sale of the Notes and the Guarantees within the United States by any Manager may violate the registration requirements of the Securities Act.

12.2 **Prohibition of Sales to EEA Retail Investors**

Each Manager has represented and agreed 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 Prospectus to any retail investor in the EEA. 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 MiFID II; or

   (ii) a customer within the meaning of Directive (EU) 2016/97 (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

(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.

12.3 **United Kingdom of Great Britain and Northern Ireland**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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 EUWA; or

   (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; and

(b) the expression an "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.

Each Manager has represented and agreed that,

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the 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

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

12.4 Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

12.5 General

In addition to the specific restrictions set out above, each Manager has represented and agreed that it will observe all applicable provisions of securities law in each jurisdiction in or from which it may offer or sell the Notes and the Guarantees or distribute any offering material.

13. DOCUMENTS INCORPORATED BY REFERENCE

13.1 Documents Incorporated by Reference

The following documents which have been published or which are published simultaneously with this Prospectus and filed with the CSSF shall be incorporated in, and to form part of, this Prospectus, as set out under "*Cross Reference List of information incorporated by reference*" below:

1. Half-Yearly Financial Report January – June 2023 for the period January 1 to June 30, 2023 of VWAG
2. Annual Report 2022 of VWAG
3. Annual Report 2021 of VWAG
4. Interim financial statements (condensed) as at 30 June 2023 of VIF
5. Financial Statements 2022 of VIF
6. Financial Statements 2021 of VIF

Other than the information specified above and below under *13.1.1 Cross Reference List of information incorporated by reference* and specifically incorporated by reference in this Prospectus, or information provided under *13.2 Availability of Documents*, such documents do not form part of this Prospectus and the contents of the Issuer's or the Guarantor's internet websites do not form part of this Prospectus, have not been scrutinized or approved by the CSSF, and, in each case, should not be relied upon for the purposes of forming an investment decision with respect to the Notes.

13.1.1 *Cross Reference List of information incorporated by reference*

Page of Prospectus	Section	Pages of document incorporated by reference
Page 75	VWAG as Guarantor – Historical Financial Statements	**Half-Yearly Financial Report January – June 2023 for the period January 1 to June 30, 2023 of VWAG** https://dl.luxse.com/dlp/10992eccd26426493c8852bcdb8b62706a • Income Statement of the Volkswagen Group for the period January 1 to June 30, 2023 (p. 38) • Statement of Comprehensive Income of the Volkswagen Group for the period January 1 to June 30, 2023 (p. 39) • Balance Sheet of the Volkswagen Group as of June 30, 2023 (p. 42) • Statement of Changes in Equity of the Volkswagen Group for the period January 1 to June 30, 2023 (p. 43) • Cash Flow Statement of the Volkswagen Group for the period January 1 to June 30, 2023 (p. 44)

Page of Prospectus	Section	Pages of document incorporated by reference
		• Notes to the Consolidated Financial Statements of the Volkswagen Group (p. 45-71) • Review Report (p. 73)
Page 75		**Annual Report 2022 of VWAG (English language version):** https://dl.bourse.lu/dlp/10ab06aaeea01c4f409f8dbd37a1f94abe • Income Statement of the Volkswagen Group for the period January 1 to December 31, 2022 (p. 277) • Statement of Comprehensive Income of the Volkswagen Group for the Period January 1 to December 31, 2022 (p. 278-279) • Balance Sheet of the Volkswagen Group as of December 31, 2022 (p. 280-281) • Statement of Changes in Equity of the Volkswagen Group for the period January 1 to December 31, 2022 (p. 282) • Cash Flow Statement of the Volkswagen Group for the period January 1 to December 31, 2022 (p. 283) • Notes to the Consolidated Financial Statements of the Volkswagen Group as of December 31, 2022 (p.284-463) • Independent Auditor's Report in respect of the Consolidated Financial Statements 2022 of VWAG[1] (p. 465-481)
Page 75		**Annual Report 2021 of VWAG (English language version):** http://dl.bourse.lu/dlp/100062a3d8911043a0998b8513f75a3543 • Income Statement of the Volkswagen Group for the period January 1 to December 31, 2021 (p. 219) • Statement of Comprehensive Income of the Volkswagen Group for the Period January 1 to December 31, 2021 (p. 220-221)

[1] The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report, which is combined with VWAG's management report (combined management report of Volkswagen Group and VWAG), of VWAG as of and for the year ended December 31, 2022 as a whole and not solely to the consolidated financial statements incorporated by reference.

Page of Prospectus	Section	Pages of document incorporated by reference
		• Balance Sheet of the Volkswagen Group as of December 31, 2021 (p. 222-223) • Statement of Changes in Equity of the Volkswagen Group for the period January 1 to December 31, 2021 (p. 224-225) • Cash Flow Statement of the Volkswagen Group for the period January 1 to December 31, 2021 (p. 226) • Notes to the Consolidated Financial Statements of the Volkswagen Group as of December 31, 2021 (p. 227-372) • Independent Auditor's Report in respect of the Consolidated Financial Statements 2021 of VWAG[2] (p. 374-387)
Page 58	VIF as Issuer - Historical Financial Information	**Interim financial statements (condensed) as at 30 June 2023 of VIF for the period January 1 to June 30, 2023 of VIF:** https://dl.luxse.com/dlp/10e2fcadc37f1b4c718b8662355e97fd1b • Statement of financial position as at June 30, 2023 (p. 5) • Statement of income and comprehensive income for the six months ended June 30, 2023 (p. 6) • Statement of changes in equity for the period from 1 January to 30 June 2023 (p. 7) • Statement of cash flows for the six months ended June 30, 2023 (p. 8) • Notes to the interim consolidated financial statements (p. 9-29)
Page 58	VIF as Issuer - Historical Financial Information	**Financial Statements 2022 of VIF:** https://dl.bourse.lu/dlp/1044c86be7f41f43a08568441a8dfc3b29 • Statement of financial position as at December 31, 2022 (p. 9) • Statement of income and comprehensive income for the year ended December 31, 2022 (p. 10)

2 The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report, which is combined with VWAG's management report (combined management report of Volkswagen Group and VWAG), of VWAG as of and for the year ended December 31, 2021 as a whole and not solely to the consolidated financial statements incorporated by reference.

Page of Prospectus	Section	Pages of document incorporated by reference
		• Statement of changes in equity for the year ended December 31, 2022 (p. 11) • Statement of cash flows for the year ended December 31, 2022 (p. 12) • Notes to the annual financial statements for the year ended December 31, 2022 (p. 13-75) • Independent Auditor's Report 2022 (p. 77-84)
Page 58		**Financial Statements 2021 of VIF:** http://dl.bourse.lu/dlp/101ca11bc3007f470b82815b3e27ac58bd • Statement of financial position as at December 31, 2021 (p.9) • Statement of income and comprehensive income for the year ended December 31, 2021 (p. 10) • Statement of changes in equity for the year ended December 31, 2021 (p. 11) • Statement of cash flows for the year ended December 31, 2021 (p. 12) • Notes to the annual financial statements for the year ended December 31, 2021 (p. 13-89) • Independent Auditor's Report 2021 (p. 91-96)

13.2 Availability of Documents

This Prospectus, any supplement thereto, if any, and any documents incorporated by reference into this Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.LuxSE.com).

Electronic copies of the following documents will be available at the websites specified below for twelve months from the date of this Prospectus:

- the Articles of Association (*Satzung*) of the Guarantor: https://www.volkswagen-group.com/en/publications/more/articles-of-association-as-at-june-2023-2458
- the Articles of Association of VIF: https://www.vif.nl/content/dam/companies/nl_vif/Articles%20of%20Association.pdf

The documents referenced above are neither part of, nor incorporated by reference into, this Prospectus, and such information has not been scrutinized or approved by CSSF. The documents incorporated by reference will be available at the respective websites specified under "*13.1.1 Cross Reference List of information incorporated by reference*" above.

Issuer

Volkswagen International Finance N.V.
Paleisstraat 1
1012 RB Amsterdam
the Netherlands

Guarantor

Volkswagen Aktiengesellschaft
Berliner Ring 2
38440 Wolfsburg
Germany

Joint Lead Managers

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