



LANXESS Aktiengesellschaft

(incorporated in the Federal Republic of Germany)

EUR 500,000,000 Subordinated Callable Resettable Fixed Rate Notes due 2076

ISIN XS1405763019, Common Code 140576301, WKN A2DACG

Issue Price: 98.655 per cent.

LANXESS Aktiengesellschaft, with its registered office in Cologne, Federal Republic of Germany (the "**Issuer**" or "**LANXESS**") will issue on 6 December 2016 (the "**Issue Date**") EUR 500,000,000 Subordinated Callable Resettable Fixed Rate Notes due 2076 (the "**Notes**") in the denomination of EUR 1,000 each.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will bear interest from and including 6 December 2016 (the "**Interest Commencement Date**") to but excluding 6 June 2023 (the "**First Call Date**") at a rate of 4.50 per cent. per annum, payable annually in arrear on 6 June of each year, commencing on 6 June 2017 (short first coupon). Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Call Date to but excluding 6 June 2028 (the "**First Modified Reset Date**") at a rate per annum equal to the 5-year EURSFIX swap rate for the relevant Reset Period (each as defined in § 3(4) of the terms and conditions of the Notes (the "**Terms and Conditions**")) plus a margin of 451 basis points per annum (not including a step-up), payable in arrear on 6 June of each year, commencing on 6 June 2024. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Modified Reset Date to but excluding 6 June 2043 (the "**Second Modified Reset Date**") at a rate per annum equal to the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin of 476 basis points per annum (including a step-up of 25 basis points), payable on 6 June of each year, commencing on 6 June 2029. Thereafter, unless previously redeemed, the Notes will bear interest from and including the Second Modified Reset Date to but excluding 6 December 2076 (the "**Maturity Date**") at a rate per annum equal to the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin of 551 basis points per annum (including a step-up of 100 basis points), payable on 6 June of each year, commencing on 6 June 2044. The 5-year EURSFIX swap rate will be reset on each of the First Call Date, 6 June 2028, 6 June 2033, 6 June 2038, 6 June 2043, 6 June 2048, 6 June 2053, 6 June 2058, 6 June 2063, 6 June 2068 and 6 June 2073.

The Issuer is entitled to defer interest payments under certain circumstances (as set out in § 4(1) of the Terms and Conditions) (such payments the "Deferred Interest Payments"). The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 4(2) of the Terms and Conditions) and it shall pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 4(3) of the Terms and Conditions). Such Deferred Interest Payments will not bear interest themselves.

The obligations of the Issuer under the Notes constitute subordinated and unsecured obligations of the Issuer ranking (i) *pari passu* among themselves and with obligations of the Issuer under any Parity Securities (as defined in § 2(1) of the Terms and Conditions), (ii) subordinated to all present and future unsubordinated and, except for the obligations specified in the following (iii) and (iv), subordinated obligations of the Issuer, (iii) *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and, except for obligations arising under Junior Securities (as defined in § 2(1) of the Terms and Conditions), subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and (iv) senior only to the rights and claims of holders of Junior Securities against the Issuer.

Unless previously redeemed, or repurchased and cancelled, the Notes will be redeemed at par on the Maturity Date. The Notes may be called for redemption by the Issuer before their stated maturity with effect as of the First Call Date or any Interest Payment Date (as defined in § 3(1) of the Terms and Conditions) thereafter as well as following (i) a Gross-up Event, (ii) a Tax Event, (iii) a Rating Agency Event, (iv) an Acquisition Event, (v) a Change of Control Event (each as defined in § 5 of the Terms and Conditions) or (vi) in case the Issuer and/or one or more of its Subsidiaries in aggregate hold or have redeemed Notes equal to or in excess of 80 per cent. of the aggregate principal amount of the Notes initially issued.

The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be exchangeable in whole or in part for a Permanent Global Note without interest coupons, not earlier than 40 days and not later than 180 days after the Issue Date, upon certification as to non-U.S. beneficial ownership.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of LANXESS (www.lanxess.com).

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

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

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

The Notes are expected to be rated Ba2 by Moody's Investors Service Ltd. and BB by Standard and Poor's Credit Market Services France SAS upon issuance.

Structuring Agent to the Issuer and Joint Lead Manager

J.P. Morgan

Joint Lead Managers

Banco Bilbao Vizcaya Argentaria, S.A.

Banco Santander Corporate Banking

Barclays

BayernLB

BofA Merrill Lynch

Citigroup

Commerzbank

Deutsche Bank

DZ BANK AG

Helaba

Mizuho Securities

**Société Générale Corporate
and Investment Banking**

Standard Chartered Bank

UniCredit Bank

RESPONSIBILITY STATEMENT

LANXESS Aktiengesellschaft, with its registered office in Cologne, Federal Republic of Germany, ("LANXESS" or the "Issuer" and, together with all of its affiliated companies within the meaning of the German Stock Corporation Act (*Aktiengesetz*), the "LANXESS Group") accepts responsibility for the information given in this Prospectus.

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

NOTICE

This Prospectus should be read and understood in conjunction with any supplement(s) and each of the documents incorporated herein by reference.

The Issuer has confirmed to the Joint Lead Managers set forth on the last page of this Prospectus (each a "Manager" and together the "Managers") that this Prospectus contains to the best of its knowledge all information which is material in the context of the issue and offering of the Notes, that the information contained herein is accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that there are no other facts the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading. None of the Managers have independently verified the Prospectus and none of them assumes any responsibility for the accuracy of the information and statements contained in this Prospectus and no representations express or implied are made by the Managers or their affiliates as to the accuracy and completeness of the information and statements herein.

To the extent permitted by the laws of any relevant jurisdiction neither the Managers nor any other person mentioned in this Prospectus, except for the Issuer, accepts any responsibility for the accuracy and completeness of the information contained in this Prospectus or any supplement hereof, or any other document incorporated by reference. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

The Issuer has undertaken with the Managers to supplement this Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and the final closing of Notes offered to the public or, as the case may be, when trading of the Notes on a regulated market begins.

No person has been authorized by the Issuer to give any information or to make any representations not contained in or not consistent with this Prospectus or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Managers or any of them.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions applicable in the United States of America, the European Economic Area in general, the United Kingdom of Great Britain and Northern Ireland and Japan see "*Selling Restrictions*" on pages 115 to 116 of this Prospectus. In particular, 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 tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

The language of this Prospectus is English. Any part of this Prospectus in the German language (other than the Terms and Conditions) constitutes a translation. In respect to the Terms and Conditions, the German language version shall be controlling and legally binding.

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

This Prospectus does not constitute an offer or an invitation to subscribe for or to purchase any Notes and should not be considered as a recommendation by the Issuer, the Managers or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes.

In connection with the issue of the Notes, J.P. Morgan Securities plc as the stabilising manager (the "**Stabilisation Manager**") (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, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.

In this Prospectus all references to "**€**", "**EUR**", "**Euro**", "**euro**" and "**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 "**US \$**", "**USD**" and "**U.S. dollars**" are to the lawful currency of the United States of America.

Any websites included in the Prospectus, except for the website www.bourse.lu, are for information purposes only and do not form part of the Prospectus.

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

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

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

TABLE OF CONTENTS

SUMMARY	7
GERMAN TRANSLATION OF THE SUMMARY	23
RISK FACTORS	43
RISK FACTORS REGARDING THE ISSUER.....	43
RISK FACTORS REGARDING THE NOTES.....	46
CONSENT TO USE OF THE PROSPECTUS	52
TERMS AND CONDITIONS OF THE NOTES	53
DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS	88
DESCRIPTION OF THE ISSUER	90
STATUTORY AUDITORS.....	90
SELECTED FINANCIAL INFORMATION	90
GENERAL INFORMATION ABOUT LANXESS	92
CORPORATE OBJECTS	92
CAPITAL STOCK	93
INVESTMENTS.....	93
ORGANISATIONAL STRUCTURE.....	93
BUSINESS OVERVIEW AND PRINCIPAL MARKETS	94
RISK MANAGEMENT	97
RESEARCH AND DEVELOPMENT.....	98
PATENTS, TRADEMARKS AND LICENSES	98
MATERIAL CONTRACTS	99
TREND INFORMATION	99
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.....	100
BOARD PRACTICE	102
MAJOR SHAREHOLDERS	104
HISTORICAL FINANCIAL INFORMATION.....	104
RATING	105
LEGAL AND ARBITRATION PROCEEDINGS	106
SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION OF LANXESS GROUP.....	106
TAXATION	107
FEDERAL REPUBLIC OF GERMANY	107
GRAND DUCHY OF LUXEMBOURG	109
REPUBLIC OF AUSTRIA.....	110
EU SAVINGS TAX DIRECTIVE.....	112
UNITED STATES OF AMERICA (THE "UNITED STATES").....	112
SUBSCRIPTION AND SALE OF THE NOTES	114
GENERAL.....	114
OFFER OF THE NOTES	114
SELLING RESTRICTIONS	115

GENERAL INFORMATION	117
LISTING AND ADMISSION TO TRADING	117
AUTHORISATION	117
USE OF PROCEEDS	117
CLEARANCE AND SETTLEMENT	117
CREDIT RATING	117
INDICATION OF YIELD	118
INTERESTS OF NATURAL AND LEGAL PERSONS	118
DOCUMENTS ON DISPLAY	118
DOCUMENTS INCORPORATED BY REFERENCE	119
DOCUMENTS INCORPORATED BY REFERENCE	119
COMPARATIVE TABLE OF DOCUMENTS INCORPORATED BY REFERENCE	119
AVAILABILITY OF INCORPORATED DOCUMENTS	120

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and Warnings

Element		
A.1	Warnings	<p>Warning that:</p> <ul style="list-style-type: none"> • this Summary should be read as an introduction to the Prospectus; • any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor; • where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and • civil liability attaches only to the persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	Consent to use the Prospectus	<p>Each Manager and/or further financial intermediary subsequently reselling or finally placing the Notes is entitled to use the Prospectus for the subsequent resale or final placement of the Notes in Luxembourg, Germany and Austria during the period from 2 December 2016 to 6 December 2016, provided however, that the Prospectus is still valid in accordance with Article 11 (2) of the Luxembourg law on prospectuses for securities, as amended (<i>Loi relative aux prospectus pour valeurs mobilières</i>), as amended, which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010).</p> <p>The Prospectus may only be delivered to potential investors together with all supplements published before such delivery, if any. Any supplement to the Prospectus will be available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.lanxess.com).</p> <p>When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions. In the event of an offer being made by a Manager and/or further financial intermediary, the Manager and/or further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.</p>

Section B – LANXESS Aktiengesellschaft

Element																																
B.1	Legal and commercial name of the Issuer	LANXESS Aktiengesellschaft (" LANXESS ") is the legal and commercial name.																														
B.2	Domicile, legal form, legislation, country of incorporation	LANXESS is a German stock corporation (<i>Aktiengesellschaft</i>) incorporated under the laws of and domiciled in the Federal Republic of Germany.																														
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	Not applicable; there are no known trends affecting LANXESS.																														
B.5	Description of the Group and the Issuer's position within the Group	LANXESS is the ultimate parent company of the LANXESS Group, which consists of numerous subsidiaries and affiliates in Germany and elsewhere.																														
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.																														
B.10	Qualifications in the audit report on the historical financial information	Not applicable; the auditor's reports do not include any qualifications.																														
B.12	Selected historical key financial information	<table border="1"> <thead> <tr> <th></th> <th colspan="2">1 January to 30 September</th> <th colspan="2">1 January to 31 December</th> </tr> <tr> <th>In € million</th> <th>2016</th> <th>2015</th> <th>2015</th> <th>2014</th> </tr> <tr> <th></th> <th colspan="2">(unaudited)</th> <th colspan="2">(audited)</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>5,784</td> <td>6,096</td> <td>7,902</td> <td>8,006</td> </tr> <tr> <td>Operating result (EBITDA (pre exceptionals))¹</td> <td>812</td> <td>734</td> <td>885</td> <td>808</td> </tr> <tr> <td>EBITDA (pre exceptionals)¹ margin</td> <td>14.0%</td> <td>12.0%</td> <td>11.2%</td> <td>10.1%</td> </tr> </tbody> </table>		1 January to 30 September		1 January to 31 December		In € million	2016	2015	2015	2014		(unaudited)		(audited)		Sales	5,784	6,096	7,902	8,006	Operating result (EBITDA (pre exceptionals)) ¹	812	734	885	808	EBITDA (pre exceptionals) ¹ margin	14.0%	12.0%	11.2%	10.1%
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¹ EBITDA is calculated from earnings before interest and income taxes (EBIT) by adding back depreciation and impairments of property, plant, and equipment as well as amortization and impairments of intangible assets and subtracting reversals of impairment, charges on property, plant, equipment and intangible assets.

EBITDA pre exceptionals are EBITDA disregarding exceptional items. The latter are effects of an unusual nature or magnitude. They may include write-downs, restructuring expenses, expenses for the design and implementation of IT projects, expenses for portfolio adjustments and reversals of impairment charges. Grants and subsidies from third parties for the acquisition and construction of property, plant and equipment are accounted for as deferred income using the gross method. In this respect, no adjustments other than for gross depreciation and amortization are made when calculating EBITDA pre exceptionals.

		Operating result (EBIT)	429	344	415	218
		Income after income taxes	196	149	167	44
		Net cash provided by operating activities	532	342	692	797
		Cash outflows for purchases of intangible assets, property, plant and equipment	228	229	434	614
		Free Cash Flow ¹	-563	176	292	210
		Net financial liabilities (after deduction of time deposits and securities available for sale) ²	203	1,323	1,211	1,336
		Total assets	8,242	7,217	7,219	7,250
		Equity	3,453	2,188	2,323	2,161
	Material adverse change	There has been no material adverse change in the prospects of LANXESS since 31 December 2015.				
	Significant changes in the financial or trading position	Not applicable; there has been no significant change in the financial or trading position of LANXESS Group since 30 September 2016.				
B.13	Recent Events	<p>In 2015, LANXESS continued to implement its extensive realignment programme. In connection with the "Let's LANXESS again" programme established to this end, LANXESS discontinued production of ethylene propylene diene monomer (EPDM) rubber at the site in Marl, Germany, by the end of the first quarter of 2016.</p> <p>Also in this context in September 2015 LANXESS entered into a 50-50 joint venture agreement with Aramco Overseas Company B.V. to form a strategic alliance named ARLANXEO. This strategic alliance comprises the global synthetic rubber business of the LANXESS Business Units Tire & Specialty Rubbers and High Performance Elastomers carved-out by LANXESS into the joint venture ARLANXEO. LANXESS believes this alliance offers the Business Units concerned potential access to strategic raw materials in the medium term. The transaction has been approved by all relevant antitrust authorities and was completed on 1 April 2016. With the completion of the transaction LANXESS has received cash proceeds of approximately € 1.2 billion and the 50 percent share in ARLANXEO was transferred to Aramco Overseas Holdings Coöperatief U.A.</p> <p>In April 2016 LANXESS announced to acquire the Clean & Disinfect business of The Chemours Company which will be integrated into the LANXESS Business Unit Material Protection Products. The business is expected to contribute approximately € 100 million of sales based on 2015 figures. The acquisition was closed on 31 August 2016 after approval from all relevant</p>				

¹ Cash flow from operating activities minus cash used in investing activities.

² Net financial liabilities are calculated as the sum of non-current financial liabilities and current financial liabilities less liabilities for accrued interest, cash and cash equivalents and near-cash assets.

Net financial liabilities after deduction of time deposits and securities available for sale is calculated from net financial liabilities less time deposits and securities available for sale.

		<p>anti-trust authorities. The purchase price of approximately € 210 million was financed through existing liquidity.</p> <p>On 25 September 2016, a US entity of the LANXESS Group signed a merger agreement with Chemtura Corporation ("Chemtura"). Chemtura is a US-based specialty chemical company which provides flame retardant- and lubricant additives. The company employs worldwide approximately 2,500 employees and has 20 production sites in 11 countries. Chemtura headquarters are in Philadelphia, Pennsylvania. The stock listed company reported for the last twelve months ("LTM") ended on 30 September 2016 (Q3 2016 LTM) sales of around € 1.5 billion (US \$ 1.7 billion).</p> <p>To acquire the company, LANXESS is offering US \$33.50 per share in cash to Chemtura's shareholders, which values the equity of the company at approximately € 1.9 billion (US \$ 2.1 billion). Total enterprise value including net financial debt and pension obligations accounts to approximately € 2.4 billion (US \$ 2.6 billion). Closing of the acquisition is expected mid-2017 and is subject to approval by Chemtura shareholders, required regulatory approvals and certain other customary closing conditions. LANXESS will finance the envisaged acquisition with a combination of cash on balance sheet and an initial € 2.0 billion committed bridge loan facility. The bridge loan facility is expected to be refinanced in the senior and hybrid bond markets potentially ahead of closing of the acquisition. Senior bonds with an aggregated nominal volume of € 1.0 billion have already been issued on 7 October 2016. The offering of the Notes is a further part of this refinancing.</p>
B.14	Dependence upon other entities within the group	<p>Please read Element B.5 together with the information below.</p> <p>Not applicable; LANXESS is the parent company of the LANXESS Group.</p>
B.15	A description of the Issuer's principal activities	<p>LANXESS is a globally operating chemicals enterprise organized in four business segments since the second quarter of 2016.</p> <p>The Advanced Intermediates segment is one of the world's leading suppliers of industrial chemical intermediates and a key player in the custom synthesis and manufacturing of chemical precursors and specialty active ingredients.</p> <p>The Performance Chemicals segment combines LANXESS' application-oriented process and functional chemicals operations.</p> <p>The High Performance Materials segment provides a wide range of engineering plastic compounds that are used primarily for lightweight construction solutions in automotive engineering and in the electronics industry.</p> <p>The ARLANXEO segment comprises LANXESS' synthetic rubber business. Rubber products have applications in various areas, particularly in the automotive and tire industry, as well as in the construction industry, leisure equipment and machinery.</p> <p>After successful closing of the Chemtura acquisition, LANXESS will report in 5 segments, adding a segment called Performance Additives, which will comprise all business activities in the field of additives.</p>
B.16	Controlling Persons	<p>Not applicable; LANXESS is to its knowledge neither directly nor indirectly owned or controlled.</p>

B.17	Credit ratings assigned to the Issuer	Standard and Poor's Credit Market Services France SAS (" Standard & Poor's ") ^{1,2} has assigned the long-term credit rating BBB- (outlook negative) and Moody's Investors Service Ltd. (" Moody's ") ³ has assigned a Baa3 (outlook stable) rating to the Issuer. ⁴
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Section C – Securities

Element		
C.1	Type and class of the securities, including any security identification number	<p>Class The securities are unsecured.</p> <p>Type Subordinated Notes ("Notes").</p> <p>ISIN: XS1405763019</p> <p>Common Code: 140576301</p> <p>German Securities Code (WKN): A2DACG</p>
C.2	Currency of the securities issue	The Notes are issued in euro.
C.5	Restrictions on the free transferability of the securities	Not applicable. The Notes are freely transferable.
C.8	Rights attached to the Notes, ranking of the Notes and limitations to the rights attached to the Notes	<p>Rights attached to the Notes</p> <p>Each holder of the Notes ("Holder") has the right vis-à-vis the Issuer to claim, in particular, payment of interest as described in Element C.9, and payment of principal in accordance with the terms and conditions of the Notes.</p> <p>Ranking of the Notes</p> <p>The obligations of the Issuer under the Notes constitute subordinated and unsecured obligations of the Issuer ranking (i) <i>pari passu</i> among themselves and with obligations of the Issuer under any Parity Securities, (ii) subordinated to all present and future unsubordinated and, except for the obligations specified in the following (iii) and (iv), subordinated obligations of the Issuer, (iii) <i>pari passu</i> with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and, except for obligations arising under Junior Securities, subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and (iv) senior only to the rights and claims of holders of Junior Securities against the Issuer.</p>

¹ Standard & Poor's is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

² The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) 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 Article 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.

³ Moody's is established in the European Union and is registered under the CRA Regulation.

⁴ A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

	<p>"Parity Security" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank <i>pari passu</i> with the Notes, or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank <i>pari passu</i> with the Issuer's obligations under the Notes.</p> <p>"Junior Security" means (i) the ordinary shares of the Issuer, (ii) any share of any other class of shares of the Issuer ranking <i>pari passu</i> with the ordinary shares of the Issuer, (iii) any other security, registered security or other instrument of the Issuer the Issuer's obligations under which rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i) and (ii) and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i), (ii) and/or (iii).</p> <p>"Subsidiary" 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.</p> <p><i>Limitation of the rights attached to the Notes</i></p> <p>Except for (i) the possibility of the Issuer (x) to defer interest payments and (y) to call the Notes for redemption or to repurchase and cancel Notes prior to the Maturity Date (as defined below) and (ii) the prohibition of set-off, there are no limitations to the rights attached to the Notes.</p> <p>Prohibition of set-off</p> <p>The Holders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Holder against any claims of such Holder under the Notes.</p> <p>Redemption</p> <p>Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at its principal amount on 6 December 2076 (the "Maturity Date").</p> <p>Early redemption at the option of the Issuer</p> <p>The Issuer may, upon giving not less than 30 nor more than 60 days' notice, call the Notes for redemption (in whole but not in part) with effect as of the First Call Date (as defined below) or with effect as of any Interest Payment Date (as defined below) thereafter. In the case such call notice is given, the Issuer will redeem the remaining Notes at the principal amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any payable Deferred Interest Payments.</p> <p>Early redemption at the option of the Issuer upon the occurrence of a special event</p> <p>The Notes may also be redeemed (in whole but not in part) by the Issuer before their stated maturity following (i) a gross-up event, (ii) a tax event, (iii) a rating agency event, (iv) an Acquisition Event, (v) a change of control event or (vi) in case the Issuer and/or one or more of its Subsidiaries in aggregate hold or have redeemed Notes equal to or in excess of 80 per cent. of the aggregate principal amount of the Notes initially issued, upon giving not less than 30 nor more than 60 days' notice, at any time with effect as of</p>
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	<p>the date fixed for redemption in the call notice.</p> <p>In case a call notice is given, the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101.00 per cent. of the principal amount if the redemption occurs prior to the First Call Date (other than in case of redemption due to minimal outstanding aggregate principal amount, a gross-up event or a change of control event) and (ii) at the principal amount if the redemption occurs on or after the First Call Date or due to minimal outstanding aggregate principal amount, a gross-up event or a change of control event, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any payable Deferred Interest Payments.</p> <p>An "Acquisition Event" will occur if the Issuer, on or prior to 6 September 2017 (i) gives notice to the Holders that the Transaction has not been consummated and (ii) has publicly stated that it no longer intends to further pursue the Transaction and is no longer legally committed to do so.</p> <p>"Transaction" means the acquisition of Chemtura by the Issuer or a Subsidiary which the Issuer has announced on 26 September 2016.</p> <p>Optional Interest Deferral and Payment of Deferred Interest Payments</p> <p>The Issuer may elect to defer the payment of interest which will be due and payable (<i>fällig</i>) on an Interest Payment Date, by giving not less than 10 and not more than 15 Business Days' prior notice to the Holders.</p> <p>If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Deferred Interest Payments will not bear interest.</p> <p>The Issuer is entitled to pay outstanding Deferred Interest Payments (in whole or in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the Holders specifying the amount of Deferred Interest Payments to be paid and the date fixed for such payment.</p> <p>The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.</p> <p>"Mandatory Settlement Date" means the earliest of:</p> <ul style="list-style-type: none"> (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred; (ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment; (iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Security; (iv) the date on which the Issuer or any Subsidiary redeems any Parity Security, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security; (v) the date on which the Issuer redeems Notes in accordance with the Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and (vi) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to
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		<p>an insolvency plan procedure (<i>Insolvenzplanverfahren</i>) or an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),</p> <p>provided that</p> <p>(x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;</p> <p>(y) in the cases (iv) and (v) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and</p> <p>(z) in the cases (iii), (iv) and (v) above no Mandatory Settlement Date occurs if the relevant dividends, distributions or other payments on, or in respect of, any Parity Security or the Notes are Intra-Group Payments.</p> <p>"Intra-Group Payments" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.</p> <p>"Compulsory Settlement Event" means any of the following events:</p> <p>(i) the ordinary general meeting of shareholders (<i>ordentliche Hauptversammlung</i>) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (whether in cash or as a dividend or distribution in kind);</p> <p>(ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Security (whether in cash or as a dividend or distribution in kind); or</p> <p>(iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.</p> <p>The cases (ii) and (iii) above are subject to the proviso that no Compulsory Settlement Event occurs if</p> <p>(x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security to make such payment, such redemption, such repurchase or such other acquisition;</p> <p>(y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or</p> <p>(z) the relevant payments on, or in respect of, any Junior Securities are Intra-Group Payments.</p> <p>No events of default, cross default and negative pledge</p> <p>The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.</p> <p>Resolutions of Holders</p> <p>In accordance with the German Act on Issues of Debt Securities (<i>Gesetz</i></p>
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		<p>über Schuldverschreibungen aus Gesamtemissionen, "SchVG") the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.</p>
C.9	Interest / Interest commencement date / Interest payment dates	<p>Please read Element C.8 together with the information below.</p> <p>Unless the Notes are previously redeemed or repurchased and cancelled in accordance with the Terms and Conditions and subject to any interest deferral (as described above, see "<i>Optional Interest Deferral and Payment of Deferred Interest Payments</i>"), interest is scheduled to be paid annually in arrear on 6 June of each year, commencing on 6 June 2017 (short first coupon) with the last interest payment scheduled to be paid on the Maturity Date (short last coupon) (subject to early redemption or repurchase and cancellation) (each an "Interest Payment Date").</p> <p>The Notes will bear interest from and including 6 December 2016 (the "Interest Commencement Date") to but excluding 6 June 2023 (the "First Call Date") at a fixed rate of 4.50 per cent. per annum.</p> <p>From and including the First Call Date to but excluding 6 June 2028 (the "First Modified Reset Date") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 451 basis points per annum (not including a step-up).</p> <p>From and including the First Modified Reset Date to but excluding 6 June 2043 (the "Second Modified Reset Date") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 476 basis points per annum (including a step-up of 25 basis points).</p> <p>From and including the Second Modified Reset Date to but excluding the Maturity Date the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 551 basis points per annum (including a step-up of 100 basis points).</p> <p>The "Reference Rate" for a Reset Period will be determined by the Calculation Agent and will be the 5-year EURSFIX swap rate expressed as a percentage per annum as specified in the Terms and Conditions.</p> <p>"Reset Date" means each of the First Call Date, 6 June 2028, 6 June 2033, 6 June 2038, 6 June 2043, 6 June 2048, 6 June 2053, 6 June 2058, 6 June 2063, 6 June 2068 and 6 June 2073.</p> <p>"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 and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.</p>
	Underlying on which interest rate is based	<p>Not applicable for the interest rate applicable in respect of the period from and including the Interest Commencement Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the Reference Rate (as defined above).</p>
	Maturity date including	<p>Unless previously redeemed in whole or in part or purchased and cancelled,</p>

	repayment procedures	<p>the Notes shall be redeemed on the Maturity Date.</p> <p>Unless the Notes are previously redeemed or repurchased and cancelled, the Notes will be repaid at the principal amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and any Deferred Interest Payments (as defined above). Payment shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p>
	Yield	<p>The yield of the Notes from the Interest Commencement Date to the First Call Date is 4.75 per cent. per annum and is calculated on the basis of the Issue Price. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.</p>
	Holders' Representative	<p>Not applicable, there is no representative for all Holders (the "Holders' Representative") designated in the Terms and Conditions of the Notes. In accordance with the SchVG the Notes provide that the Holders may by majority resolution appoint a Holders' Representative. The responsibilities and functions assigned to the Holders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders.</p>
C.10	Derivative Component in the Interest Payment	<p>Please read Element C.9 together with the information below.</p> <p>Not applicable, there is no derivative component in the interest payment.</p>
C.11	Admission to trading on a regulated market	<p>Application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange.</p>

Section D – Risks

Element		
D.2	<p>Key information on the key risks that are specific to the Issuer</p>	<p>The following is a summary of risk factors that may affect LANXESS' ability to fulfill its obligations under the Notes.</p> <p>Procurement markets</p> <ul style="list-style-type: none"> • High volatility of raw material and energy prices. • Supply bottlenecks due to factors such as the failure of a supplier or of an upstream operation at a networked site. <p>Human resources</p> <ul style="list-style-type: none"> • Industrial actions resulting from disputes in connection with negotiations concerning future collective pay agreements or associated with restructuring measures. • Increases in its personnel expenses because of future wage increases. • Loss of expert knowledge of internal processes and issues relating to employees' areas of specialization. • Growing lack particularly of skilled employees in global markets. <p>Plant operations and hazards</p> <ul style="list-style-type: none"> • A lack of plant availability and disruptions of plant and process safety. • Interruptions in operations, including those due to external factors, such as natural disasters or terrorism, cannot be ruled out. • The product portfolio includes substances that are classified as hazardous to health. • IT risks: For example, networks or systems may fail, or data and information may be compromised or destroyed because of operator and programming errors or external factors. <p>Corporate strategy</p> <ul style="list-style-type: none"> • The entry into or exit from a business segment could be based on profitability or growth expectations that prove to be unrealistic over time. • In the context of acquisitions it is possible that certain facts required to assess an acquisition candidate's future performance or to determine the purchase price are not available or are not correctly interpreted. • Acquisitions may have a material impact on the financial position of LANXESS. Execution of planned acquisitions may depend on external parties such as regulatory authorities or shareholders of the acquisition target. Such aspects may be relevant for the planned acquisition of Chemtura Corporation. • Investing in new plants, expanding capacities and increasing the productivity of existing plants may be coupled with risks. • The future strategy of the newly founded joint venture ARLANXEO will be jointly developed and implemented with the joint venture partner. The future development is therefore dependent on decisions made within the jointly agreed governance framework for the joint venture.

		<p>Sales markets</p> <ul style="list-style-type: none"> • General economic developments and political change in the countries and regions in which the LANXESS Group operates. Regional differences in economic performance and the associated demand trends can affect the LANXESS Group's pricing and sales potential in its various geographical markets. • The volatility and cyclicity that are typical of the global chemical and polymer markets and their dependence on developments in customer industries. In particular, the influence of general economic development and the dependence of the rubber business on customers in the tire and automotive industries. • Structural changes in markets, such as the disappearance of existing competitors or the entry of new ones and the availability of additional capacities, regional shifts, the migration of customers to countries with lower costs, and product substitution or market consolidation trends in some sectors. <p>Finance</p> <ul style="list-style-type: none"> • As the LANXESS Group undertakes transactions in various currencies, it is exposed to fluctuations in the exchange rate of these currencies. • Currency risks from potential declines in the value of financial instruments due to exchange rate fluctuations (transaction risks). • Market interest rate movements can cause fluctuations in the fair value of a financial instrument. Interest rate fluctuations affect both financial assets and financial liabilities. • Certain market-price risks for energies and raw materials may not be passed on to customers in their entirety. • Access to the capital markets and solvency may deteriorate over time. • Counterparty risks (credit risks) arise from trade relationships with customers and dealings with banks and other financial partners, especially with regard to the investment business and financial instrument transactions. • Risks may be associated with the investment of pension assets. • Risks may arise from property damage, business interruption and product liability. <p>Legal, regulatory and political environment</p> <ul style="list-style-type: none"> • The outcome of individual legal proceedings cannot be predicted with assurance due to the uncertainties always associated with legal disputes. • Regulatory measures may lead to the tightening of safety, quality and environmental regulations and standards. • Additional requirements imposed by energy and environmental policy, such as the new emission trading regulations, new environmental taxes and the redistribution of costs associated with the German Renewable Energy Act. • LANXESS was and is responsible for numerous sites at which chemicals have been produced for periods that in some cases exceed 140 years. This responsibility also extends to waste disposal facilities. The possibility cannot be ruled out that pollution occurred during this time that has not been discovered to date. • Violations of foreign trade regulations.
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		<ul style="list-style-type: none"> • Tax matters are subject to a degree of uncertainty in terms of their assessment by the tax authorities in Germany and other countries. <p>Even if LANXESS believes that all circumstances have been reported correctly and in compliance with the law, the possibility cannot be ruled out that the tax authorities may come to a different conclusion in individual cases.</p> <p>Change of Control</p> <ul style="list-style-type: none"> • In the event of a change of control the LANXESS Group may be obliged to effect significant payments. <p>There may be risks which are unknown to the LANXESS Group or which are currently believed to be immaterial which could have a material adverse effect on the business of the LANXESS Group, financial conditions and results of operations of the LANXESS Group</p>
D.3	<p>Key information on the key risks that are specific to the securities</p>	<p>Notes may not be a suitable investment for all investors</p> <ul style="list-style-type: none"> • The Notes are complex financial instruments. • A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. <p>Long-term securities, Risk of Early Redemption</p> <ul style="list-style-type: none"> • The Notes are long-term securities. The Issuer is under no obligation to redeem the Notes at any time before 6 December 2076 and the Holders have no right to call for their redemption. • At the Issuer's option, the Notes may be redeemed after the occurrence of a gross-up event, a change of control event, an Acquisition Event, a rating agency event, a tax event, or if 80 per cent. or more of the principal amount of the Notes initially issued have been redeemed or purchased, or with effect as of the First Call Date or any Interest Payment Date thereafter. The holder of the Notes is exposed to the risk that due to early redemption his investment will have a lower than expected yield. Also, the holder may only be able to reinvest on less favourable conditions as compared to the original investment. <p>No voting rights in general meeting of shareholders</p> <ul style="list-style-type: none"> • Holders have no voting rights in the general meeting of shareholders of the Issuer. • Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings. <p>Subordination</p> <ul style="list-style-type: none"> • Claims under the Notes are subordinated and only senior to the share capital of the Issuer. • In any insolvency proceedings of the Issuer, the Holders may recover proportionally less than holders of unsubordinated and other subordinated liabilities of the Issuer, or nothing at all, and the remedies for Holders in the insolvency proceedings of the Issuer may be limited.

		<p>No limitation on issuing further debt</p> <ul style="list-style-type: none"> • There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes. <p>Risk of a partial or total failure of the Issuer to make interest and/or redemption payments</p> <ul style="list-style-type: none"> • Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments on the Notes. <p>Optional deferral of interest payments</p> <ul style="list-style-type: none"> • Holders should be aware that interest may be deferred. Deferred interest will not bear interest. Any deferral of interest will likely have an adverse effect on the market price of the Notes. • The market price of the Notes may be more volatile than the market price of other debt securities. <p>Fixed Interest Rate Notes</p> <ul style="list-style-type: none"> • The Notes bear interest at a fixed rate to but excluding the First Call Date. During this 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. <p>Reset of Interest Rate linked to the 5-year EURSFIX swap rate</p> <ul style="list-style-type: none"> • From and including the First Call Date, investors should be aware that the interest rate will be determined with effect as of each Reset Date at the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin. • The performance of the 5-year EURSFIX swap rate and the interest income on the Notes cannot be anticipated and a definite yield of the Notes cannot be determined. In addition, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. <p>No express events of default or cross default</p> <p>The Terms and Conditions do not contain any express provisions setting out events of default and there will be no cross default.</p> <p>Liquidity Risk</p> <ul style="list-style-type: none"> • There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. • In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country-specific reasons. <p>Ratings of the Notes, if any, may not reflect all associated risk and may be subject to change at all times</p> <ul style="list-style-type: none"> • The rating of the Notes, if any, may not reflect all risks associated with an investment in the Notes and, in addition, is subject to change at all times and is not a recommendation to buy, sell or hold the Notes. <p>Amendments to the Terms and Conditions by resolution of the Holders; Holders' Representative</p> <ul style="list-style-type: none"> • A Holder is subject to the risk of being outvoted and to lose rights
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		<p>against the Issuer in the case that other Holders agree pursuant to the Terms and Conditions of the Notes to amendments of the Terms and Conditions of the Notes by majority vote according to the SchVG.</p> <ul style="list-style-type: none"> • In the case of an appointment of a noteholders' representative for all Holders 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. <p>Currency Risk</p> <ul style="list-style-type: none"> • 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. <p>Risk of change of laws or administrative practices after the Issue Date</p> <ul style="list-style-type: none"> • No assurance can be given as to the impact of any possible judicial decision or change of laws (including German tax laws) or administrative practices after the Issue Date. <p>The market value of the Notes could decrease if the creditworthiness of the LANXESS Group worsens or for other reasons</p> <ul style="list-style-type: none"> • The market value of the Notes could decrease if the creditworthiness of the Issuer and/or the LANXESS Group worsens or the market participants' estimation of the creditworthiness of corporate debtors in general or of debtors operating in the same business as the Issuer and/or the LANXESS Group adversely changes or for other reasons. Such risk would materialise if a Holder sells Notes prior to the maturity of the Notes. <p>Global Notes</p> <ul style="list-style-type: none"> • As the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer. <p>Taxation</p> <p>Potential purchasers of Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred and other relevant jurisdictions.</p>
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Section E – Offer

Element		
E.2b	Reasons for the offer and use of proceeds	The net proceeds from the issue will be used for general corporate purposes which may include the financing of the acquisition of Chemtura by LANXESS.
E.3	Terms and conditions of the offer	<p>Aggregate principal amount: € 500,000,000</p> <p>Issue Price: 98.655 per cent.</p> <p>Offer of the Notes</p> <p>The Issuer has offered the Notes in a bookbuilding process which occurred on 29 November 2016 to investors who are “qualified investors” within the meaning of Art. 2(1)(e) of the Prospectus Directive (in compliance with Art. 3(2)(e) of the Prospectus Directive).</p> <p>Thereafter, the Notes may be offered to investors by the Managers during an offer period which will commence on the day following the publication of the approved Prospectus (2 December 2016) and which will end with the expiry of the Issue Date (the "Offer Period"), subject to any shortening or extension of the Offer Period.</p> <p>There are no conditions to which the offer is subject. Results of the offer will be published on the website of the Issuer (www.lanxess.com).</p> <p>Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified or, if applicable, a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Act relating to prospectuses for securities.</p> <p>Confirmation in Relation to an Order and Allotments as well as Delivery of the Notes</p> <p>Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount. Delivery of and payment for the Notes will be made on the Issue Date (6 December 2016). The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.</p>
E.4	A description of any interest that is material to the issue/offer including conflicting interests	Not applicable. So far as the Issuer is aware, no person involved in the offer of the Notes is subject to any conflict of interest material to the offer.
E.7	Estimated expenses charged to the investor by the issuer or the offeror	Not applicable. No expenses will be charged to investors by the Issuer or the Managers.

GERMAN TRANSLATION OF THE SUMMARY

Zusammenfassungen sind zusammengesetzt aus Offenlegungspflichten, die als "Punkte" bekannt sind. Diese Punkte sind in die Abschnitte A – E (A.1 – E.7) nummeriert.

Diese Zusammenfassung enthält alle Punkte, die in eine Zusammenfassung für diese Art von Schuldverschreibungen und Emittenten aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, kann die Nummerierung Lücken aufweisen.

Auch wenn ein Punkt wegen der Art der Schuldverschreibungen und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevante Information gegeben werden kann. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes unter Bezeichnung "entfällt" enthalten.

Abschnitt A – Einleitung und Warnhinweise

Punkt		
A.1	Warnhinweise	<p>Warnhinweise, dass:</p> <ul style="list-style-type: none"> • die Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte; • sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen sollte; • ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und • zivilrechtlich nur diejenigen Personen haften, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.
A.2	Zustimmung zur Verwendung des Prospekts	<p>Jeder Platzeur und/oder weitere Finanzintermediär, der die Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen in Luxemburg, Deutschland und Österreich während des Zeitraums vom 2. Dezember 2016 bis 6. Dezember 2016 zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 Absatz 2 des Luxemburger Wertpapierprospektgesetzes (<i>Loi relative aux prospectus pour valeurs mobilières</i>), in aktueller Fassung, welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (geändert durch Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010) umsetzt, noch gültig ist.</p> <p>Der Prospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Prospekt kann in elektronischer Form auf der Internetseite</p>
		<p>der Luxemburger Wertpapierbörse (www.bourse.lu) und der Internetseite der Emittentin (www.lanxess.com) eingesehen werden.</p> <p>Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeweiliger</p>

		weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet. Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen.
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Abschnitt B – LANXESS Aktiengesellschaft

Punkt		
B.1	Gesetzliche und kommerzielle Bezeichnung der Emittentin.	LANXESS Aktiengesellschaft ("LANXESS") ist sowohl der gesetzliche als auch der kommerzielle Name.
B.2	Sitz, Rechtsform, geltendes Recht, Land der Gründung	LANXESS ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in der Bundesrepublik Deutschland.
B.4b	Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken	Entfällt; es liegen keine Trends vor, die sich auf LANXESS auswirken.
B.5	Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe	LANXESS ist die Konzernobergesellschaft des LANXESS Konzerns, bestehend aus zahlreichen Tochter- und Beteiligungsgesellschaften in Deutschland und im Ausland.
B.9	Gewinnprognosen oder -schätzungen	Entfällt; es erfolgt keine Gewinnprognose oder -schätzung.
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Entfällt; die Bestätigungsvermerke enthalten keine Beschränkungen.

B.12	Ausgewählte wesentliche historische Finanzinformationen	In Millionen €	1. Januar bis 30. September		1. Januar bis 31. Dezember	
			2016	2015	2015	2014
			(ungeprüft)		(geprüft)	
		Umsatzerlöse	5.784	6.096	7.902	8.006
		Operatives Ergebnis (EBITDA (vor Sondereinflüssen)) ¹	812	734	885	808
		EBITDA (vor Sondereinflüssen) ¹ Marge	14,0%	12,0%	11,2%	10,1%
		Operatives Ergebnis (EBIT)	429	344	415	218
		Ergebnis nach Ertragsteuern	196	149	167	44
		Zufluss aus operativer Tätigkeit	532	342	692	797
		Auszahlungen für den Erwerb von immateriellen Vermögenswerten und Sachanlagen	228	229	434	614
		Freier Cashflow ²	-563	176	292	210
		Nettofinanzverbindlichkeiten (nach Abzug von Termingeldern und zur Veräußerung verfügbaren Wertpapieren) ³	203	1.323	1.211	1.336
		Summe Aktiva	8.242	7.217	7.219	7.250
		Eigenkapital	3.453	2.188	2.323	2.161
	Wesentliche Verschlechterungen der Aussichten	Seit dem 31. Dezember 2015 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der LANXESS eingetreten.				
	Wesentliche Veränderungen bei Finanzlage oder Handelsposition	Entfällt; seit dem 30. September 2016 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition des LANXESS Konzerns eingetreten.				

¹ EBITDA ist das Ergebnis der Betriebstätigkeit vor Zinsen, Ertragsteuern (EBIT) zuzüglich Abschreibungen bzw. abzüglich Wertaufholungen auf Sachanlagen und immaterielle Vermögenswerte.

EBITDA vor Sondereinflüssen errechnet sich aus dem EBITDA ohne Berücksichtigung von Sondereinflüssen. Sondereinflüsse sind Effekte, die ungewöhnlich in ihrer Art oder in ihrer Höhe sind. Hierzu können außerplanmäßige Abschreibungen, Aufwendungen im Zusammenhang mit Restrukturierungen, Aufwendungen für die Konzeption und Umsetzung von IT-Projekten, Portfolioaufwendungen sowie Wertaufholungen zählen. Von Dritten gewährte Zuwendungen für den Erwerb oder den Bau von Sachanlagen werden unter Anwendung der Bruttomethode abgegrenzt. In diesem Zusammenhang werden über die Bruttoabschreibungen hinaus bei der Ermittlung des EBITDA vor Sondereinflüssen keine weiteren Bereinigungen vorgenommen.

² Cashflow aus laufender Geschäftstätigkeit abzüglich Cashflow aus der Investitionstätigkeit.

³ Nettofinanzverbindlichkeiten ergeben sich aus der Gesamtsumme der kurz- und langfristigen finanziellen Verbindlichkeiten abzüglich Zahlungsmitteln, Zahlungsmitteläquivalenten und liquiditätsnaher finanzieller Vermögenswerte. Die finanziellen Verbindlichkeiten laut Bilanz werden zuvor um die Verbindlichkeiten aus Zinsabgrenzung gekürzt.

Nettofinanzverbindlichkeiten nach Abzug von Termingeldern und zur Veräußerung verfügbaren Wertpapieren errechnen sich aus den Nettofinanzverbindlichkeiten abzüglich Termingeldern und zur Veräußerung verfügbaren Wertpapieren.

<p>B.13</p>	<p>Jüngste Entwicklungen</p>	<p>In 2015 führte LANXESS die umfassende Neuausrichtung des LANXESS Konzerns fort. Im Rahmen des dazu etablierten Programms "Let's LANXESS again" hat LANXESS die Produktion von Ethylen-Propylen-Dien-Monomer-Kautschuk am Standort Marl (Deutschland) zum Ende des ersten Quartals 2016 beendet.</p> <p>In diesem Kontext hat LANXESS im September 2015 die Gründung eines 50-50 Joint Ventures mit Aramco Overseas Company B.V. in Form einer strategischen Allianz unter dem Namen ARLANXEO vereinbart. Das Joint Venture setzt sich aus dem globalen Kautschukgeschäft der LANXESS Business Units Tire & Specialty Rubbers und High Performance Elastomers zusammen, welche von LANXESS in das Joint Venture überführt wurden. LANXESS glaubt, dass die Allianz den betroffenen Geschäftsbereichen mittelfristig Optionen für den Zugang zu strategischen Rohstoffen ermöglicht. Alle zuständigen Kartellbehörden haben der Transaktion ihre Freigabe erteilt. Die Transaktion wurde am 1. April 2016 wirtschaftlich abgeschlossen. Mit dem Abschluss der Transaktion hat LANXESS ca. € 1,2 Milliarden vereinnahmt und 50 Prozent der Anteile an ARLANXEO an die Aramco Overseas Holdings Coöperatief U.A. übertragen.</p> <p>Im April 2016 hat LANXESS die Akquisition des Clean & Disinfect Geschäftsbereichs von The Chemours Company angekündigt, welcher in die LANXESS Business Unit Material Protection Products eingegliedert wird. Es wird erwartet, dass das Geschäft auf Basis von 2015 einen jährlichen Umsatzbeitrag in Höhe von ca. € 100 Millionen beisteuert. Die Akquisition wurde am 31. August 2016 nach Zustimmung der zuständigen Kartellbehörden abgeschlossen. Der Kaufpreis in Höhe von ca. € 210 Millionen wurde aus der bestehenden Liquidität finanziert.</p> <p>Am 25. September 2016 hat eine US Gesellschaft des LANXESS Konzerns eine Vereinbarung zum Zusammenschluss mit der Chemtura Corporation ("Chemtura") unterzeichnet. Chemtura ist ein Spezialchemie-Konzern aus den USA und Anbieter von Flammschutz- und Schmierstoff-Additiven. Das Unternehmen beschäftigt weltweit rund 2.500 Mitarbeiter und ist an 20 Produktionsstandorten in 11 Ländern aktiv. Der Hauptsitz des Unternehmens ist Philadelphia/Pennsylvania. Der börsennotierte Konzern erzielte in den vergangenen zwölf Monaten ("LTM") bis zum 30. September 2016 (Q3 2016 LTM) einen Umsatz von rund € 1,5 Milliarden (US \$ 1,7 Milliarden).</p>
		<p>Für die Übernahme des Unternehmens bietet LANXESS den Anteilseignern von Chemtura einen Betrag von US \$ 33,50 je Aktie in bar an. Daraus resultiert eine Eigenkapitalbewertung von etwa € 1,9 Milliarden (US \$ 2,1 Milliarden). Der Unternehmenswert inklusive Nettoverschuldung und Pensionsverbindlichkeiten beläuft sich auf etwa € 2,4 Milliarden (US \$ 2,6 Milliarden). Der Abschluss der Akquisition wird Mitte 2017 erwartet und unterliegt noch der Zustimmung sowohl der Chemtura-Aktionäre als auch der zuständigen Kartellbehörden sowie weiteren für eine derartige Transaktion üblichen Bedingungen. LANXESS wird die geplante Akquisition mit einer Kombination aus bestehender Liquidität und einer bestehenden Brückenfinanzierung in Höhe von anfänglich € 2,0 Milliarden finanzieren. Die Brückenfinanzierung wird vermutlich noch vor Abschluss der Akquisition durch Senior- und Hybridanleihen abgelöst. Am 7. Oktober 2016 wurden bereits Senioranleihen mit einem Gesamtnominalvolumen in Höhe von € 1,0 Milliarden begeben. Die Begebung der</p>

		Schuldverschreibungen ist ein weiterer Teil dieser Refinanzierung.
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Bitte Punkt B.5 zusammen mit den unten stehenden Informationen lesen. Entfällt; LANXESS ist die Muttergesellschaft des LANXESS Konzerns.
B.15	Beschreibung der Haupttätigkeiten der Emittentin	LANXESS ist ein global agierendes, seit dem zweiten Quartal 2016 in vier Segmenten organisiertes Chemieunternehmen. Mit seinen im Segment Advanced Intermediates zusammengefassten Geschäften gehört LANXESS zu den weltweit führenden Anbietern auf dem Gebiet chemischer Zwischenprodukte für die Industrie sowie der Herstellung von chemischen Vorprodukten und speziellen chemischen Wirkstoffen im Kundenauftrag. Im Segment Performance Chemicals fasst LANXESS seine anwendungsorientierten Geschäfte auf dem Gebiet der Prozess- und Funktionschemikalien zusammen. Das Segment High Performance Materials bietet ein umfangreiches Sortiment technischer Kunststoffe an, die insbesondere in Leichtbaulösungen der Automobil- und Elektroindustrie zum Einsatz kommen. Im Segment ARLANXEO bündelt LANXESS seine Aktivitäten auf dem Gebiet synthetischer Kautschuke. Kautschukprodukte werden in verschiedenen Gebieten angewendet, insbesondere in der Automobil- und Reifenindustrie sowie für die Bauindustrie und Freizeitartikel und im Maschinenbau. Nach erfolgreicher Akquisition von Chemtura wird LANXESS in 5 Segmenten berichten und ein zusätzliches Segment kreieren unter dem Namen Performance Additives. Dieses neue Segment wird alle Aktivitäten im Bereich der Additive beinhalten.
B.16	Beteiligung; Beherrschungsverhältnis	Entfällt; nach Wissen der LANXESS wird sie weder direkt noch indirekt kontrolliert oder beherrscht.
B.17	Kreditratings der Emittentin	LANXESS wurde von Standard and Poor's Credit Market Services France SAS (" Standard & Poor's ") ^{1,2} das langfristige Kreditrating BBB- (Ausblick negativ) und von Moody's Investors Service Ltd. (" Moody's ") ³ ein Baa ⁴ (Ausblick stabil) Rating erteilt. ⁴

¹ Standard & Poor's hat seinen Sitz in der Europäischen Union und ist gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, in der jeweils geltenden Fassung (die "**Ratingagentur-Verordnung**"), registriert.

² Die Europäische Wertpapier und Marktaufsichtsbehörde veröffentlicht auf ihrer Webseite (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.

³ Moody's hat seinen Sitz in der Europäischen Union und ist gemäß der Ratingagentur-Verordnung registriert.

⁴ Ein Kreditrating ist eine Einschätzung der Kreditwürdigkeit einer Rechtsperson und informiert die Anleger daher über die Wahrscheinlichkeit, mit der die Rechtsperson in der Lage ist, angelegtes Kapital zurückzuzahlen. Es ist keine Empfehlung Wertpapiere zu kaufen, zu verkaufen oder zu halten und kann jederzeit durch die Ratingagentur geändert oder zurückgenommen werden.

Abschnitt C – Wertpapiere

Punkt		
C.1	Gattung und Art der Wertpapiere, einschließlich der Wertpapierkennnummer (WKN)	<p>Gattung</p> <p>Die Wertpapiere sind nicht besichert.</p> <p>Art</p> <p>Nachrangige Schuldverschreibungen ("Schuldverschreibungen").</p> <p>ISIN: XS1405763019</p> <p>Common Code: 140576301</p> <p>Wertpapierkennnummer: A2DACG</p>
C.2	Währung der Wertpapieremission	Die Schuldverschreibungen sind in Euro begeben.
C.5	Beschränkungen der freien Übertragbarkeit	Entfällt. Die Schuldverschreibungen sind frei übertragbar.
C.8	Rechte, die mit den Schuldverschreibungen verbunden sind, Rangfolge der Schuldverschreibungen und Einschränkungen der mit den Schuldverschreibungen verbundenen Rechte	<p>Rechte, die mit den Schuldverschreibungen verbunden sind</p> <p>Jeder Inhaber von Schuldverschreibungen ("Anleihegläubiger") hat aus diesen das Recht insbesondere zur Zahlung von den in Punkt C.9 beschriebenen Zinsen und Kapital von der Emittentin gemäß den Anleihebedingungen der Schuldverschreibungen.</p> <p>Rang der Schuldverschreibungen</p> <p>Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die (i) untereinander und mit den Verbindlichkeiten der Emittentin aus Gleichrangigen Wertpapieren gleichrangig sind, (ii) nachrangig gegenüber allen gegenwärtigen und zukünftigen nicht nachrangigen und, mit Ausnahme der in den nachfolgenden Unterabsätzen (iii) und (iv) genannten Verbindlichkeiten, nachrangigen Verbindlichkeiten der Emittentin sind, (iii) mit allen anderen gegenwärtigen und zukünftigen nicht besicherten Verbindlichkeiten, die nachrangig gegenüber allen nicht nachrangigen und, mit Ausnahme von Verbindlichkeiten unter Nachrangigen Wertpapieren, nachrangigen Verbindlichkeiten der Emittentin sind, gleichrangig sind, soweit nicht zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besser stellen, und (iv) im Rang nur den Ansprüchen und Rechten von Inhabern von Nachrangigen Wertpapieren gegen die Emittentin vorgehen.</p>
		<p>"Gleichrangiges Wertpapier" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen ist oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart sind.</p> <p>"Nachrangiges Wertpapier" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii) jedes andere Wertpapier, Namenswertpapier oder jedes andere</p>

	<p>Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das 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/oder (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.</p> <p>"Tochtergesellschaft" 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.</p> <p><i>Beschränkungen der mit den Schuldverschreibung verbundenen Rechte</i></p> <p>Die mit den Schuldverschreibungen verbundenen Rechte unterliegen keinen Beschränkungen, mit Ausnahme (i) der Möglichkeit der Emittentin, (x) Zinszahlungen aufzuschieben und (y) die Schuldverschreibungen vor dem Endfälligkeitstag (wie nachstehend definiert) zu kündigen oder zurückzukaufen und zu entwerten und (ii) eines Aufrechnungsverbots.</p> <p>Aufrechnungsverbot</p> <p>Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.</p> <p>Rückzahlung</p> <p>Soweit nicht zuvor bereits zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zum Nennbetrag am 6. Dezember 2076 (der "Endfälligkeitstag") zurückgezahlt.</p>
	<p>Vorzeitige Rückzahlung nach Wahl der Emittentin</p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (ganz, jedoch nicht teilweise) mit einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen mit Wirkung zum Ersten Rückzahlungstermin (wie untenstehend definiert) oder mit Wirkung zu jedem nachfolgenden Zinszahlungstag (wie untenstehend definiert) zu kündigen. Im Falle einer solchen Kündigung zahlt die Emittentin die ausstehenden Schuldverschreibungen zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher zahlbaren Aufgeschobenen Zinszahlungen, zurück.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintreten eines speziellen Ereignisses</p> <p>Zudem ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) jederzeit vor ihrer Endfälligkeit nach Eintritt (i) eines Gross-Up Ereignisses, (ii) eines Steuerereignisses, (iii) eines Ratingagenturereignisses, (iv) eines Akquisitionereignisses, (v) eines Kontrollwechselereignisses oder (vi) falls die Emittentin und/oder eine oder mehrere Tochtergesellschaft(en) Schuldverschreibungen im</p>

	<p>Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen halten oder zurückgezahlt haben, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen mit Wirkung zu dem in der Bekanntmachung angegebenen Rückzahlungstermin zu kündigen und zurückzuzahlen.</p> <p>Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) außer im Fall der Rückzahlung wegen geringen ausstehenden Gesamtnennbetrags, wegen eines Gross-Up Ereignisses oder wegen eines Kontrollwechselereignisses zu 101 % des Nennbetrages, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, und (ii) zum Nennbetrag, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin oder wegen geringen ausstehenden Gesamtnennbetrags, wegen eines Gross-Up Ereignisses oder wegen eines Kontrollwechselereignisses erfolgt, jeweils zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher zahlbaren Aufgeschobenen Zinszahlungen, zurückzuzahlen.</p> <p>Ein "Akquisitionsergebnis" tritt ein, wenn die Emittentin am oder vor dem 6. September 2017 (i) den Anleihegläubigern mitteilt, dass die Transaktion nicht vollzogen wurde, und (ii) öffentlich erklärt hat, dass sie nicht beabsichtigt, die Transaktion weiter zu verfolgen und dazu rechtlich auch nicht mehr verpflichtet ist.</p> <p>"Transaktion" bezeichnet den am 26. September 2016 von der Emittentin angekündigten Erwerb der Chemtura durch die Emittentin oder eine Tochtergesellschaft.</p>
	<p>Wahlweiser Aufschub von Zinszahlungen und Zahlung von Aufgeschobenen Zinszahlungen</p> <p>Die Emittentin kann sich dazu entscheiden, die Zahlung von Zinsen, die an einem Zinszahlungstag fällig werden, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag, auszusetzen.</p> <p>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 aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.</p> <p>Aufgeschobene Zinszahlungen werden nicht verzinst.</p> <p>Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und den für diese Zahlung festgelegten Termin enthalten muss.</p> <p>Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.</p> <p>"Pflichtnachzahlungstag" bezeichnet den frühesten der folgenden</p>

		<p>Tage:</p> <ul style="list-style-type: none"> (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist; (ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt; (iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Wertpapier zahlt; (iv) den Tag, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückzahlt, oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt); (v) den Tag an dem die Emittentin Schuldverschreibungen gemäß den Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und (vi) den Tag, an dem eine Entscheidung hinsichtlich der Auseinandersetzung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Insolvenzplanverfahrens oder eines Zusammenschlusses, einer Umstrukturierung oder einer 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), <p>mit der Maßgabe, dass</p>
		<ul style="list-style-type: none"> (x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; (y) in den vorgenannten Fällen (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und (z) in den vorgenannten Fällen (iii), (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Dividenden, Ausschüttungen oder sonstigen Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier oder Schuldverschreibungen Konzerninterne Zahlungen sind. <p>"Konzerninterne Zahlungen" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.</p> <p>Ein "Obligatorisches Nachzahlungsereignis" bezeichnet jedes der</p>

		<p>folgenden Ereignisse:</p> <ul style="list-style-type: none"> (i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (gleich ob in bar oder als Sachdividende oder Sachausschüttung); (ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Wertpapier (gleich ob in bar oder als Sachdividende oder Sachausschüttung); oder (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Wertpapier zurück oder erwirbt es auf andere Weise. <p>In den vorgenannten Fällen (ii) und (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn</p> <ul style="list-style-type: none"> (x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; (y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Wertpapier nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder (z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Wertpapier Konzerninterne Zahlungen sind.
		<p>Keine Kündigungsgründe (Events of Default), Drittverzug (Cross Default) und Negativklärung</p> <p>Die Anleihebedingungen enthalten weder explizite Kündigungsgründe für die Anleihegläubiger noch eine Drittverzugs Klausel (<i>Cross Default</i>) oder Negativverpflichtung (<i>Negative Pledge</i>).</p> <p>Gläubigerbeschlüsse</p> <p>In Übereinstimmung mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen ("SchVG") sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen. Beschlüsse der Anleihegläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Anleihegläubiger verbindlich. Beschlüsse der Anleihegläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.</p>
C.9	Zinssatz / Zinslaufbeginn / Fälligkeitstermine	<p>Bitte Punkt C.8 zusammen mit den unten stehenden Informationen lesen.</p> <p>Sofern die Schuldverschreibungen nicht zuvor gemäß den Anleihebedingungen zurückgezahlt oder angekauft und entwertet wurden und vorbehaltlich eines Zinsausschubs (wie obenstehend</p>

		<p>beschrieben, siehe "Wahlweiser Aufschiebung von Zinszahlungen und Zahlung von Aufgeschobenen Zinszahlungen"), sind Zinsen nachträglich am 6. Juni eines jeden Jahres zur Zahlung vorgesehen, erstmals am 6. Juni 2017 (kurze erste Zinsperiode) und vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und anschließenden Entwertung letztmals am Endfälligkeitstag (kurze letzte Zinsperiode) (jeweils ein "Zinszahlungstag").</p> <p>Die Schuldverschreibungen werden vom 6. Dezember 2016 (einschließlich) (der "Zinslaufbeginn") bis zum 6. Juni 2023 (der "Erste Rückzahlungstermin") (ausschließlich) zu einem festen Zinssatz von 4,50 % per annum verzinst.</p> <p>Vom Ersten Rückzahlungstermin (einschließlich) bis zum 6. Juni 2028 (der "Erste Modifizierte Reset-Termin") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 451 Basispunkten per annum (ohne einen Step-up zu beinhalten) verzinst.</p> <p>Vom Ersten Modifizierten Reset-Termin (einschließlich) bis zum 6. Juni 2043 (der "Zweite Modifizierte Reset-Termin") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 476 Basispunkten per annum (einschließlich eines Step-ups von 25 Basispunkten) verzinst.</p> <p>Vom Zweiten Modifizierten Reset-Termin (einschließlich) bis zum Endfälligkeitstag (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 551 Basispunkten per annum (einschließlich eines Step-ups von 100 Basispunkten) verzinst.</p> <p>Der "Referenzsatz" für einen Reset-Zeitraum wird von der Berechnungsstelle festgelegt und ist der als Prozentsatz ausgedrückte 5-Jahres EURSFIX Swapsatz per annum, wie in den Anleihebedingungen festgelegt.</p>
		<p>"Reset-Termin" bezeichnet jeweils den Ersten Rückzahlungstermin, den 6. Juni 2028, den 6. Juni 2033, den 6. Juni 2038, den 6. Juni 2043, den 6. Juni 2048, den 6. Juni 2053, den 6. Juni 2058, den 6. Juni 2063, den 6. Juni 2068 und den 6. Juni 2073.</p> <p>"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) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstag (ausschließlich).</p>
	Basiswert, auf dem der Zinssatz basiert	Entfällt für den Zinssatz, der auf den Zeitraum vom Zinslaufbeginn (einschließlich) bis zum Ersten Rückzahlungstermin (ausschließlich) anwendbar ist. Dieser Zinssatz basiert nicht auf einem Basiswert. Der Zinssatz für die Reset-Zeiträume ab dem Ersten Rückzahlungstermin (einschließlich) basiert auf dem Referenzsatz (wie vorstehend definiert).
	Fälligkeitstag einschließlich Rückzahlungsverfahren	<p>Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen am Endfälligkeitstag zurückgezahlt.</p> <p>Soweit nicht die Schuldverschreibungen vorher zurückgezahlt oder zurückgekauft und entwertet wurden, werden die Schuldverschreibungen zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen,</p>

		aber noch nicht bezahlten Zinsen sowie zuzüglich sämtlicher Aufgeschobenen Zinszahlungen (wie vorstehend definiert) zurückgezahlt. Zahlungen erfolgen an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
	Rendite	Die Rendite der Schuldverschreibungen vom Zinslaufbeginn bis zum Ersten Rückzahlungstermin wird 4,75 % jährlich sein und wird anhand des Ausgabepreises berechnet. Die Rendite der Schuldverschreibungen für die nachfolgenden Reset-Zeiträume kann zum Datum des Prospekts noch nicht bestimmt werden.
	Name des Vertreters der Inhaber der Schuldverschreibungen	Entfällt, in den Anleihebedingungen ist kein gemeinsamer Vertreter aller Anleihegläubiger (" Gemeinsamer Vertreter ") bestimmt. In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss einen Gemeinsamen Vertreter bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten Gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Anleihegläubiger.
C.10	Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Schuldverschreibungen eine derivative Komponente bei der Zinszahlung aufweisen	Bitte Punkt C.9 zusammen mit den unten stehenden Informationen lesen. Entfällt. Die Zinszahlung weist keine derivative Komponente auf.
C.11	Einführung in einen regulierten Markt oder einem gleichwertigen Markt	Für die Schuldverschreibungen ist ein Antrag auf Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse gestellt worden.

Abschnitt D – Risiken

Punkt		
D.2	<p>Zentrale Angaben zu den zentralen Risiken, die der LANXESS eigen sind</p>	<p>Es folgt eine Zusammenfassung der Risikofaktoren, die sich auf die Fähigkeit der LANXESS auswirken können, ihren Verpflichtungen unter den Schuldverschreibungen nachzukommen.</p> <p>Beschaffungsmärkte</p> <ul style="list-style-type: none"> • Hohe Volatilität von Rohstoff- und Energiepreisen. • Lieferengpässe, beispielsweise aufgrund des Ausfalls eines Lieferanten oder einer Vorstufe an einem Verbundstandort. <p>Personal</p> <ul style="list-style-type: none"> • Arbeitskampfmaßnahmen im Rahmen von Verhandlungen künftiger kollektivrechtlicher Vereinbarungen oder Reorganisationen. • Künftige Entgelterhöhungen. • Verlust von Expertenwissen um interne Prozesse und fachspezifische Themen. • Mangel an Fachkräften auf den weltweiten Märkten. <p>Betriebliche Abläufe und Gefahren</p> <ul style="list-style-type: none"> • Fehlende Anlagenverfügbarkeit sowie Störungen in der Arbeits- und Verfahrenssicherheit. • Betriebsstörungen – auch aufgrund externer Einflüsse wie Naturkatastrophen oder Terrorismus. • Im Produktportfolio befinden sich unter anderem Substanzen, die als gesundheitsgefährdend einzustufen sind. • IT-Risiken: Beispielsweise können Netzwerke oder Systeme ausfallen, Daten und Informationen aufgrund von Bedien- und Programmfehlern oder auch externen Einflüssen verfälscht oder gelöscht werden. <p>Unternehmensstrategie</p> <ul style="list-style-type: none"> • Der Einstieg in oder Ausstieg aus einem Geschäftsfeld könnte auf Rendite- oder Wachstumserwartungen basieren, die sich im Zeitablauf als nicht realistisch herausstellen. • Im Rahmen von Akquisitionen ist nicht auszuschließen, dass nicht alle für die Einschätzung der künftigen Entwicklung bzw. des Kaufpreises erforderlichen Informationen vorliegen oder richtig bewertet werden. • Akquisitionen können die finanzielle Position von LANXESS materiell beeinflussen. Die Umsetzung von geplanten Akquisitionen kann von dritten Parteien wie Regulierungsbehörden oder den Aktionären des Zielunternehmens abhängen. Diese Aspekte können auch für die geplante Akquisition der Chemtura Corporation relevant sein. • Investitionen in neue Werke, sowie Kapazitätserweiterungen und die Erhöhung der Produktivität bestehender Anlagen können mit Risiken verbunden sein. • Die zukünftige Strategie des neu gegründeten Joint Ventures ARLANXEO wird mit dem Joint Venture Partner gemeinsam entwickelt und umgesetzt. Die zukünftige Entwicklung hängt daher wesentlich von den Entscheidungen innerhalb der

		<p>gemeinsam vereinbarten Rahmenbedingungen für die Führung des Joint Ventures ab.</p> <p>Absatzmärkte</p> <ul style="list-style-type: none"> • Allgemeine wirtschaftliche Entwicklungen und politische Veränderungen in den Ländern und Regionen, in denen der Konzern tätig ist. Regional unterschiedliche wirtschaftliche Entwicklungen und die entsprechende Nachfrageentwicklung können dort die Preisstellungs- und Absatzmöglichkeiten des Konzerns beeinflussen, mit entsprechenden positiven bzw. negativen Auswirkungen auf das Ergebnis. • Auf der Absatzseite bergen die branchentypische Volatilität und Zyklizität der weltweiten Chemie- und Polymermärkte sowie deren Abhängigkeit von den Entwicklungen der Abnehmerbranchen Unsicherheiten. Insbesondere betrifft dies den Einfluss der allgemeinen wirtschaftlichen Entwicklung und die Abhängigkeit des Kautschukgeschäfts von der Nachfrage der Reifen- und Automobilindustrie. • Strukturelle Marktveränderungen, etwa durch das Verschwinden von bestehenden oder das Auftreten neuer Wettbewerber bzw. zusätzlicher Kapazitäten sowie regionale Verschiebungen, die Migration von Abnehmern in Länder mit niedrigem Kostenniveau, Produktsubstitution oder Konsolidierungstrends auf Absatzmärkten. <p>Finanzbereich</p> <ul style="list-style-type: none"> • Da der LANXESS Konzern Geschäfte in verschiedenen Währungen durchführt, ist er Schwankungen der Wechselkurse dieser Währungen ausgesetzt. • Währungsrisiken aus potenziellen Wertminderungen eines Finanzinstruments aufgrund von Wechselkursänderungen (Transaktionsrisiken). • Bewegungen des Marktzinssatzes können Marktwertänderungen eines Finanzinstruments bewirken. Diese Zinsänderungen betreffen sowohl Finanzanlagen als auch Finanzschulden. • Die Weitergabe bestimmter Marktpreisrisiken aus Energien und Rohstoffen an den Kunden kann unter Umständen nur eingeschränkt möglich sein. • Der Zugang zu Kapitalmärkten und die Zahlungsfähigkeit des Konzerns können sich im Zeitablauf verschlechtern. • Kontrahentenrisiken (Kreditrisiken) bestehen aufgrund von Liefer- und Leistungsbeziehungen sowohl mit den Kunden von LANXESS als auch mit Bank- und Finanzpartnern, insbesondere im Rahmen von Geldanlagegeschäften und Transaktionen mit Finanzinstrumenten. • Aus der Anlage von Pensionsvermögen können Risiken entstehen. • Risiken können u.a. aus Sachschäden, Betriebsunterbrechungen und Produkthaftungen entstehen. <p>Rechtliches, regulatorisches und politisches Umfeld</p> <ul style="list-style-type: none"> • Der Ausgang einzelner Rechtsstreitigkeiten kann wegen der mit Rechtsstreitigkeiten stets verbundenen Unwägbarkeiten nicht mit Sicherheit beurteilt werden.
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		<ul style="list-style-type: none"> • Regulatorische Maßnahmen können zu einer Verschärfung von Sicherheits-, Qualitäts- und Umweltbestimmungen und -standards führen. • Zusätzliche Belastungen im Bereich der Energie- und Umweltpolitik, wie z. B. durch neue Regelungen im Emissionshandel, neue Ökosteuern oder die Neuverteilung der Kosten beim Erneuerbare-Energien-Gesetz. • LANXESS war und ist für zahlreiche Standorte, an denen teilweise seit über 140 Jahren chemische Produktion stattgefunden hat, und Abfallentsorgungseinrichtungen zuständig. Es lässt sich nicht ausschließen, dass in dieser Zeit auch Verunreinigungen verursacht wurden, die bisher noch nicht bekannt sind. • Verstöße im Außenwirtschaftsrecht. • Steuersachverhalte unterliegen gewissen Unsicherheiten hinsichtlich der Beurteilung durch in- oder ausländische Steuerbehörden. Auch wenn LANXESS der Überzeugung ist, alle Sachverhalte korrekt und gesetzeskonform dargestellt zu haben, ist nicht auszuschließen, dass die Steuerbehörden in Einzelfällen zu anderen Ergebnissen kommen. <p>Kontrollwechsel</p> <ul style="list-style-type: none"> • Im Falle eines Kontrollwechsels kann der LANXESS Konzern verpflichtet sein, erhebliche Zahlungen zu leisten. <p>Es kann Risiken geben, die dem LANXESS Konzern nicht bekannt sind oder die momentan als nicht wesentlich eingeschätzt werden, die jedoch einen wesentlichen nachteiligen Effekt auf das Geschäft, die finanzielle Lage oder das operative Ergebnis des LANXESS Konzerns haben können.</p>
D.3	<p>Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind</p>	<p>Die Schuldverschreibungen sind nicht für alle Investoren geeignet</p> <ul style="list-style-type: none"> • Die Schuldverschreibungen sind komplexe Finanzinstrumente. • Potentielle Anleger sollten in die Schuldverschreibungen nur investieren, wenn sie (selbst oder durch ihre Finanzberater) über die nötige Expertise verfügen, um die Performance der Schuldverschreibungen unter wechselnden Bedingungen, die resultierenden Wertveränderungen der Schuldverschreibungen sowie die Auswirkungen einer solchen Anlage auf ihr Gesamtportfolio einzuschätzen. <p>Langfristige Wertpapiere; Risiko vorzeitiger Rückzahlung</p> <ul style="list-style-type: none"> • Die Schuldverschreibungen sind langfristige Wertpapiere. Die Emittentin ist nicht verpflichtet, die Schuldverschreibungen vor dem 6. Dezember 2076 zurück zu zahlen, und die Anleihegläubiger sind nicht berechtigt, die Rückzahlung zu verlangen.

		<ul style="list-style-type: none"> Nach Wahl der Emittentin können die Schuldverschreibungen nach Eintritt eines Gross-up Ereignisses, eines Kontrollwechselereignisses, eines Akquisitionereignisses, eines Ratingagenturereignisses oder eines Steuerereignisses, wenn mehr als 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt wurden, oder zum Ersten Rückzahlungstermin oder jedem nachfolgenden Zinszahlungstag zurückgezahlt werden. Die Anleihegläubiger tragen das Risiko, dass infolge
		<p>der vorzeitigen Rückzahlung ihre Kapitalanlage eine geringere Rendite als erwartet aufweisen wird. Außerdem können die Anleihegläubiger im Vergleich zur ursprünglichlichen Kapitalanlage möglicherweise nur zu ungünstigeren Konditionen reinvestieren.</p> <p>Keine Stimmrechte in der Hauptversammlung</p> <ul style="list-style-type: none"> Die Anleihegläubiger haben keine Stimmrechte in der Hauptversammlung der Emittentin. Zur Durchsetzung ihrer Zahlungsansprüche gegenüber der Emittentin können die Anleihegläubiger lediglich Klage erheben oder Antrag auf Eröffnung eines Insolvenzverfahrens stellen. <p>Nachrang</p> <ul style="list-style-type: none"> Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen stellen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin dar und sind nur gegenüber dem Aktienkapital vorrangig. Im Insolvenzfall der Emittentin besteht das Risiko, dass die Anleihegläubiger entsprechend weniger als Gläubiger von nicht nachrangigen oder anderen nachrangigen Verbindlichkeiten der Emittentin oder nichts erhalten. Rechtsbehelfe der Anleihegläubiger im Insolvenzverfahren können eingeschränkt sein. <p>Keine Beschränkung der Aufnahme weiterer Verbindlichkeiten</p> <ul style="list-style-type: none"> Es besteht keine Beschränkung hinsichtlich der Ausgabe von Schuldtiteln durch die Emittentin, die den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im Rang gleichstehen oder gegenüber ihnen vorrangig sind. <p>Risiko des teilweisen oder vollständigen Ausfalls von Zins- oder Kapitalzahlungen</p> <ul style="list-style-type: none"> Die Anleihegläubiger tragen das Risiko, dass Zinszahlungen und/oder die Zahlung des Rückzahlungsbetrags durch die Emittentin ganz oder teilweise ausfallen. <p>Wahlweiser Aufschub von Zinszahlungen</p> <ul style="list-style-type: none"> Anleihegläubiger sollten berücksichtigen, dass Zinsen aufgeschoben werden können. Aufgeschobene Zinszahlungen werden nicht verzinst. Ein Zinsaufschub wird vermutlich nachteilige Auswirkungen auf den Marktpreis der Schuldverschreibungen haben. Der Marktpreis der Schuldverschreibungen kann volatiler sein als der Marktpreis anderer Wertpapiere.

		<p>Festverzinsliche Schuldverschreibungen</p> <ul style="list-style-type: none"> Die Schuldverschreibungen sind in dem Zeitraum bis zum Ersten Rückzahlungstermin (ausschließlich) festverzinslich. Während dieses Zeitraums kann nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.
		<p>Neufestsetzung des Zinssatzes auf Basis des 5-Jahres EURSFIX Swapsatzes</p> <ul style="list-style-type: none"> Ab dem Ersten Rückzahlungstermin (einschließlich) sollten Anleihegläubiger berücksichtigen, dass der Zinssatz mit Wirkung ab jedem Reset-Termin mit Bezug auf den 5-Jahres EURSFIX Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgesetzt wird. Die Entwicklung des 5-Jahres EURSFIX Swapsatzes und die Verzinsung der Schuldverschreibungen können nicht vorhergesehen werden und eine Rendite kann nicht berechnet werden. Zusätzlich kann in jedem Reset-Zeitraum nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt. <p>Keine expliziten Kündigungsgründe; keine Bestimmungen zu Drittverzug (<i>cross default</i>)</p> <ul style="list-style-type: none"> Die Anleihebedingungen enthalten keine expliziten Kündigungsgründe für die Anleihegläubiger und keine Regelungen zu Drittverzug (<i>Cross Default</i>). <p>Liquiditätsrisiken</p> <ul style="list-style-type: none"> Es besteht keine Gewissheit, dass ein liquider Sekundärmarkt für Schuldverschreibungen entstehen wird oder, sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann. Die Möglichkeit, Schuldverschreibungen zu veräußern, kann darüber hinaus aus landesspezifischen Gründen eingeschränkt sein. <p>Das Rating der Schuldverschreibung, sofern vorhanden, reflektiert möglicherweise nicht sämtliche Risiken einer Investition in die Schuldverschreibungen und kann sich jederzeit ändern</p> <ul style="list-style-type: none"> Das Rating der Schuldverschreibungen, sofern vorhanden, reflektiert möglicherweise nicht sämtliche Risiken einer Investition in die Schuldverschreibungen und kann sich außerdem jederzeit verändern und stellt keine Empfehlung zum Kauf, Verkauf oder zum Halten der Schuldverschreibungen dar. <p>Änderungen der Anleihebedingungen durch Gläubigerbeschluss; Gemeinsamer Vertreter</p> <ul style="list-style-type: none"> Ein Anleihegläubiger ist dem Risiko ausgesetzt überstimmt zu werden und seine Rechte gegen die Emittentin für den Fall zu verlieren, dass andere Anleihegläubiger durch Mehrheitsbeschluss gemäß dem SchVG beschließen, die Anleihebedingungen gemäß den Anleihebedingungen zu

		<p>ändern.</p> <ul style="list-style-type: none"> Für den Fall der Bestellung eines Gemeinsamen Vertreters für alle Anleihegläubiger kann ein einzelner Anleihegläubiger die Möglichkeit verlieren, seine Rechte, im Ganzen oder zum Teil, gegen die Emittentin geltend zu machen oder durchzusetzen.
		<p>Währungsrisiko</p> <ul style="list-style-type: none"> Die Schuldverschreibungen sind in Euro begeben. Stellt der Euro für einen Anleihegläubiger eine Fremdwährung dar, ist dieser dem Risiko von Wechselkursschwankungen ausgesetzt, welche die Rendite solcher Schuldverschreibungen in der Währung des Anleihegläubigers beeinflussen können. <p>Rechtsänderungen oder Änderungen der Verwaltungspraxis nach dem Begebungstag</p> <ul style="list-style-type: none"> Es kann keine Gewähr hinsichtlich der Auswirkungen möglicher Gerichtsentscheidungen oder einer Änderung gesetzlicher Vorschriften (einschließlich von deutschem Steuerrecht) oder der Verwaltungspraxis nach dem Begebungstag gegeben werden. <p>Der Marktwert der Schuldverschreibungen könnte sinken, falls sich die Kreditwürdigkeit der Emittentin und/oder des LANXESS Konzerns verschlechtert oder aus sonstigen Gründen</p> <ul style="list-style-type: none"> Der Marktwert der Schuldverschreibungen könnte sinken, falls sich die Kreditwürdigkeit der Emittentin und/oder des LANXESS Konzerns verschlechtert oder sich die Einschätzung der Marktteilnehmer hinsichtlich der Kreditwürdigkeit von Unternehmensschuldnern allgemein oder von Schuldnern, die im selben Geschäftsbereich wie die Emittentin und/oder der LANXESS Konzern tätig sind, nachteilig verändert oder aus sonstigen Gründen. Dieses Risiko kann sich verwirklichen, wenn der Anleihegläubiger seine Schuldverschreibungen vor Endfälligkeit veräußert. <p>Globalurkunden</p> <ul style="list-style-type: none"> Da die Globalurkunden von oder für Euroclear und Clearstream, Luxemburg gehalten werden, müssen sich Anleihegläubiger auf deren Verfahren zur Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen. <p>Besteuerung</p> <ul style="list-style-type: none"> Potentiellen Käufern von Schuldverschreibungen sollte bewusst sein, dass Stempelsteuer und sonstige Steuern und/oder Abgaben gemäß den Rechtsvorschriften und Praktiken der Länder, in denen die Schuldverschreibungen übertragen werden, oder anderen maßgeblichen Jurisdiktionen erhoben werden können.

Abschnitt E – Angebot

Element		
E.2b	Gründe für das Angebot und Zweckbestimmung der	Die Nettoerlöse der Emission werden für allgemeine Unternehmenszwecke verwandt, die die Finanzierung der Übernahme

	Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen	der Chemtura durch die Emittentin umfassen können.
E.3	Beschreibung der Angebotskonditionen	<p>Gesamtnennbetrag: € 500.000.000</p> <p>Ausgabepreis: 98,655 %</p> <p>Angebot der Schuldverschreibungen</p> <p>Die Emittentin hat die Schuldverschreibungen (in Übereinstimmung mit Art. 3(2)(e) der Prospektrichtlinie) in einem Bookbuilding-Verfahren an qualifizierte Investoren im Sinne des Art. 2(1)(e) der Prospektrichtlinie angeboten. Das Bookbuilding-Verfahren wurde am 29. November 2016 durchgeführt.</p> <p>Danach können die Schuldverschreibungen Anlegern innerhalb eines Angebotszeitraumes durch die Manager angeboten werden, der am Tag nach der Veröffentlichung des gebilligten Prospekts (2. Dezember 2016) beginnt und mit Ablauf des Ausgabetags endet (der "Angebotszeitraum"), vorbehaltlich einer Verkürzung oder Verlängerung des Angebotszeitraums.</p> <p>Das Angebot unterliegt keinen Bedingungen. Das Ergebnis des Angebots wird auf der Internetseite der Emittentin (www.lanxess.com) veröffentlicht.</p> <p>Sollten die Emittentin und die Manager eine Verkürzung oder Verlängerung des Angebotszeitraumes festlegen, die das Ergebnis veränderter Marktbedingungen sein könnte, werden solche Veränderungen mitgeteilt oder, falls anwendbar, wird gemäß Art. 13 des Luxemburger Wertpapierprospektgesetzes ein Nachtrag zum Prospekt erstellt und veröffentlicht.</p> <p>Angebotsbestätigung und Zuweisung sowie Übertragung der Schuldverschreibungen</p> <p>Jeder Investor, der einen Auftrag bezüglich von Schuldverschreibungen erteilt hat und dessen Auftrag angenommen wurde, erhält eine Bestätigung hinsichtlich der jeweiligen Zuteilung der Schuldverschreibungen per e-mail, Fax oder sonstige übliche Kommunikationssysteme. Bevor ein Investor eine Bestätigung der Manager dahingehend erhält, dass seine Bestellung für Schuldverschreibungen angenommen wurde, hat der Investor die Möglichkeit, seine Bestellung zu reduzieren oder zu widerrufen. Es gibt keinen Mindest- oder Höchstbetrag beim Kauf von Schuldverschreibungen. Investoren können Kaufangebote für Schuldverschreibungen in jeglicher Höhe abgeben. Die Übertragung und Zahlung der Schuldverschreibungen erfolgt am Ausgabetag (6. Dezember 2016). Die Schuldverschreibungen werden durch Buchungseintrag durch das Clearing System und dessen kontoführenden Kreditinstitute gegen Zahlung des Ausgabepreises übertragen.</p>
E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen	Entfällt. Soweit der Emittentin bekannt ist, liegen bei keiner Person, die bei dem Angebot der Wertpapiere beteiligt ist, Interessenkonflikte vor, die einen Einfluss auf das Angebot haben könnten.

E.7	Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden	Entfällt. Den Anleihegläubigern werden keine Ausgaben von der Emittentin und den Managern in Rechnung gestellt.
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RISK FACTORS

The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect the Issuer's ability to fulfill its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase the Notes. Additional risks which LANXESS is not currently aware of could also affect the business operations of LANXESS and adversely affect LANXESS' business activities and financial conditions and results of operations and the ability to fulfill its obligations under the Notes. Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisors if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another.

Words and expressions defined in "Terms and Conditions" of the Notes below shall have the same meanings in this section.

Risk Factors regarding the Issuer

Procurement markets

On the procurement side, the principal opportunities and risks lie in the high volatility of raw material and energy prices. An increase or decrease in the price of the materials LANXESS uses directly results in higher or lower production costs. If prices decrease, write-downs may have to be recognized on inventories. In addition, changes in raw material prices result in higher or lower selling prices - either immediately or after a delay. The volatility of raw material prices, especially for LANXESS' key raw material butadiene, impacts the ARLANXEO segment in particular. Possible supply bottlenecks are due to factors such as the failure of a supplier or of an upstream operation at a networked site also need to be considered. These may cause delays or stoppages in production and potentially result in reduced marginal income.

Human resources

The risk of industrial actions resulting from disputes in connection with negotiations concerning future collective pay agreements or associated with restructuring measures cannot be ruled out. LANXESS also faces increases in personnel expenses because of future wage increases. Such an increase in the cost of human resources can be detrimental to earnings and cannot be hedged or passed on to customers.

The employees' expert knowledge of internal processes and issues relating to their areas of specialization is a critical factor in the efficiency of LANXESS' business operations. The growing lack particularly of skilled employees in LANXESS' global markets is becoming tangible in individual cases.

Plant operations and hazards

A lack of plant availability and disruptions of plant and process safety can make it impossible for LANXESS to meet production targets and adequately service existing demand, resulting in a loss of marginal income.

Although LANXESS applies high technical and safety standards to the construction, operation and maintenance of production facilities, interruptions in operations, including those due to external factors, such as natural disasters or terrorism, cannot be ruled out. These can lead to explosions, the release of materials hazardous to health, or accidents in which people, property or the environment are harmed.

LANXESS' product portfolio includes substances that are classified as hazardous to health. If customers are not adequately informed of the risks, this may result in possible harm to health and bring on product liability claims.

The operation and use of IT systems entails risks. For example, networks or systems may fail, or data and information may be compromised or destroyed because of operator and programming errors or external factors. In particular, LANXESS observes a growing number of threats to its IT infrastructure resulting from outside attack. All of these can cause serious business interruptions.

Corporate strategy

LANXESS actively pursues the strategic optimization of the LANXESS Group. Its efforts include ongoing efficiency enhancement, strengthening of core businesses, active portfolio management and proactive participation in industry consolidation through partnerships, divestments and acquisitions.

The success of the decisions associated with these efforts is naturally subject to forecasting risk in respect of predicting future (market) developments and making assumptions about the feasibility of planned measures. For example, the entry into or exit from a business segment could be based on profitability or growth expectations

that prove to be unrealistic over time and consequently do not materialize, resulting in lower than expected profitability.

When gathering information in the context of acquisitions, it is possible that certain facts required to assess an acquisition candidate's future performance or to determine the purchase price are not available or are not correctly interpreted. Insufficient integration of acquired companies or businesses can result in expected developments not materializing. For this reason, LANXESS has processes in place for the full integration of acquired businesses. If assumptions concerning future developments - such as the realization of synergies - do not materialize, this might result in a write-down on assets.

Acquisitions may have a material impact on the financial position of LANXESS. Execution of planned acquisitions may depend on external parties such as regulatory authorities or shareholders of the acquisition target. Such aspects may be relevant for the planned acquisition of Chemtura Corporation.

LANXESS is committed to using existing products and new solutions to advance its growth and sustainably strengthen its position in global markets. Investing in new plants as well as expanding the capacities and increasing the productivity of existing ones are key elements in these efforts. The anticipated effects are taken into account in LANXESS' planning or are reported as opportunities. In principle, LANXESS expects investments to yield benefits but they are also coupled with risks, such as lower than expected sales volumes or prices with a negative effect on earnings. Thus, for example, the success of LANXESS' investments in Asia has been substantially impacted by the challenging competitive situation in the synthetic rubber businesses.

The future strategy of the newly founded joint venture ARLANXEO will be jointly developed and implemented with the joint venture partner. The future development is therefore dependent on decisions made within the jointly agreed governance framework for the joint venture.

Sales markets

LANXESS is inherently exposed to general economic developments and political change in the countries and regions in which the LANXESS Group operates. Regional differences in economic performance and the associated demand trends can affect the LANXESS Group's pricing and sales potential in its various geographical markets, with corresponding positive or negative effects on its earnings.

The volatility and cyclicity that are typical of the global chemical and polymer markets and their dependence on developments in customer industries harbour uncertainties for LANXESS' business. As well as the influence of general economic development, the particular dependence of the rubber business on customers in the tire and automotive industries can result in sales volatility.

In addition to being subject to these demand-side market influences, LANXESS' earning power can be impacted by structural changes in markets, such as the entry of new competitors and the availability of additional capacities, regional shifts, the migration of customers to countries with lower costs, and product substitution or market consolidation trends in some sectors.

In LANXESS' ARLANXEO segment, the synthetic rubber business continues to face tough competition, partly from new manufacturers entering the market. In some Business Units, this may result in further overcapacities and stronger competition on prices.

Finance

Price changes

Currencies

The LANXESS Group undertakes transactions in various currencies. Therefore, it is exposed to fluctuations in the exchange rates of these currencies. The development of the U.S. dollar against the euro is of particular relevance. A depreciation of the U.S. dollar compared with the exchange rate used in planning would have a negative effect on LANXESS' profitability.

Currency risks from potential declines in the value of financial instruments due to exchange rate fluctuations (transaction risks) arise mainly when receivables and payables are denominated in a currency other than the company's local currency. Such risks arising on financial transactions include the interest component and may burden net income.

Interest rates

Market interest rate movements can cause fluctuations in the fair value of a financial instrument, cash flows as well as interest income and expenses. Interest rate fluctuations affect both financial assets and financial liabilities.

Raw materials/energies

Market-price risks for energies and raw materials may in certain cases not be passed on to customers in their entirety and therefore may have a negative impact on profitability.

Liquidity and refinancing

In the course of time, LANXESS' access to the capital markets and its solvency may deteriorate. It might no longer be possible to maintain a target capital structure that is largely based on the ratio systems used by leading rating agencies, thus resulting in higher financing costs.

Counterparty risks

Counterparty risks (credit risks) arise from trade relationships with customers and dealings with banks and other financial partners (suppliers, customers), especially with regard to the investment business and financial instrument transactions. Write downs may arise from counterparties defaulting.

Capital investments

Risks are associated with the investment of pension assets. Market price changes of the assets may negatively affect their fair value.

Insurance

The LANXESS Group carries insurance cover against material risks such as those arising from property damage, business interruption and product liability. If a loss event occurs, LANXESS must therefore pay only those damages in excess of the deductible. However, there is a residual risk of events that are not covered by the insurance or which result in damages in excess of the cover guaranteed by the insurer. Exceeding payment obligations may burden both the liquidity position and income of the LANXESS Group.

Legal, regulatory and political environment

Companies in the LANXESS Group are subject to legal risks and are parties to various litigations. The outcome of individual proceedings cannot be predicted with assurance due to the uncertainties always associated with legal disputes.

As a preventive approach to avoiding legal risks, LANXESS has established an extensive compliance management system incorporating a range of organizational measures. Among the main risks LANXESS has identified are those relating to antitrust legislation, plant safety and environmental protection, foreign trade legislation and corruption.

Regulatory measures may lead to the tightening of safety, quality and environmental regulations and standards in different areas. These may result in additional costs and liability risks. Particularly noteworthy in this regard is the implementation of the E.U. Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). As well as direct costs that could arise due to additional measures necessary to comply with these standards, market structures could change to LANXESS' disadvantage as a result of a shift by suppliers and customers to regions outside Europe. Additional requirements imposed by energy and environmental policy, such as the new emission trading regulations, new environmental taxes and the redistribution of costs associated with the German Renewable Energy Act, could result in higher costs and in part substantial disadvantages in international competition.

LANXESS was and is responsible for numerous sites at which chemicals have been produced for periods that in some cases exceed 140 years. This responsibility also extends to waste disposal facilities. The possibility cannot be ruled out that pollution occurred during this time that has not been discovered to date. This might result in unexpected expenses and cash outflows.

Any violations of foreign trade regulations may result in prohibitions and restrictions on LANXESS' export activities and the loss of its privileges in respect of export procedures. In individual cases, this may also result in fines, trade sanctions and loss of reputation.

Tax matters are subject to a degree of uncertainty in terms of their assessment by the tax authorities in Germany and other countries. Even if LANXESS believes that all circumstances have been reported correctly

and in compliance with the law, the possibility cannot be ruled out that the tax authorities may come to a different conclusion in individual cases.

Consequences of a change of control

LANXESS entered into certain agreements containing so called change of control clauses, whereby the definition of change of control may deviate from the definition used in the Terms and Conditions of the Notes. In the event of a change of control under these other agreements LANXESS may be obliged to effect significant payments. A change of control under these agreements occurs in principle if the ownership of LANXESS changes and, as a consequence the new owner is either able to exercise more than 50 per cent. of the voting rights or owns more than 50 per cent. of the shares in LANXESS, as the case may be.

Overall risk

The chemical industry worldwide is in a phase of radical change which entails economic risks. Despite mixed economic developments across regions and sectors, LANXESS risk exposure during the fiscal year 2015 was not fundamentally or materially different from the risk exposure during the previous year due to LANXESS' broadly diversified product and customer portfolios. LANXESS continues to point to the intense competitive pressure facing its synthetic rubber businesses. As part of the realignment, LANXESS will strengthen its future competitiveness through the partnership with Aramco Overseas Holdings Coöperatief U.A. on ARLANXEO. All planning is subject to a certain degree of forecasting risk, which could necessitate flexible adjustments to rapidly changing business conditions over the course of the year. This is particularly true in view of the fact that planning and forecasts in general have become somewhat less reliable due to the changes observed recently in LANXESS' procurement and customer markets.

Risk Factors regarding the Notes

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

Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) know that it might be impossible to dispose of the Notes for a substantial period of time, if at all.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Long-term securities, Risk of early redemption

The Notes will be redeemed on 6 December 2076, unless they have been previously redeemed or repurchased and cancelled. The Issuer is under no obligation to redeem the Notes at any time before this date. The holders of the Notes (each a "**Holder**") have no right to call for their redemption. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions of the Notes after the occurrence of a Change of Control Event, a Gross-up Event, a Rating Agency Event, a Tax Event, or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased, or with effect as of the First Call Date or any Interest Payment Date thereafter. The Issuer does also have the option to call the Notes if the Issuer, on or prior to 6 September 2017, (i) gives notice to the Holders that the acquisition of Chemtura Corporation by the Issuer or a subsidiary of the Issuer has not been consummated and (ii) has publicly stated that it no longer intends to further pursue this acquisition and is no longer legally committed to do so. In the event that the Issuer exercises the option to call and redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

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

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

No voting rights

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

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 available to the Holders of the Notes for recovery of amounts which have become due in respect of the Notes 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 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.

Claims under the Notes are subordinated and only senior to the share capital of the Issuer. In any insolvency proceedings of the Issuer, the Holders may recover proportionally less than holders of unsubordinated and other subordinated liabilities of the Issuer, or nothing at all, and the remedies for Holders in the insolvency proceedings of the Issuer may be limited

The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves and with obligations of the Issuer under any Parity Securities, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and, except for obligations arising under Junior Securities, subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and senior only to the rights and claims of holders of Junior Securities.

In the event of winding-up, dissolution, liquidation, insolvency, composition or proceeding for the avoidance of insolvency of, or against, the Issuer, the obligations of the Issuer under the Notes, and in case of the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer under the Notes 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 case payments in respect of the Notes will not be made until all claims against the Issuer under obligations which rank senior to obligations of the Issuer under the Notes have been satisfied in full (i.e. not only with a quota). In a winding-up, liquidation, dissolution, insolvency, composition or proceeding for the avoidance of insolvency of, or against, the Issuer, the Holders may therefore

recover proportionately less than the holders of unsubordinated obligations of the Issuer. Holders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer, holders of subordinated debt, such as the Notes, will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*) pursuant to the German Insolvency Code.

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

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

No limitation on issuing further debt

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

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

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

Optional deferral of interest payments

The Issuer may elect in its discretion to defer the payment of interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Holders. Such interest will not be due and payable (*fällig*) on that Interest Payment Date.

Holders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest. Any failure to pay interest as a result of an optional deferral will not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes. The Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Deferred Interest Payments.

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Fixed interest rate Notes

The Notes bear interest at a fixed rate to but excluding the First Call Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during a certain period of time, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a fixed interest rate note also changes, but in the opposite direction. If the market interest rate increases, the price of a fixed interest rate note typically falls, until

the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

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

From and including the First Call Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5-year EURSFIX swap rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year EURSFIX swap rate is an indication of the future development of the 5-year EURSFIX swap rate. 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 market interest rate, as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described in the section "*Fixed Interest Rate Notes*".

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

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). In addition to the aforementioned proposal, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

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

No express events of default or cross default

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

Liquidity risk

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. 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 might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Ratings of the Notes, if any, may not reflect all associated risk and may be subject to change at all times

The Notes are expected to be assigned credit ratings by Moody's and Standard & Poor's. These 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. Other independent credit rating agencies could decide to assign credit ratings to the Notes and such credit ratings may be higher than, the same as or lower than the credit

ratings provided by Moody's and Standard & Poor's which could adversely affect the market value and liquidity 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. 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 or the Issuer were to be lowered, this may have a negative impact on the market price of the Notes.

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

As the Terms and Conditions of the Notes provide for meetings of Holders or the taking of votes without a meeting, a Holder is subject to the risk of being outvoted and to lose rights against the Issuer against his will in the case that other Holders agree pursuant to the Terms and Conditions to amendments of the Terms and Conditions by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). Such majority resolution is binding on all Holders, certain rights of a Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled. In the case of an appointment of a noteholders' representative (*gemeinsamer Vertreter*) for all Holders, a particular Holder may lose, in whole or in part, the possibility to enforce and claim his rights under the Terms and Conditions against the Issuer regardless of other Holders.

Currency risks and exchange controls

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.

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

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

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

The development of the market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Notes.

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

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer and/or the LANXESS Group, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Market participants may in particular have a different perception if market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the LANXESS Group adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes is likely to decrease.

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

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

Taxation

General

Potential purchasers of Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred and other relevant jurisdictions. The summaries set out under the heading "Taxation" discuss only specific tax considerations, and they do not purport to be a comprehensive description of all tax considerations in any particular jurisdiction which may be relevant to a decision to purchase the Notes. Potential purchasers of the Notes should note that the tax treatment of payments in respect of the Notes may be different (and in some cases significantly different) from that set out in those summaries. Potential purchasers of the Notes who are in any doubt as to their tax position should consult their own independent tax advisors. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities may change from time to time. Accordingly, it is not possible to predict the precise tax treatment of the Notes which will apply at any given time.

CONSENT TO USE OF THE PROSPECTUS

Each Manager and/or each further financial intermediary subsequently reselling or finally placing Notes issued hereunder is entitled to use the Prospectus in the Grand Duchy of Luxembourg, the Federal Republic of Germany and Austria for the subsequent resale or final placement of the Notes from 2 December 2016 to 6 December 2016, provided however, that the Prospectus is still valid in accordance with Article 11 (2) of the Luxembourg law on prospectuses for securities, as amended (*Loi relative aux prospectus pour valeurs mobilières*) which implements the Prospectus Directive which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.lanxess.com).

When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a Manager and/or a further financial intermediary the Manager and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.

Any Manager and/or a further financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with this consent and the conditions attached to this consent.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

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

§ 1

(Verbriefung und Nennbetrag, Form, Begriffsbestimmungen)

- (1) Währung, Nennbetrag.

Die LANXESS Aktiengesellschaft ("**LANXESS AG**" oder die "**Emittentin**") begibt nachrangige, resettable, festverzinsliche Schuldverschreibungen (die "**Schuldverschreibungen**") im Nennbetrag von je EUR 1.000 (der "**Nennbetrag**") und im Gesamtnennbetrag von EUR 500.000.000 (in Worten: fünfhundert Millionen).

- (2) Form

Die Schuldverschreibungen lauten auf den Inhaber.

- (3) Globalurkunden und Austausch.

Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in dem festgelegten Nennbetrag, der durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils eine "**Globalurkunde**") ohne Zinsscheine verbrieft ist, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden

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, Form, Certain Definitions)

- (1) Currency, Denomination.

LANXESS Aktiengesellschaft ("**LANXESS AG**" or the "**Issuer**") issues subordinated, resettable, fixed rate notes (the "**Notes**") in a denomination of EUR 1,000 each (the "**Principal Amount**") in the aggregate principal amount of EUR 500,000,000 (in words: five hundred million).

- (2) Form

The Notes are being issued in bearer form.

- (3) Global Notes and Exchange.

The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Principal Amount represented by a permanent global note (the "**Permanent Global Note**") and, together with the Temporary Global Note, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.

und Zinsscheine werden nicht ausgegeben.

Die Vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt. Der Austausch für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der Vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt, diese Vorläufige Globalurkunde gemäß diesem § 1(3) auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern (wie in § 6 (3) definiert).

(4) Clearingsystem.

Die Schuldverschreibungen verbrieft Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearingsystem**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg, ("**CBL**") und Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**").

The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 6 (3)).

(4) Clearing System.

Each Global Note representing the Notes will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 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**").

Die Schuldverschreibungen werden in Form einer classical global note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

- (5) "**Anleihegläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.
- (6) Die Bestimmungen gemäß Schedule 1 (einsehbar unter www.bourse.lu und als Schedule 1 dem Agency Agreement beigefügt), die überwiegend das für Gläubigerversammlungen oder Abstimmungen der Anleihegläubiger ohne Versammlung zu wählende Verfahren betreffen, sind in vollem Umfang durch diese Anleihebedingungen in Bezug genommen.

§ 2 (Status)

- (1) Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die
- (a) untereinander und mit den Verbindlichkeiten der Emittentin aus Gleichrangigen Wertpapieren gleichrangig sind,
- (b) nachrangig gegenüber allen gegenwärtigen und zukünftigen nicht nachrangigen und, mit Ausnahme der in den nachfolgenden Unterabsätzen (c) und (d) genannten Verbindlichkeiten, nachrangigen Verbindlichkeiten der Emittentin sind,
- (c) mit allen anderen gegenwärtigen und zukünftigen nicht besicherten Verbindlichkeiten, die nachrangig gegenüber allen nicht nachrangigen und, mit Ausnahme von Verbindlichkeiten unter Nachrangigen Wertpapieren, nachrangigen Verbindlichkeiten der Emittentin sind,

The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depository on behalf of both ICSDs.

- (5) "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
- (6) These Terms and Conditions fully refer to the provisions set out in Schedule 1 (on display under www.bourse.lu and attached as Schedule 1 to the Agency Agreement) containing primarily the procedural provisions regarding resolutions of Holders.

§ 2 (Status)

- (1) The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking
- (a) *pari passu* among themselves and with obligations of the Issuer under any Parity Securities,
- (b) subordinated to all present and future unsubordinated and, except for the obligations specified in the following sub-paragraphs (c) and (d), subordinated obligations of the Issuer,
- (c) *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and, except for obligations arising under Junior Securities, subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by

gleichrangig sind, soweit nicht zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besser stellen; und

- (d) im Rang nur den Ansprüchen und Rechten von Inhabern von Nachrangigen Wertpapieren gegen die Emittentin vorgehen.

Im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens stehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen nicht nachrangigen und, mit Ausnahme der in Unterabsatz (c) und (d) oben genannten Verbindlichkeiten, allen nachrangigen Verbindlichkeiten der Emittentin im Rang nach, so dass Zahlungen auf die Schuldverschreibungen erst erfolgen, wenn alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2 oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt sind; erst nach Befriedigung aller der vorgenannten Ansprüche und der Verbindlichkeiten aus den Schuldverschreibungen können die verbleibenden Vermögenswerte an die Eigner der Nachrangigen Wertpapiere der Emittentin verteilt werden.

"Gleichrangiges Wertpapier" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen ist oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind oder

mandatory provisions of law; and

- (d) senior only to the rights and claims of holders of Junior Securities against the Issuer.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Notes will be subordinated to all unsubordinated and, except for the obligations specified in sub-paragraphs (c) and (d) above, all subordinated obligations of the Issuer so that in any such event payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2 are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied in full; only after all of the aforementioned claims and claims under the Notes will first have been satisfied any remaining assets may be distributed to the holders of the Junior Securities of the Issuer.

"Parity Security" means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank *pari passu* with the Notes, or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes.

als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart sind.

"Nachrangiges Wertpapier" bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii) jedes andere Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das 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/oder (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.

"Tochtergesellschaft" 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) Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.

§ 3 (Zinsen)

- (1) Zinslauf
Im Zeitraum ab dem 6. Dezember 2016 (der

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

"Subsidiary" 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.

- (2) The Holders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Holder against any claims of such Holder under the Notes.

§ 3 (Interest)

- (1) Interest accrual.
In the period from and including 6 December

"**Zinslaufbeginn**") (einschließlich) bis zum Zinslaufende gemäß § 3(3) werden die Schuldverschreibungen bezogen auf den Gesamtnennbetrag in Höhe des Zinssatzes (wie nachstehend definiert) verzinst. Während dieses Zeitraums sind Zinsen nachträglich am 6. Juni eines jeden Jahres zur Zahlung vorgesehen, erstmals am 6. Juni 2017 (kurze erste Zinsperiode) und vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und anschließenden Entwertung letztmals am Endfälligkeitstermin (kurze letzte Zinsperiode) (jeweils ein "**Zinszahlungstag**"), und werden nach Maßgabe der in § 4(1) dargelegten Bedingungen fällig.

- (2) Zinssatz.
- (a) Der "**Zinssatz**" entspricht
- (i) vom Zinslaufbeginn (einschließlich) bis zum 6. Juni 2023 (der "**Erste Rückzahlungstermin**") (ausschließlich) einem Zinssatz in Höhe von jährlich 4,50 %;
 - (ii) vom Ersten Rückzahlungstermin (einschließlich) bis zum 6. Juni 2028 (der "**Erste Modifizierte Reset-Termin**") (ausschließlich) dem Reset-Zinssatz für den betreffenden Reset-Zeitraum;
 - (iii) vom Ersten Modifizierten Reset-Termin (einschließlich) bis zum 6. Juni 2043 (der "**Zweite Modifizierte Reset-Termin**") (ausschließlich) dem Ersten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum; und
 - (iv) vom Zweiten Modifizierten Reset-Termin (einschließlich) bis zum Endfälligkeitstermin (ausschließlich) dem Zweiten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum.
- (b) Der "**Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 451 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.
- (c) Der "**Erste Modifizierte Reset-Zinssatz**" ist

2016 (the "**Interest Commencement Date**") to the cessation of interest accrual in accordance with § 3(3) the Notes bear interest on their aggregate principal amount at the Rate of Interest (as defined below). During such period, interest is scheduled to be paid annually in arrear on 6 June of each year, commencing on 6 June 2017 (short first coupon) with the last interest payment scheduled to be paid on the Maturity Date (short last coupon) (subject to early redemption or repurchase and cancellation) (each an "**Interest Payment Date**"), and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(1).

- (2) Interest rate.
- (a) The "**Rate of Interest**" will be
- (i) from and including the Interest Commencement Date to but excluding 6 June 2023 (the "**First Call Date**") a rate of 4.50 per cent. per annum;
 - (ii) from and including the First Call Date to but excluding 6 June 2028 (the "**First Modified Reset Date**") the Reset Interest Rate for the relevant Reset Period;
 - (iii) from and including the First Modified Reset Date to but excluding 6 June 2043 (the "**Second Modified Reset Date**") the First Modified Reset Interest Rate for the relevant Reset Period; and
 - (iv) from and including the Second Modified Reset Date to but excluding the Maturity Date the Second Modified Reset Interest Rate for the relevant Reset Period.
- (b) The "**Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 451 basis points per annum, as determined by the Calculation Agent.
- (c) The "**First Modified Reset Interest Rate**"

der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 476 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.

- (d) Der "**Zweite Modifizierte Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 551 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.
- (e) Die Berechnungsstelle wird den Reset-Zinssatz für die Schuldverschreibungen am Zinsfeststellungstag 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 Anleihegläubigern gemäß § 11(2) unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.
- (f) Die Zinsen für einen beliebigen Zeitraum werden auf der Grundlage des Zinstagequotienten berechnet.

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

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in der betreffenden Feststellungsperiode; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
- (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungs-

will be the Reference Rate for the relevant Reset Period plus 476 basis points per annum, as determined by the Calculation Agent.

- (d) The "**Second Modified Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 551 basis points per annum, as determined by the Calculation Agent.
- (e) The Calculation Agent will, on the Interest Determination Date, determine the Reset Rate of Interest 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 § 11(2) without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

- (f) Interest for any period of time will be calculated on the basis of the Day Count Fraction.

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

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

zeitraum beginnt, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

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

Dabei gilt folgendes:

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

"Feststellungstermin" bezeichnet jeden 6. Juni.

- (g) Anpassung des Zinssatzes bei Eintritt eines Kontrollwechselereignisses

Wenn ein Kontrollwechselereignis eintritt und die Emittentin die Schuldverschreibungen nicht (insgesamt, jedoch nicht teilweise) gemäß § 5(4) innerhalb von 60 Tagen nach Eintritt des Kontrollwechselereignisses zur Rückzahlung kündigt, erhöht sich der Zinssatz der Schuldverschreibungen um 500 Basispunkte über dem ansonsten anzuwendende Zinssatz. Die Erhöhung tritt mit Wirkung ab dem Tag (einschließlich) ein, an dem das Kontrollwechselereignis eingetreten ist.

- (3) Zinslaufende.

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital

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

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

Where:

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

"Determination Date" means each 6 June.

- (g) Adjustment of Rate of Interest in case of occurrence of Change of Control Event

If a Change of Control Event occurs and the Issuer does not call the Notes for redemption (in whole but not in part) in accordance with § 5(4) within 60 days following the Change of Control Event, the Rate of Interest payable on the Notes will be subject to an increase by 500 basis points above the otherwise applicable Rate of Interest. Such increase will take effect from (and including) the day on which the Change of Control Event has occurred.

- (3) Cessation of interest accrual.

The Notes will cease to bear interest from the beginning of the day their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes

auf diese 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 diesem § 3 bestimmt.

(4) Definitionen.

Der "**Referenzsatz**" für einen Reset-Zeitraum wird von der Berechnungsstelle an dem jeweiligen Zinsfeststellungstag (wie nachstehend definiert) vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt (der "**Referenz-Reset-Termin**"), festgelegt und ist

- (i) der als Prozentsatz ausgedrückte 5-Jahres EURSFIX Swapsatz per annum; oder
- (ii) falls eine für die Festlegung des 5-Jahres EURSFIX Swapsatzes benötigte Information am jeweiligen Zinsfestlegungstag nicht auf der Bildschirmseite erscheint, der 5-Jahres Reset-Referenzbankensatz an diesem Zinsfestlegungstag,

wobei alle Festlegungen durch die Berechnungsstelle vorgenommen werden.

Dabei gilt Folgendes:

"**5-Jahres EURSFIX Swapsatz**" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) gefixten, als Prozentsatz ausgedrückten Swapsatz per annum bezüglich in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am jeweiligen Zinsfestlegungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

Der "**5-Jahres Reset-Referenzbankensatz**" ist der Prozentsatz, der auf Basis der 5-Jahres Mid Swapsatz-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden, am Zinsfestlegungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres

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.

(4) Definitions.

The "**Reference Rate**" for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences (the "**Reference Reset Date**") and will be

- (i) the 5-year EURSFIX Swap Rate expressed as a percentage per annum; or
- (ii) in the event that any of the information required for the purposes of the determination of the 5-year EURSFIX Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Reset Reference Bank Rate on that Interest Determination Date,

in each case as determined by the Calculation Agent.

Where:

"**5-year EURSFIX Swap Rate**" means the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage per annum for euro swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

"**5-year Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market (the "**Reset Reference Banks**") to the Calculation Agent at approximately 11.00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three 5-year Mid Swap Rate

Mid Swapsatz-Quotierungen genannt werden, wird der 5-Jahres Reset-Referenzbankensatz das arithmetische Mittel der 5-Jahres Mid Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei 5-Jahres Mid Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der 5-Jahres Reset-Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz die zur Verfügung gestellte Quotierung. Falls keine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz der letzte Mid Swap-Satz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Bildschirmseite verfügbar ist.

Dabei bezeichnet "**5-Jahres Mid Swapsatz-Quotierungen**" das arithmetische Mittel der nachgefragten und angebotenen Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am jeweiligen Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite EURSFIXA. Hat die Bildschirmseite dauerhaft aufgehört, den 5-Jahres EURSFIX Swapsatz anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die

Quotations are provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be the quotation provided. If no 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.

Where "**5-year Mid Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

"**Screen Page**" means Reuters Screen Page EURSFIXA. If the Screen Page permanently ceases to quote the 5-year EURSFIX Swap Rate but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the "**Replacement Screen Page**"), the Replacement Screen Page

"Ersatzbildschirmseite"), wird die Ersatzbildschirmseite zum Zweck der Festlegung des 5-Jahres EURSFIX Swapsatzes eingesetzt.

"Geschäftstag" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen und das betreffende Clearingsystem betriebsbereit ist, um die betreffenden Zahlungen weiterzuleiten.

"Reset-Termin" bezeichnet jeweils den Ersten Rückzahlungstermin, den 6. Juni 2028, den 6. Juni 2033, den 6. Juni 2038, den 6. Juni 2043, den 6. Juni 2048, den 6. Juni 2053, den 6. Juni 2058, den 6. Juni 2063, den 6. Juni 2068 und den 6. Juni 2073.

"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) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstag (ausschließlich).

"Zinsfeststellungstag" bezeichnet den zweiten Geschäftstag vor dem jeweiligen Referenz-Reset-Termin.

§ 4

(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen;

Zahlung Aufgeschobener Zinszahlungen)

- (1) Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.
- (a) Zinsen werden für jede Zinsperiode an dem unmittelbar auf diese Zinsperiode folgenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet,

must be used for the purpose of the calculation of the 5-year EURSFIX Swap Rate.

"Business Day" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational and the relevant Clearing System are operational to forward the relevant payment.

"Reset Date" means each of the First Call Date, 6 June 2028, 6 June 2033, 6 June 2038, 6 June 2043, 6 June 2048, 6 June 2053, 6 June 2058, 6 June 2063, 6 June 2068 and 6 June 2073.

"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 and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.

"Interest Determination Date" means the second Business Day prior to the relevant Reference Reset Date.

§ 4

(Due date for interest payments; Deferral of interest payments;

Payment of Deferred Interest Payments)

- (1) Due date for interest payments; optional interest deferral.
- (a) Interest for each Interest Period will be due and payable (*fällig*) on the Interest Payment Date immediately following such Interest Period, unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Holders prior to the relevant Interest Payment Date in accordance with § 11, to

die betreffende Zinszahlung 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 aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 4(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

"**Zinsperiode**" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.
- (2) Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.

Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstermin**") enthalten muss.

- (3) Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.

Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.

defer the relevant payment of interest.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay 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 § 4(1)(a) will constitute deferred interest payments ("**Deferred Interest Payments**").

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

- (b) Deferred Interest Payments will not bear interest.
- (2) Optional Settlement of Deferred Interest Payments.

The Issuer will be entitled to pay outstanding Deferred Interest Payments (in whole or in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the Holders in accordance with § 11 which notice will specify (i) the amount of Deferred Interest Payments to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

- (3) Mandatory payment of Deferred Interest Payments.

The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.

"Pflichtnachzahlungstag" bezeichnet den frühesten der folgenden Tage:

- (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;
- (ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt;
- (iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Wertpapier zahlt;
- (iv) den Tag, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückzahlt, oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt);
- (v) den Tag an dem die Emittentin Schuldverschreibungen gemäß diesen Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und
- (vi) den Tag, an dem eine Entscheidung hinsichtlich der Auseinandersetzung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Insolvenzplanverfahrens oder eines Zusammenschlusses, einer Umstrukturierung oder einer Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle

"Mandatory Settlement Date" means the earliest of:

- (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;
- (ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment;
- (iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Security;
- (iv) the date on which the Issuer or any Subsidiary redeems any Parity Security, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security;
- (v) the date on which the Issuer redeems Notes in accordance with these Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and
- (vi) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),

Vermögenswerte und Verpflichtungen der Emittentin übernimmt),

mit der Maßgabe, dass

- (x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (y) in den vorgenannten Fällen (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und
- (z) in den vorgenannten Fällen (iii), (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Dividenden, Ausschüttungen oder sonstigen Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier oder Schuldverschreibungen Konzerninterne Zahlungen sind.

(4) Definitionen.

In diesen Anleihebedingungen gilt Folgendes:

"Konzerninterne Zahlungen" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.

Ein **"Obligatorisches Nachzahlungsereignis"** bezeichnet vorbehaltlich des nachstehenden

provided that

- (x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;
- (y) in the cases (iv) and (v) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and
- (z) in the cases (iii), (iv) and (v) above no Mandatory Settlement Date occurs if the relevant dividends, distributions or other payments on, or in respect of, any Parity Security or the Notes are Intra-Group Payments.

(4) Definitions.

For the purposes of these Terms and Conditions:

"Intra-Group Payments" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.

"Compulsory Settlement Event" means any of the following events, subject to the proviso

Satzes 2 jedes der folgenden Ereignisse:

- (i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (gleich ob in bar oder als Sachdividende oder Sachausschüttung);
- (ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Wertpapier (gleich ob in bar oder als Sachdividende oder Sachausschüttung); oder
- (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Wertpapier zurück oder erwirbt es auf andere Weise.

In den vorgenannten Fällen (ii) und (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Wertpapier nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder

in sentence 2 below:

- (i) the ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (whether in cash or as a dividend or distribution in kind);
- (ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Security (whether in cash or as a dividend or distribution in kind); or
- (iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.

The cases (ii) and (iii) above are subject to the proviso that no Compulsory Settlement Event occurs if

- (x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security to make such payment, such redemption, such repurchase or such other acquisition;
- (y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or

anderweitig erwirbt; oder

- (z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Wertpapier Konzerninterne Zahlungen sind.

§ 5

(Rückzahlung und Rückkauf)

- (1) Rückzahlung des Kapitals bei Endfälligkeit.

Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft, wird die Emittentin den Gesamtnennbetrag der ausstehenden Schuldverschreibungen am 6. Dezember 2076 (der "**Endfälligkeitstag**") zurückzahlen.

- (2) Rückkauf.

Die Emittentin oder eine Tochtergesellschaft ist berechtigt, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis zu kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

- (3) Rückzahlung nach Wahl der Emittentin.

Die Emittentin kann die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zum Ersten Rückzahlungstermin oder mit Wirkung zu jedem nachfolgenden Zinszahlungstag durch Erklärung gemäß § 5(5) kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

- (z) the relevant payments on, or in respect of, any Junior Securities are Intra-Group Payments.

§ 5

(Redemption and Repurchase)

- (1) Repayment of Principal at Maturity.

Unless previously redeemed or repurchased, Issuer will repay the aggregate principal amount of the Notes outstanding on 6 December 2076 (the "**Maturity Date**").

- (2) Repurchase.

Subject to applicable laws, the Issuer or any Subsidiary 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.

The Issuer may, upon giving notice in accordance with § 5(5), call the Notes for redemption (in whole but not in part) with effect as of the First Call Date or with effect as of any Interest Payment Date thereafter. In the case such call notice is given, the Issuer will redeem the remaining Notes at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the specified redemption date.

(4) Rückzahlung nach Eintritt eines Kontrollwechselereignisses, Gross-up Ereignisses, eines Steuerereignisses, eines Ratingagenturereignisses oder eines Akquisitionereignisses oder bei geringem ausstehenden Gesamtnennbetrag

(a) *Rückzahlung nach Eintritt eines Gross-up Ereignisses.*

Die Emittentin ist jederzeit berechtigt, durch Erklärung gemäß § 5(5) die Schuldverschreibungen (insgesamt und nicht nur teilweise) nach Eintritt eines Gross-Up Ereignisses mit Wirkung zu dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein "**Gross-up Ereignis**" tritt ein, wenn die Emittentin am oder nach dem Tag der Begebung der Schuldverschreibungen ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon aushändigt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Behörden oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 7 zu zahlen und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

(4) Redemption following a Change of Control Event, Gross-up Event, a Tax Event, a Rating Agency Event or an Acquisition Event, or in case of minimal outstanding aggregate principal amount

(a) *Redemption following a Gross-up Event.*

At any time the Issuer may upon giving notice in accordance with § 5(5) call the Notes for redemption (in whole but not in part) following the occurrence of a Gross-Up Event with effect as of the date fixed for redemption in the notice pursuant to § 5(5). In the case such call notice is given, the Issuer will redeem the remaining Notes on the specified redemption date at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

A "**Gross-up Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to § 7 as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any authority of or in the Federal Republic of Germany, or as a result of any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

Die Bekanntmachung der vorzeitigen Rückzahlung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge gemäß § 7 zu zahlen.

- (b) Rückzahlung nach Eintritt eines Steuerereignisses, eines Ratingagenturereignisses, eines Akquisitionereignisses, eines Kontrollwechselereignisses oder bei geringem ausstehenden Gesamtnennbetrag.

Wenn

- (i) ein Akquisitionereignis eintritt; oder
- (ii) ein Kontrollwechselereignis eintritt; oder
- (iii) ein Ratingagenturereignis eintritt; oder
- (iv) ein Steuerereignis eintritt; oder
- (v) die Emittentin und/oder eine oder mehrere Tochtergesellschaft(en) zusammen Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen halten oder zurückgezahlt haben,

ist die Emittentin berechtigt, durch Erklärung gemäß § 5(5) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zu kündigen. Dabei hat im Fall der Kündigung wegen eines Akquisitionereignisses die Kündigungserklärung gemäß § 5(5) zusammen mit der Benachrichtigung über den Eintritt des Akquisitionereignisses zu erfolgen und der Tag der Rückzahlung darf nicht mehr als 10 Tage nach dem Tag des Eintritts des Akquisitionereignisses liegen. Im Falle der Kündigung wegen eines Kontrollwechselereignisses darf der für die Rückzahlung festgelegte Tag nicht vor den Geschäftstag liegen, der 60 Tage nach Abgabe der Kündigungserklärung liegt. Im Falle einer Kündigung nach diesem § 5(4)(b) hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) außer im

No such notice of early redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 7.

- (b) Redemption following the occurrence of a Tax Event, a Rating Agency Event, an Acquisition Event, a Change of Control Event or in case of minimal outstanding aggregate principal amount.

If

- (i) an Acquisition Event occurs; or
- (ii) a Change of Control Event occurs; or
- (iii) a Rating Agency Event occurs; or
- (iv) a Tax Event occurs; or
- (v) the Issuer and/or one or more of its Subsidiaries in aggregate hold or have redeemed Notes equal to or in excess of 80 per cent. of the aggregate Principal Amount of the Notes initially issued,

the Issuer may, upon giving notice in accordance with § 5(5), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice pursuant to § 5(5). In case of call for redemption due to an Acquisition Event the notice pursuant to § 5(5) must be given simultaneously with the notice of the occurrence of an Acquisition Event and the date of redemption must not be fixed more than 10 days after the occurrence of the Acquisition Event. In case of a call for redemption due to a Change of Control Event the date fixed for redemption must be a Business Day falling not earlier than 60 days after the submission of the call notice. In case a call notice is given pursuant to this § 5(4)(b), the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101.00 per cent. of the Principal Amount if the redemption occurs prior to the First Call Date (other than

Fall der Rückzahlung wegen geringen ausstehenden Gesamtnennbetrags oder wegen eines Kontrollwechselereignisses zu 101 % des Nennbetrages, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, und (ii) zum Nennbetrag, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin oder wegen geringen ausstehenden Gesamtnennbetrags oder wegen eines Kontrollwechselereignisses erfolgt, jeweils zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.

Ein "**Akquisitionereignis**" tritt ein, wenn die Emittentin am oder vor dem 6. September 2017 (i) den Anleihegläubigern gemäß § 11 mitteilt, dass die Transaktion nicht vollzogen wurde und (ii) öffentlich erklärt hat, dass sie nicht beabsichtigt, die Transaktion weiter zu verfolgen und dazu rechtlich auch nicht mehr verpflichtet ist.

Ein "**Kontrollwechsel**" gilt jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die abgestimmt handeln im Sinne von § 22 Absatz 2 WpHG, oder einer oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) (i) mehr als 50 % des ausstehenden Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die mehr als 50 % der Stimmrechte entfallen, die unter normalen Umständen auf einer Hauptversammlung der Emittentin ausgeübt werden können. Dies steht jedoch unter der Voraussetzung, dass ein Kontrollwechsel dann nicht als eingetreten gilt, wenn alle Aktionäre der relevanten Person oder ein wesentlicher Teil davon tatsächlich Aktionäre der Emittentin sind, oder unmittelbar vor dem Ereignis, welches ansonsten ein Kontrollwechsel darstellen würde waren und

in case of redemption due to minimal outstanding aggregate principal amount or a Change of Control Event) and (ii) at the Principal Amount if the redemption occurs on or after the First Call Date or due to minimal outstanding aggregate principal amount or a Change of Control Event, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

An "**Acquisition Event**" will occur if the Issuer, on or prior to 6 September 2017 (i) gives notice to the Holders in accordance with § 11 that the Transaction has not been consummated and (ii) has publicly stated that it no longer intends to further pursue the Transaction and is no longer legally committed to do so.

A "**Change of Control**" shall be deemed to have occurred each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert within the meaning of section 22 para 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50 per cent. of the issued ordinary share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro

denselben (oder beinahe denselben) Anteil am Grundkapital der relevanten Person haben oder hatten wie am Grundkapital der Emittentin.

Ein "**Kontrollwechselereignis**" tritt ein, wenn ein Kontrollwechsel vorliegt und es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings auf Grund des Kontrollwechsel kommt.

Eine "**Absenkung des Ratings**" gilt als eingetreten, wenn ein Kontrollwechsel vorliegt und, wenn (a)

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

"**Kontrollwechselzeitraum**" bezeichnet den Zeitraum, der (i) mit dem früheren der folgenden Ereignisse beginnt, nämlich (x) einer öffentlichen Bekanntmachung oder Erklärung der Emittentin oder einer relevanten Person hinsichtlich eines möglichen Kontrollwechsels oder (y) dem Tag der ersten öffentlichen Bekanntmachung des eingetretenen Kontrollwechsels und (ii) der am

rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer.

A "**Change of Control Event**" means that a Change of Control and during the Change of Control Period a Rating Downgrade in respect of that Change Control occurs.

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

"**Change of Control Period**" means the period (i) commencing on the earlier of (x) any public announcement or statement of the Issuer or any Relevant Person relating to any potential Change of Control or (y) the date of the first public announcement of the Change of Control having occurred and (ii) ending on the 90 day (inclusive) after the occurrence of the relevant

90. Tag (einschließlich) nach dem Eintritt des Kontrollwechsels endet.

Ein "**Ratingagenturereignis**" tritt ein, wenn entweder:

- (x) 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 Eigenkapitalanrechnung (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben, inwieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Emittentin unterstützen) wie am Zinslaufbeginn einzuordnen sind oder, wenn keine Eigenkapitalanrechnung zum Zinslaufbeginn von der Ratingagentur bestimmt wurde, zu dem Tag, an dem erstmals die Eigenkapitalanrechnung von der Ratingagentur bestimmt wird, bzw., im Fall von S&P, zu dem Tag, an dem zwischen dem Zinslaufbeginn und dem letzten Tag, an dem ein Akquisitionereignis eintreten kann, die höchste Eigenkapitalanrechnung erfolgte (ein "**Verlust der Eigenkapitalanrechnung**"), oder
- (y) die Emittentin eine schriftliche Bestätigung von einer Ratingagentur erhalten und diese an die Hauptzahlstelle in Kopie weitergegeben hat, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie, ein Verlust der Eigenkapitalanrechnung erfolgt ist.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Investors Services Limited oder eine ihrer Nachfolgesellschaften bezeichnet und "**S&P**" S&P Global Ratings bezeichnet, oder eine andere durch die Emittentin bezeichnete Ratingagentur mit gleichwertiger

Change of Control.

A "**Rating Agency Event**" will occur if either:

- (x) 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 Issuer's senior obligations, attributed to the Notes on the Interest Commencement Date, or if "equity credit" is not assigned on the Interest Commencement Date by such Rating Agency, at the date when the equity credit is assigned for the first time by such Rating Agency, or in the case of S&P, at the date when the highest "equity credit" was assigned during the period from the Interest Commencement Date to the last date on which an Acquisition Event can occur (a "**Loss in Equity Credit**"), or
- (y) 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.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Investors Services Limited or any of its successors, and "**S&P**" means S&P Global Ratings, or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each

internationaler Anerkennung sowie jeweils ihre Tochter- oder Nachfolgesellschaften.

Ein "**Steuerereignis**" liegt vor, wenn am oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer ganz oder teilweise abzugsfähig sind und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

"**Transaktion**" bezeichnet den am 26. September 2016 von der Emittentin angekündigten Erwerb der Chemtura Corporation durch die Emittentin oder eine Tochtergesellschaft.

- (c) Die Emittentin ist in ihrem freien Ermessen berechtigt, jederzeit vor dem 6. September 2017 durch Bekanntmachung an die Anleihegläubiger gemäß § 11 auf das Recht zur Kündigung wegen eines Akquisitionserignisses zu verzichten und ist im Anschluss an eine solche Verzichtserklärung nicht mehr zur Kündigung wegen des Akquisitionserignisses berechtigt.

case their respective subsidiaries or successors.

A "**Tax Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), interest payable by the Issuer in respect of the Notes is no longer in whole or in part deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

"**Transaction**" means the acquisition of Chemtura Corporation by the Issuer or a Subsidiary which the Issuer has announced on 26 September 2016.

- (c) The Issuer may, at its sole discretion and at any time prior to 6 September 2017 irrevocably waive its right to redeem the Notes following an Acquisition Event by giving notice to the Holders in accordance with § 11 and subsequently shall no longer be entitled to exercise its right following an Acquisition Event.

- (5) Bekanntmachung der Vorzeitigen Rückzahlung.

Die Emittentin kann ein Recht zur vorzeitigen Rückzahlung gemäß § 5(3) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen (oder im Falle eines Akquisitionereignisses unter Einhaltung einer Frist von nicht mehr als 10 Tagen nach dem Tag des Eintritts des Akquisitionereignisses) ausüben. Die Bekanntmachung soll in den Fällen des § 5(4) diejenigen Tatsachen enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung festgelegten Tag bezeichnen.

§ 6 (Zahlungen)

- (1) Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 2 an das Clearingsystem oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und, (soweit es sich nicht um eine Teilzahlung handelt) Übergabe der Globalurkunde, mit der die Schuldverschreibungen verbrieft werden, zum Zeitpunkt der Zahlung in der bezeichneten Geschäftsstelle der Hauptzahlstelle außerhalb der Vereinigten Staaten.

Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz 2 an das Clearingsystem oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz 2 an das Clearingsystem oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer

- (5) Notification of Early Redemption.

The Issuer will give not less than 30 nor more than 60 days' notice (or in case of an Acquisition Event with not more than 10 days' notice calculated from the occurrence of the Acquisition Event) to the Holders in accordance with § 11 of any early redemption pursuant to § 5(3) and (4). In the case of § 5(4) such notices will set forth the underlying facts of the Issuer's right to early redemption and specify the date fixed for redemption.

§ 6 (Payments)

- (1) Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or (if applicable) to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Principal Paying Agent outside the United States.

Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3).

Bescheinigung gemäß § 1(3).

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| <p>(2) Vorbehaltlich (i) geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften und (ii) eines Einbehalts oder Abzugs aufgrund eines Vertrags wie in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der "Code") beschrieben bzw. anderweit gemäß Section 1471 bis Section 1474 des Code auferlegt, etwaigen aufgrund dessen getroffener Regelungen oder geschlossener Abkommen, etwaiger offizieller Auslegungen davon, oder von Gesetzen zur Umsetzung einer Regierungszusammenarbeit dazu, erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.</p> <p>(3) Für die Zwecke des § 1(3) und des Absatzes 1 dieses § 6 bezeichnet "Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).</p> <p>(4) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.</p> <p>(5) Fällt ein Fälligkeitstag einer Zahlung in Bezug auf die Schuldverschreibungen auf einen Tag der kein Geschäftstag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.</p> <p>(6) Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 7 ein.</p> | <p>(2) Subject to (i) applicable fiscal and other laws and regulations (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, payments of amounts due in respect of the Notes shall be made in euro.</p> <p>(3) For purposes of § 1(3) and subparagraph (1) of this § 6, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).</p> <p>(4) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.</p> <p>(5) If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until 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.</p> <p>(6) 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 § 7.</p> |
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§ 7
(Bestuerung)

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind an der Quelle ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtig oder zukünftig bestehenden Steuern oder sonstigen

§ 7
(Taxation)

Principal and interest shall be payable without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or

Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer mit dem Recht zur Steuererhebung versehenen politischen Untergliederung oder Behörde der Vorgenannten auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Abzug oder Einbehalt von den Anleihegläubigern empfangen worden wären. Die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (i) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (iii) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (iv) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen

collected by or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts of principal and interest ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which:

- (i) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (iii) are deducted or withheld pursuant to (x) any European Union Directive or Regulation concerning the taxation of interest income, or (y) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; 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

oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird; oder

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

§ 8

(Vorlegungsfrist, Verjährung)

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

§ 9

(Zahlstellen und Berechnungsstelle)

- (1) Bestellung, bezeichnete Geschäftsstelle.

Die anfänglich bestellte Hauptzahlstelle und ihre bezeichnete Geschäftsstelle lautet wie folgt:

Hauptzahlstelle:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Die Hauptzahlstelle in Bezug auf die Schuldverschreibungen, die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 9(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**".

Die anfänglich bestellte Berechnungsstelle und ihre bezeichnete Geschäftsstelle lautet wie folgt:

Berechnungsstelle:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Die Berechnungsstelle in Bezug auf die Schuldverschreibungen, die "**Berechnungsstelle**".

Die Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre

becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 11; or

- (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.

§ 8

(Presentation Period, Prescription)

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

§ 9

(Paying and Calculation Agent)

- (1) Appointment.

The initial principal paying agent and its initial specified office is:

Principal Paying Agent:

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

The 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 § 9(2), the "**Paying Agents**".

The initial calculation agent and its initial specified office is:

Calculation Agent:

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

the calculation agent with respect to the Notes, the "**Calculation Agent**".

The Paying Agents and the Calculation Agent reserve the right at any time to change their

bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) Änderung der Bestellung oder Abberufung.

Die Emittentin behält sich das Recht vor, jederzeit die Bestellung einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) solange die Schuldverschreibungen an einer Wertpapierbörse notiert sind, eine Zahlstelle an solchen Orten unterhalten, die die Regeln dieser Börse verlangen und (ii) eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 11 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) Status der beauftragten Stellen.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

§ 10

(Begebung weiterer Schuldverschreibungen und Entwertung)

(1) Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit den gleichen Bedingungen (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie zusammen mit den Schuldverschreibungen eine einheitliche Anleihe bilden.

(2) Sämtliche vollständig zurückgezahlten

respective specified offices to some other specified offices in the same city.

(2) Variation or Termination of Appointment.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) so long as the Notes are listed on a stock exchange, a Paying Agent in such place as may be required by the rules of such stock exchange and (ii) a Calculation Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 11.

(3) Status of the Agents.

The Paying Agents and Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

§ 10

(Further Issues and Cancellation)

(1) The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.

(2) All Notes redeemed in full shall be cancelled

Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 11
(Bekanntmachungen)

- (1) Alle die Schuldverschreibungen betreffenden Mitteilungen, außer den in § 13 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") erfolgen, sind im Bundesanzeiger zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen (solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert sind) durch elektronische Publikation auf der Website der Luxemburger Börse (www.bourse.lu). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.
- (3) Solange Schuldverschreibungen an der offiziellen Liste der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, findet Absatz 2 Anwendung. Soweit die Regeln der Luxemburger Börse es zulassen, kann die Emittentin eine Veröffentlichung auf der Website (www.bourse.lu) nach Absatz 2 durch eine Mitteilung an das Clearingsystem zur Weiterleitung und die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

forthwith and may not be reissued or resold.

§ 11
(Notices)

- (1) All notices concerning the Notes, other than any notices stipulated in § 13 which will be made exclusively pursuant to the provisions of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**"), shall be published in the Federal Gazette (*Bundesanzeiger*). Any notice so given will be deemed to be validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).
- (2) All notices concerning the Notes will be made (so long as the Notes are listed on the Luxembourg Stock Exchange) by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.
- (3) So long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, subparagraph (2) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication on the website (www.bourse.lu) set forth in subparagraph (2) above; any such notice shall be deemed to have been given to the Holders on the fifth day after the day on which the said notice was given to the Clearing System.

§ 12
(Ersetzung)

(1) Ersetzung.

Die Emittentin (oder die Nachfolgeschuldnerin) ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen aus den Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Anleihegläubiger jede andere Gesellschaft, deren stimmberechtigte Gesellschaftsanteile zu mehr als 90 % direkt oder indirekt von der Emittentin gehalten werden, an Stelle der Emittentin als Hauptschuldnerin (die "Nachfolgeschuldnerin") für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:

- (i) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (ii) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in Euro zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (iii) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Quellensteuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
- (iv) die Emittentin unwiderruflich und unbedingt gegenüber den Anleihegläubigern die Zahlung aller

§ 12
(Substitution)

(1) Substitution.

The Issuer (or the Substitute Debtor) may, without the consent of the Holders, if no payment of principal or of interest on any of the Notes is in default, at any time substitute for the Issuer, any other company of which more than 90 per cent of the voting shares or other equity interests are directly or indirectly owned by the Issuer as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

- (i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (ii) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in Euro and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (iii) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any withholding tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (iv) the Issuer irrevocably and unconditionally guarantees on a subordinated basis in favour of each

von der Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge auf nachrangiger Basis garantiert;

- (v) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Nachfolgeschuldnerin dazu berechtigen würde, die Schuldverschreibung gemäß § 5(4) zu kündigen und zurückzuzahlen;
- (vi) die Nachfolgeschuldnerin, falls sie ihren Sitz in einem anderen Land als der Bundesrepublik Deutschland hat, einen Zustellungsbevollmächtigten mit Sitz in der Bundesrepublik Deutschland für Rechtstreitigkeiten und andere Verfahren (wie unten definiert) vor deutschen Gerichten bestellt hat; und
- (vii) der Hauptzahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i), (ii), (iii), (iv) und (v) erfüllt wurden.

(2) **Bezugnahmen.**

Im Fall einer Schuldnerersetzung gemäß § 12(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Dies gilt nur, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die LANXESS AG erfolgen soll (also insbesondere im Hinblick auf Abschnitt (i) der Definition des Begriffs Obligatorisches Nachzahlungsereignis und das Ratingagenturereignis), oder dass die Bezugnahme auf die Nachfolgeschuldnerin und gleichzeitig auch auf die LANXESS AG, im Hinblick auf deren Verpflichtungen aus der

Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes;

- (v) no event would occur as a result of the substitution that would give rise to the right of the Substitute Debtor to call the Notes for redemption pursuant to § 5(4);
- (vi) the Substitute Debtor, if a foreign company, has appointed an authorised agent domiciled in the Federal Republic of Germany for accepting services of process for any legal disputes or other Proceedings (as defined below) before German courts; and
- (vii) there shall have been delivered to the Principal Paying Agent an opinion or opinions with respect to the relevant jurisdictions of lawyers of recognised standing to the effect that the provisions of subparagraphs (i), (ii), (iii), (iv) and (v) above have been satisfied.

(2) **References.**

In the event of a substitution pursuant to § 12(1), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. This will apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference will continue to be a reference only to LANXESS AG (i.e. in particular in relation to limb (i) of the definition of the term Compulsory Settlement Event and the Rating Agency Event), or that the reference will be to the Substitute Debtor and LANXESS AG, in relation to LANXESS AG's obligations under the guarantee pursuant to § 12(1)(iv), at the

Garantie gemäß § 12(1)(iv), erfolgen soll (Gross-up Ereignis, Steuerereignis und § 7). § 2(1) gilt als insoweit angepasst, dass der Rang der Ansprüche aus den Schuldverschreibungen gleich bleibt.

- (3) Bekanntmachung und Wirksamwerden der Ersetzung.

Jede Ersetzung ist gemäß § 11 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Falle einer wiederholten Anwendung dieses § 12 jede frühere Nachfolgeschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

§ 13

(Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter)

- (1) Die Emittentin kann gemäß §§ 5 ff. SchVG in seiner jeweils geltenden Fassung mit den Anleihegläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen vereinbaren, wenn die Anleihegläubiger einen entsprechenden Beschluss gefasst haben. Hierbei können die Anleihegläubiger durch Beschluss der in § 13(2) genannten Mehrheit insbesondere Änderungen zustimmen, welche den Charakter der Anleihebedingungen wesentlich verändern, einschließlich der in § 5 Abs. 3 SchVG genannten Maßnahmen. Ein rechtmäßig gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.
- (2) Vorbehaltlich der Bestimmungen des folgenden Satzes und vorausgesetzt, die Anforderungen an das Quorum sind erfüllt, können die Anleihegläubiger Beschlüsse mit einfacher Mehrheit der abgegebenen Stimmen fassen. Beschlüsse, welche den Charakter der Anleihebedingungen wesentlich verändern, insbesondere in den Fällen des § 5 Abs. 3 Nrn. 1 bis 9 SchVG, bedürfen der qualifizierten Mehrheit von mindestens 75 % der abgegebenen Stimmen (die "**Qualifizierte**

same time (Gross-up Event, Tax Event and § 7). § 2(1) is deemed to be amended insofar that the ranking of the Notes stays the same.

- (3) Notice and Effectiveness of Substitution.

Notice of any substitution shall be published in accordance with § 11. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 12, any previous Substitute Debtor will be discharged from any and all obligations under the Notes.

§ 13

(Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative)

- (1) The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to § 5 et seqq. SchVG, as amended from time to time. 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 para. 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 13(2) below. A duly passed majority resolution shall be binding upon all Holders.
- (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 section 5 para. 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**

Mehrheit").

- (3) Beschlüsse der Anleihegläubiger können nach Wahl der Emittentin im Wege der Abstimmung ohne Versammlung, wie sie in § 18 SchVG vorgesehen ist, oder im Wege einer Gläubigerversammlung, wie sie in § 9 SchVG vorgesehen ist, gefasst werden. Anleihegläubiger, die insgesamt 5 % des ausstehenden Nennbetrages der Schuldverschreibungen halten, können schriftlich das Abhalten einer Abstimmung verlangen, § 9 SchVG. Die Abstimmung wird von einem Notar geleitet, der von der Emittentin bestimmt wird oder, wenn der gemeinsame Vertreter, wie untenstehend definiert, die Abstimmung anberaumt hat, vom gemeinsamen Vertreter. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter enthält weitere Ausführungen hinsichtlich der zu fassenden Beschlüsse und der Abstimmungsmodalitäten. Der Gegenstand der Abstimmung sowie die vorgeschlagenen Beschlüsse werden den Anleihegläubigern zusammen mit der Aufforderung zur Stimmabgabe bekannt gegeben.
- (4) Anleihegläubiger müssen den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung zum Zeitpunkt der Stimmabgabe durch eine Bescheinigung der Depotbank, wie in § 14(3) geregelt und die Vorlage einer Sperranweisung der depotführenden Bank zugunsten der Hauptzahlstelle als Hinterlegungsstelle für den Zeitraum der Stimmabgabe nachweisen.
- (5) Die Anleihegläubiger können durch Mehrheitsbeschluss einen gemeinsamen Vertreter (der "**Gemeinsame Vertreter**") bestellen oder abberufen, die Pflichten, Verantwortlichkeiten und Rechte eines solchen Gemeinsamen Vertreters festlegen, die Übertragung der Rechte der Anleihegläubiger auf den Gemeinsamen Vertreter sowie die Haftungsbegrenzung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn der Gemeinsame Vertreter in Übereinstimmung

Majority").

- (3) Resolutions of the Holders shall be passed at the election of the Issuer by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 of the SchVG or in a Holders' meeting in accordance with § 9 of the SchVG. Holders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may request, in writing, the holding of a vote pursuant to § 9 of the SchVG. The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative (as defined below) has convened the vote, by the Holders' Representative. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide for the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Holders together with the request for voting.
- (4) Holders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Custodian in accordance with § 14(3) hereof and by submission of a blocking instruction by the Custodian for the benefit of the Principal Paying Agent as depository (*Hinterlegungsstelle*) for the voting period.
- (5) The Holders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with § 13(2) hereof, to a material

mit § 13(2) autorisiert ist, einer wesentlichen Änderung des Charakters der Anleihebedingungen zuzustimmen.

- (6) Alle Bekanntmachungen diesen § 13 betreffend werden in Übereinstimmung mit den §§ 5ff. SchVG und § 11 dieser Anleihebedingungen getätigt.
- (7) Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Garantie gemäß § 12(1)(iv).

§ 14 (Schlussbestimmungen)

- (1) Anzuwendendes Recht.
- Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) Gerichtsstand.
- Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") das Landgericht Frankfurt am Main.
- (3) Gerichtliche Geltendmachung.
- Jeder Anleihegläubiger von Schuldverschreibungen ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in der der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:
- (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (A) den vollständigen Namen und die

change in the substance of the Terms and Conditions.

- (6) Any notices concerning this § 13 will be made in accordance with §§ 5 et seqq. of the SchVG and § 11 hereof.
- (7) The provisions set out above applicable to the Notes will apply mutatis mutandis to any guarantee granted pursuant to § 12(1)(iv).

§ 14 (Final Provisions)

- (1) Applicable Law.
- The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) Submission to Jurisdiction.
- Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the District Court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) Enforcement.
- Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under his Notes on the basis of:
- (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (A) stating the full name and

vollständige Anschrift des Anleihegläubigers enthält, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank gegenüber 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

- (ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle bestätigten Ablichtung der Globalurkunde; oder
- (iii) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

"Depotbank" bezeichnet jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems.

**§ 15
(Sprache)**

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

address of the Holder, (B) specifying the 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

- (ii) a copy of the Global Note relating to the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (iii) any other means of evidence permitted in legal proceedings in the country of enforcement.

"Custodian" means any bank or other financial institution of recognised standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

**§ 15
(Language)**

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

The following paragraphs in italics do not form part of the Terms and Conditions.

Restrictions regarding redemption and repurchase of the Notes

Unless

- (a) the Rating of the Issuer assigned by S&P to the Issuer is at least BBB- (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) 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*
- (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology,*

the Issuer intends (without thereby assuming a legal obligation), during the period from and including the Interest Commencement Date of the Notes to but excluding the Second Modified Reset Date, in the event of:

- (x) an early redemption of the Notes pursuant to § 5(3) of the Terms and Conditions, or*
- (y) a repurchase of Notes pursuant to § 5(2) of the Terms and Conditions of more than (i) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (ii) 25 per cent. of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years,*

to redeem or repurchase any Notes only to the extent that such part of the aggregate principal amount of the Notes to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer or any Subsidiary during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than Subsidiaries of the Issuer) of securities as is characterised by S&P at the time of sale or issuance, as equity.

Terms used but not defined in the preceding sentence shall have the meaning set out in the Terms and Conditions.

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The Terms and Conditions provide that the Holders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed in a meeting (*Gläubigerversammlung*) or by taking votes without a meeting (*Abstimmung ohne Versammlung*). Any such resolution duly adopted by resolution of the Holders shall be binding on each Holder of the respective issue of Notes, irrespective of whether such Holder took part in the vote and whether such Holder voted in favor or against such resolution.

In addition to the provisions included in the Terms and Conditions, the rules regarding resolutions of Holders are set out in Schedule 1 to the Terms and Conditions, which is also attached as Schedule 1 to the Agency Agreement (as defined in "*Documents incorporated by Reference*" below) in the German language together with an English translation. These rules reflect the provisions on resolutions of noteholders in the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**") which are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

Resolutions of the Holders with respect to the Notes can be passed in a meeting (*Gläubigerversammlung*) in accordance with section 9 SchVG or by way of a vote without a meeting pursuant to section 18 SchVG (*Abstimmung ohne Versammlung*).

The following is a brief summary of some of the statutory rules regarding the convening and conduct of meetings of Holders and the taking of votes without meetings, the passing and publication of resolutions as well as their implementation and challenge before German courts.

Rules regarding Holders' Meetings

Meetings of Holders may be convened by the Issuer or the Holders' Representative, if any. Meetings of Holders must be convened if one or more Holders holding 5 % or more of the outstanding Notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days prior to the date of the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Holders. § 13 of the Terms and Conditions provides what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the Issuer's registered office, provided, however, that where the relevant Notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Holder may be represented by proxy. A quorum exists if Holders representing by value not less than 50 % of the outstanding Notes. If the quorum is not reached, a second meeting may be called at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 % of the aggregate principal amount of outstanding Notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the relevant Global Note(s).

In insolvency proceedings instituted in Germany against an issuer, a Holders' Representative, if appointed, is obliged and exclusively entitled to assert the Holders' rights under the Notes. Any resolutions passed by the Holders are subject to the provisions of the Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Terms and Conditions, Holders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

Specific Rules regarding Votes without Meeting

In the case of resolutions to be passed by Holders without a meeting, the rules applicable to Holders' Meetings apply *mutatis mutandis* to any taking of votes by Holders without a meeting, subject to certain special provisions. The following summarises such special rules.

The voting shall be conducted by the person presiding over the taking of votes. Such person shall be (i) a notary public appointed by the Issuer, (ii) where a common representative of the Holders (the "**Holders' Representative**") has been appointed, the Holders' Representative if the vote was solicited by the Holders' Representative, or (iii) a person appointed by the competent court.

The notice soliciting the Holders' votes shall set out the period within which votes may be cast. During such voting period, the Holders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid. § 13 of the Terms and Conditions provides what proof will be required for Holders to demonstrate their eligibility to participate in the vote without a meeting.

The person presiding over the taking of votes shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote. If it is established that no quorum exists, the person presiding over the taking of votes may convene a meeting of the Holders. Within one year following the end of the voting period, each Holder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer.

Each Holder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the person presiding over the taking of votes. If he remedies the objection, the person presiding over the taking of votes shall promptly publish the result. If the person presiding over the taking of votes does not remedy the objection, he shall promptly inform the objecting Holder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting, also the costs of such proceedings.

DESCRIPTION OF THE ISSUER

Statutory Auditors

PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Friedrich-Ebert-Anlage 37, 60217 Frankfurt am Main ("PwC"), was appointed as the statutory auditor of LANXESS for the fiscal years ended 31 December 2015 and 31 December 2014. PwC has audited the consolidated financial statements of LANXESS as of and for the fiscal years ended 31 December 2015 and 31 December 2014 and has issued unqualified auditor's reports (*uneingeschränkte Bestätigungsvermerke*) in each case. Neither the condensed consolidated interim financial statements as of 30 September 2015 nor the quarterly statement for the nine month period ended 30 September 2016 have been reviewed by PwC. PwC is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstrasse 26, 10787 Berlin, Germany.

Selected Financial Information

The following table sets out selected financial information relating to the LANXESS Group. The information has been extracted from the audited consolidated financial statements of LANXESS for the years ended 31 December 2015 and 31 December 2014, the unaudited and unreviewed condensed consolidated interim financial statements as of 30 September 2015 and from the unaudited and unreviewed quarterly statement of LANXESS for the nine month period ended on 30 September 2016. The audited consolidated financial statements of LANXESS for the years ended 31 December 2015 and 31 December 2014 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS). The unaudited, condensed consolidated interim financial statements as of 30 September 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations of the International Accounting Standards Board (IASB) applicable to interim financial reporting. The unaudited Financial Data contained in the quarterly statement of LANXESS for the nine month period ended on 30 September 2016 were prepared on a basis consistent with IFRS and the related interpretations of the IASB applicable to interim financial reporting but do not contain notes (*Anhang*).

In € million	1 January to 30 September		1 January to 31 December	
	2016 (unaudited)	2015	2015 (audited)	2014
Sales	5,784	6,096	7,902	8,006
Operating result (EBITDA (pre exceptionals)) ¹	812	734	885	808
EBITDA (pre exceptionals) margin	14.0%	12.0%	11.2%	10.1%
Operating result (EBIT)	429	344	415	218
Income after income taxes	196	149	167	44
Net cash provided by operating activities	532	342	692	797
Cash outflows for purchases of intangible assets, property, plant and equipment	228	229	434	614

¹ EBITDA is calculated from earnings before interest and income taxes (EBIT) by adding back depreciation and impairments of property, plant, and equipment as well as amortization and impairments of intangible assets and subtracting reversals of impairment, charges on property, plant, equipment and intangible assets.

EBITDA pre exceptionals are EBITDA disregarding exceptional items. The latter are effects of an unusual nature or magnitude. They may include write-downs, restructuring expenses, expenses for the design and implementation of IT projects, expenses for portfolio adjustments and reversals of impairment charges. Grants and subsidies from third parties for the acquisition and construction of property, plant and equipment are accounted for as deferred income using the gross method. In this respect, no adjustments other than for gross depreciation and amortization are made when calculating EBITDA pre exceptionals.

For the reconciliation of EBITDA pre exceptionals to operating result (EBIT), see the table on page 91 below.

Free Cash Flow ¹	-563	176	292	210
Net financial liabilities(after deduction of time deposits and securities available for sale) ²	203	1,323	1,211	1,336
Total assets	8,242	7,217	7,219	7,250
Equity	3,453	2,188	2,323	2,161

Reconciliation of EBITDA Pre Exceptionals to Operating Result (EBIT)

The line items "EBITDA pre exceptionals" in the table above have been reconciled as follows:

In € million	1 January to 30 September		1 January to 31 December	
	2016 (unaudited)	2015	2015 (audited)	2014
EBITDA (pre exceptionals)	812	734	885	808
Depreciation and amortisation	-354	-348	-474	-426
Reversal of impairment charges	-	-	56	-
Exceptional items in EBITDA	-29	-42	-52	-164
Operating result (EBIT)	429	344	415	218

EBITDA pre exceptionals is the central indicator that LANXESS uses to steer the business operations of the LANXESS Group and the individual segments. Every operational decision or achievement is judged in the short and long term by its sustainable impact on EBITDA pre exceptionals. LANXESS uses EBITDA pre exceptionals as key controlling parameter because it facilitates assessment of the company's development over several reporting periods.

EBITDA and Group net income in the third quarter of 2016

In the third quarter of 2016, LANXESS Group reported an EBITDA pre exceptionals of € 257 million which is € 22 million or 9% higher than EBITDA pre exceptionals in the third quarter 2015. The EBITDA pre exceptionals margin in the third quarter 2016 was 13.4%, corresponding to an increase by 1.4 percentage points compared to the EBITDA pre exceptionals margin in the third quarter 2015 which was 12.0%. The Group net income in the third quarter 2016 rose, compared to the Group net income in the third quarter 2015, by 51% from € 41 million to € 62 million.

The EBITDA pre exceptional numbers set out in the previous paragraph have been reconciled as follows:

In € million	Third quarter of	
	2016 (unaudited)	2015
EBITDA (pre exceptionals)	257	235
Depreciation and amortisation	-119	-114
Reversal of impairment charges	-	-

¹ Cash flow from operating activities minus cash used in investing activities.

² Net financial liabilities are calculated as the sum of non-current financial liabilities and current financial liabilities less liabilities for accrued interest, cash and cash equivalents and near-cash assets.

Net financial liabilities after deduction of time deposits and securities available for sale is calculated from net financial liabilities less time deposits and securities available for sale.

Exceptional items in EBITDA	-16	-17
Operating result (EBIT)	122	104

Development of dividend from 2007 to 2015

Financial year:	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dividend per share (in €)	1.00	0.50	0.50	0.70	0.85	1.00	0.50	0.50	0.60

LANXESS financing structure as per 30 September 2016

Instrument	Nominal amount in € million	Maturity
Bond 2011/2018	500	2018
Bond 2012/2022	500	2022
Private placement 2012/2022	100	2022
Private placement 2012/2027	100	2027
Syndicated revolving credit facility (undrawn)	1,250	2020

In the context of the envisaged acquisition of Chemtura Corporation, as described below in more detail, LANXESS entered into an initial € 2.0 billion committed bridge loan facility with an initial maturity date in 2017 which is expected to be refinanced in the senior and hybrid bond markets potentially ahead of closing of the aforementioned acquisition. In this context, senior bonds with a nominal amount of € 500 million maturing 2021 and senior bonds with a nominal amount of € 500 million maturing 2026 have already been issued on 7 October 2016.

General Information about LANXESS

LANXESS was established as a stock corporation under the laws of Germany on 28 October 1999 and registered with the commercial register in Frankfurt am Main on 18 November 1999. It was formed under the company name "SIFRI Beteiligungs Aktiengesellschaft" as a so-called "shelf" company without any business operations of its own.

On 13 July 2004, Bayer AG acquired all of the shares in this company. The company's name was changed to LANXESS Aktiengesellschaft and the registered office was moved to Leverkusen. LANXESS is registered solely in the commercial register of Cologne under number HRB 53652. At Bayer AG's extraordinary stockholders' meeting on 17 November 2004 Bayer AG stockholders approved the separation of LANXESS from the Bayer group as a spin-off, clearing the way for it to become listed as an independent company on the stock market. Bayer AG stockholders received one LANXESS share for every ten Bayer AG shares they owned.

LANXESS is listed on the Frankfurt Stock Exchange since 31 January 2005. Its registered and head office is at Kennedyplatz 1, 50569 Cologne, Germany (phone: +49-221-8885-0).

Corporate Objects

The objects of LANXESS (as set out in Sec. 2 of its Articles of Association) are to engage in manufacturing, distribution and other industrial activities or the provision of services in the chemicals and polymers areas.

LANXESS is authorised to engage in any business that is related to, or directly or indirectly serves, that purpose.

LANXESS may establish, acquire and take participating interests in other enterprises, in particular those whose corporate purposes fully or partially cover the areas set forth above.

LANXESS may bring companies in which it holds a participating interest under its uniform control or confine itself to the administration of such interest. LANXESS may carve out its operations, in whole or in part, to affiliated companies or may permit affiliated companies to perform its operations

Capital Stock

The capital stock of LANXESS amounts to € 91,522,936 as of 30 September 2016. It is composed of 91,522,936 no-par bearer shares and is fully paid up. All shares carry the same rights and obligations. One vote is granted per share, and profit is distributed per share. The rights and obligations arising from the shares are governed by the German Stock Corporation Act.

Investments

The investment policy of the LANXESS Group takes account of the specific requirements of its business segments. It is aimed to increase competitiveness in areas of business where LANXESS sees growth opportunities.

Cash outflows for purchases of intangible assets and property, plant and equipment decreased from € 229 million in the first nine months of the fiscal year 2015 to € 228 million in the first nine month of the fiscal year 2016.

In the future, as in the fiscal year 2015, LANXESS's capital expenditures will be increasingly directed toward the maintenance of existing production facilities as well as efficiency improvements and the expansion of existing plants. Following the start-up of two large rubber plants in Asia in 2015, LANXESS has no further plans for major investments in the construction of new production facilities in the coming years. In this way, LANXESS seeks to achieve a balanced investment cycle and ensures financial headroom. In 2016, LANXESS expects capital expenditures for the maintenance of facilities, for efficiency improvements and for the expansion of plants to be around € 450 million. Part of the sum is intended for capital expenditures by the Saltigo Business Unit of LANXESS at the Leverkusen site in Germany.

The financing for these and other capital expenditures is expected to come from future cash flow, available liquidity and existing lines of credit.

Organisational Structure

LANXESS is the parent company of the LANXESS Group and functions largely as a management holding company. Each Business Unit has global responsibility for its own operations. The Business Units are complemented by service-providing Group Functions with international responsibility.

LANXESS Deutschland GmbH is a wholly owned subsidiary of LANXESS, and in turn controls the other subsidiaries and affiliates both in Germany and elsewhere.

The following were the principal companies directly or indirectly owned by LANXESS as of 30 September 2016. Following the launch of the joint venture ARLANXEO on 1 April 2016 selected companies were renamed carrying ARLANXEO in the company name to reflect their being part of the joint venture (and therefore no longer wholly owned by LANXESS):

- LANXESS Deutschland GmbH, Cologne
- ARLANXEO Singapore Pte. Ltd (formerly: LANXESS Butyl Pte. Ltd.), Singapore
- LANXESS (Changzhou) Co., Ltd., China
- LANXESS Corporation, Pittsburgh, Pennsylvania, United States
- ARLANXEO Netherlands B.V. (formerly: LANXESS Elastomers B.V.), Sittard-Geleen, Netherlands
- ARLANXEO Elastomères France S.A.S. (formerly: LANXESS Elastomères S.A.S.), Lillebonne, France
- ARLANXEO Brasil S.A. (formerly: LANXESS Elastômeros do Brasil S.A.), Rio de Janeiro, Brazil
- LANXESS Chemicals, S.L., Barcelona, Spain
- ARLANXEO Holding B.V. (formerly: LANXESS Performance Elastomers B.V.), Maastricht, Netherlands
- ARLANXEO USA Holdings Corp., Pittsburgh, USA
- ARLANXEO USA LLC; Pittsburgh, USA

- ARLANXEO High Performance Elastomeres (Changzhou) Co., Ltd., Changzhou, China
- ARLANXEO Canada Inc. (formerly: LANXESS Inc.), Sarnia, Ontario, Canada
- LANXESS India Private Ltd., Thane, India
- ARLANXEO Switzerland S.A. (formerly: LANXESS International SA), Granges-Paccot, Switzerland
- LANXESS N.V., Antwerp, Belgium
- ARLANXEO Belgium N.V. (formerly: LANXESS Rubber N.V.), Zwijndrecht, Belgium
- Rhein Chemie Rheinau GmbH, Mannheim, Germany
- Saltigo GmbH, Leverkusen, Germany

Business Overview and Principal Markets

Overview

The LANXESS Group is a globally operating chemicals enterprise with a portfolio ranging from polymers to industrial, specialty and fine chemicals. As of 30 September 2016, the LANXESS Group operates with 16,700 employees (31 December 2015: 16,225 employees, 31 December 2014: 16,584 employees) at 54 production sites (31 December 2015: 50) in 29 countries (31 December 2015: 17) across the globe.

Principal Markets

Customers

As of its many products and lines of business, the LANXESS Group has business relationships with a vast range of customers all over the world. They need an individualized, well-focused approach, which LANXESS Group is able to provide because its sales organizations are managed through the Business Units. Individual sales and marketing strategies are reviewed on the basis of regular customer satisfaction surveys.

The LANXESS Group serves the following industries in particular: automotive, plastics, tires, chemicals, agrochemicals, construction, electronics, leather and footwear, pharmaceuticals, food, water treatment and furniture.

Regions

In 2015 sales in the **EMEA** (Europe, Middle East and Africa, excluding Germany) region increased by € 29 million, or 1.3%, to € 2,325 million. After adjustment for currency changes and minor portfolio effects from the sale of the shares of Perlon-Monofil GmbH, Dormagen (Germany) in March 2014, sales were on a level with the prior-year period with growth of 0.1%. The Performance Polymers segment posted a marginal sales decline in the low-single-digit percentage range. The Performance Chemicals and Advanced Intermediates segments, on the other hand, achieved a slight increase in sales of a similar magnitude. While the LANXESS Group's performance in the region as a whole was balanced, it saw sales decline in Italy, Ireland, Poland and the Netherlands in particular. However, sales were bolstered by positive growth in demand in other countries such as Belgium, Turkey, Portugal and Hungary. With a 29.4% share of total sales in the fiscal year 2015, after 28.7% in the prior year, EMEA (excluding Germany) remained the largest of the LANXESS Group's regions in terms of sales. In the third quarter of 2016, sales in the EMEA region (excluding Germany) shrank, compared to the sales in the third quarter of 2015, by €11 million, or 2.0%, to €547 million (28% of the total sales of the LANXESS Group in the third quarter of 2016). Business expansion by the Advanced Intermediates segment partly offset the decline in the other segments.

Sales in **Germany** came to € 1,365 million in the fiscal year 2015, down € 75 million, or 5.2%, compared to the previous fiscal year. Adjusted for slight exchange rate and portfolio effects, sales were down by 5.7%. The Advanced Intermediates and Performance Polymers segments posted sales declines in the mid-single-digit percentage range, while the Performance Chemicals segment recorded a decrease in sales in the low-single-digit percentage range. Germany's share of LANXESS Group sales fell slightly from 18.0% in the fiscal year 2014 to 17.3% in the fiscal year 2015. Sales in Germany in the third quarter of 2016 were, compared to the sales in the third quarter of 2015, down €22 million, or 6.5%, year on year, at €317 million (17% of the total sales in the third quarter of 2016 of the LANXESS Group). All segments except Performance Chemicals registered decreasing sales, especially the ARLANXEO segment.

Sales in the **North America** region in the fiscal year 2015 came to € 1,368 million, up € 30 million, or 2.2% compared to the previous fiscal year. After adjustment for positive exchange rate effects, sales were down by 13.9%. This was largely attributable to the decline in sales in the Performance Polymers segment, which was in the low-double-digit percentage range. Sales also moved back by a low-double-digit percentage and a low-single-digit percentage in the Advanced Intermediates and Performance Chemicals segments, respectively. At 17.3% for the fiscal year 2015, North America's share of LANXESS Group sales was 0.6 percentage points higher than in the prior year. In the third quarter of 2016, sales in the North America region decreased, compared to the sales in the third quarter of 2015, by €14 million, or 3.9%, to €341 million (corresponding 18% of the total sales of the LANXESS Group) in the third quarter of 2016. Adjusted for slight currency effects and for the portfolio effect from the acquisition of the Chemours disinfect business, the sales decline was 4.7% and impacted all segments.

Sales in the **Latin America** region in the fiscal year 2015 dropped by € 29 million or 3.4% to € 830 million compared to the previous fiscal year. After adjusting for positive currency effects, which resulted from the development in the U.S. dollar exchange rate and the fact that most sales are denominated in that currency, sales declined by 13.7%. The crucial factor in business performance here was the development of the Performance Polymers segment, where sales declined by a low-double-digit percentage. The Advanced Intermediates segment likewise registered a decrease in business in the low-double-digit percentage range, while sales of the Performance Chemicals segment moved back by only a low-single-digit percentage. Business development in the region was mainly attributable to the contraction of sales in Brazil. Slightly positive impetus came from Mexico. In the fiscal year 2015, LANXESS Group generated 10.5% of LANXESS Group sales in Latin America, compared with 10.7% in the prior-year period. In the third quarter of 2016, sales in the Latin America region were level with the prior-year period, at €201 million (10% of the total sales of the LANXESS Group in the third quarter of 2016). The positive business performance by the High Performance Materials segment compensated for the decline in sales at ARLANXEO and Performance Chemicals.

Sales in the **Asia-Pacific** region declined by € 59 million, or 2.8%, to € 2,014 million in 2015. Adjusted for positive currency effects and slight portfolio effects, sales were down by 16.1%. This decline was mainly attributable to the business performance of the Performance Polymers segment, which posted a decrease in sales in the low-double-digit percentage range. Business in the Advanced Intermediates and Performance Chemicals segments was likewise down by percentages just into double digits. Declining sales in China, Singapore, South Korea and Taiwan contributed significantly to operational performance in the region. Asia-Pacific's share of LANXESS Group sales was 25.5%, slightly down on the prior-year figure of 25.9%. Thus, the region is the second-strongest region behind EMEA (excluding Germany) in terms of sales in the fiscal year 2015. In comparison to the sales in the third quarter 2015, sales in the Asia-Pacific region in the third quarter of 2016 rose by 3.0% to €515 million (27% of the total sales of the LANXESS Group in the third quarter of 2016). This development was largely attributable to low-double-digit-percentage sales growth in the Performance Chemicals and High Performance Materials segments.

The Segments and Business Units of the LANXESS GROUP

Since the second quarter of the fiscal year 2016, LANXESS Group reports as four segments:

- Advanced Intermediates segment (comprising the Business Units Advanced Industrial Intermediates and Saltigo);
- Performance Chemicals segment (comprising the Business Units Rhein Chemie Additives, Inorganic Pigments, Leather, Material Protection Products and Liquid Purification Technologies);
- High Performance Materials segment; and
- ARLANXEO segment (comprising the Business Units Tire & Specialty Rubbers and High Performance Elastomers)

In September 2015 LANXESS entered into a 50-50 joint venture agreement with Aramco Overseas Company B.V. to form a strategic alliance named ARLANXEO. The start of ARLANXEO impacted LANXESS' reporting structure from the second quarter of 2016 onwards. LANXESS' former Performance Polymers segment was replaced by (i) the ARLANXEO segment and (ii) the High Performance Materials segment. The Advanced Intermediates segment and the Performance Chemicals segment remained unchanged.

The business activities that LANXESS combines in its **Advanced Intermediates segment** make it, according to its own evaluation, one of the world's leading suppliers of industrial chemical intermediates and a key player in the custom synthesis and manufacturing of chemical precursors and specialty active ingredients. The Advanced Intermediates segment reported € 435 million sales (23% of the total sales of the LANXESS

Group) in the third quarter of 2016. The Business Units in this segment are Advanced Industrial Intermediates and Saltigo. The Advanced Intermediates segment's production sites are located in Brunsbuettel, Dormagen, Krefeld-Uerdingen and Leverkusen, Germany; Baytown, Texas, Bushy Park, South Carolina, United States; Liyang, China and Nagda and Jhagadia, India. The products manufactured by this Business Unit are used in such diverse sectors as agrochemicals, automotive, construction, dyestuffs, coatings and pharmaceuticals. The manufacture of chemical precursors usually involves highly complex chemical processes that demand extensive know-how and state-of-the-art technology. In addition to these factors, it is primarily the long-term supply reliability LANXESS provides that is attractive for customers across the globe. **Saltigo** is a major supplier on the custom synthesis market, specializing in products for the agrochemical and pharmaceutical industries.

The **Performance Chemicals segment** embraces the LANXESS Group's application-oriented specialty chemicals operations and with its strong brands ranks, according to its own assessment, among the world's leading producers. The Performance Chemicals segment reported € 541 million sales (28% of the total sales of the LANXESS Group) in the third quarter of 2016. The Business Units in this segment are Rhein Chemie Additives, Inorganic Pigments, Leather, Material Protection Products and Liquid Purification Technologies. The segment's production sites are in Bitterfeld, Dormagen, Krefeld-Uerdingen, Leverkusen and Mannheim, Germany; Epierre, France; Branston, United Kingdom; Filago, Italy; Vilassar de Mar, Spain; Lipetsk, Russia; Merebank, Newcastle and Rustenburg, South Africa; Burgettstown, Pennsylvania, Chardon, Ohio, Greensboro, North Carolina, Little Rock, Arkansas and Pittsburgh, Pennsylvania, in the United States; Porto Feliz, Brazil; Burzaco, Merlo and Zárate, Argentina; Changzhou, Qingdao and Shanghai China; Jhagadia, India; Toyohashi, Japan; Singapore; and Sydney, Australia. The segment's varied products are used in areas such as disinfection, protection and preservation of wood, construction materials, coatings and foodstuffs, color pigments, polymer additives, leather processing products, tire chemicals and water treatment.

The Rhein Chemie Additives Business Unit is a supplier to various industry segments, producing additives for the rubber, plastics and lubricants industries as well as organic colorants. The Inorganic Pigments Business Unit is one of the biggest producers and suppliers of iron oxides and chrome oxide pigments for a wide range of applications. The Leather Business Unit is one of the few suppliers to the leather industry to offer all the products needed to manufacture leather with chrome chemicals and organic leather chemicals along the whole leather production chain worldwide. According to its own evaluation, the Material Protection Products Business Unit is one of the leading global manufacturers of preservatives and biocidal active ingredients. According to its own evaluation, the Liquid Purification Technology Business Unit is one of the leading international suppliers of products for treating water and other liquid media and holds a leading position in the development and production of ion exchange resins and is very active in its business line for reverse osmosis membrane elements.

The **High Performance Materials segment** provides a wide range of engineering plastic compounds and is successful with the high-tech plastics Durethan® and Pocan® and their key strategic feedstocks. The High Performance Materials segment reported € 257 million sales (13% of the total sales of the LANXESS Group) in the third quarter of 2016. The High Performance Materials segment's production sites are located in Brilon, Uerdingen, Hamm-Uentrop und Antwerp, Belgium. These products are used primarily for lightweight construction solutions in automotive engineering and in the electronics industry.

In the **ARLANXEO segment**, LANXESS holds strong positions in these markets and for example is, according to its own assessment, among the leading manufacturers of butyl, ethylene-propylene-diene rubber ("EPDM") and polybutadiene rubber. The ARLANXEO segment reported € 675 million sales (35% of the total sales of the LANXESS Group) in the third quarter of 2016. The Business Units in this segment are Tire & Specialty Rubbers and High Performance Elastomers. The segment's production facilities are located in Dormagen, Germany; Zwijndrecht, Belgium; La Wantzenau and Port Jérôme, France; Sittard-Geleen, the Netherlands; Sarnia, Ontario, Canada; Gastonia, North Carolina and Orange, Texas, United States; Cabo, Duque de Caxias, Porto Feliz and Triunfo, Brazil; Changzhou, Nantong and Wuxi, China; Jhagadia, India; and Singapore. Rubber products have applications in various areas, particularly the automotive and tire industry, construction materials, leisure equipment, machinery but also in niche markets such as chewing gum. The Business Unit Tire and Specialty Rubbers produces mainly halobutyl rubbers for the tire and rubber industries. A key advantage of these products is their high impermeability to gas and moisture. Also, the Business Unit Tire and Specialty Rubbers produces synthetic rubbers that meet the most stringent requirements of the tire industry, including various polybutadiene rubber (PBR) grades, solution styrene-butadiene rubber (S-SBR) and emulsion styrene-butadiene rubber (E-SBR). Neodymium based performance butadiene rubber (Nd-PBR) and S-SBR are used especially for manufacturing modern, fuel-efficient high-performance tires. However, the polybutadiene rubbers are also an indispensable component of many everyday items such as shoes, yogurt pots and golf balls.

The Business Unit High Performance Elastomers produces EPDM. EPDM is used above all in the automotive industry for door seals and high-quality weather-stable dampers. It is also used as a modifier for

plastics, in the manufacture of oil additives and in the wire and cable and construction industries. Further, the product portfolio of the Business Unit High Performance Elastomers includes a large number of high-performance rubbers and specialties for a wide range of applications, for example as modifiers for plastics and adhesive raw materials, as functional components for the automotive and cable engineering industries, and for the gas/oil exploration and production industries, or for the soles of shoes.

Risk Management

The goal of the opportunity and risk management system is to safeguard the LANXESS Group's existence for the long term and ensure its successful future development by identifying opportunities and risks and, depending on their nature, appropriately considering these in strategic and operational decisions. Opportunities and risks are understood as possible future developments or events that may result in either positive or negative deviations from business objectives.

The management system is based both on internal organizational workflows that are managed by way of control and monitoring mechanisms and on early warning systems that are used to closely observe changes in external conditions and systematically implement the appropriate measures. This approach applies equally to opportunities and risks.

Like all methods intended for dealing with business risk, this system does not offer absolute protection. However, it does aim to prevent business risks from having a material impact on the LANXESS Group.

The principles of LANXESS' opportunity and risk management system are set forth in a Group directive. The management system, which uses the COSO (Committee of Sponsoring Organizations of the Treadway Commission) model as the enterprise risk management framework, comprises many different elements that are incorporated into business processes through LANXESS' organizational structure, its workflows, its planning, reporting and communication systems, and a set of detailed management policies and technical standards.

The system is based on an integration concept. In other words, the early identification of opportunities and risks is an integral part of the management system and not the object of a separate organizational structure. The management of opportunities and risks is therefore a primary duty of the heads of all Business Units, as well as of those people in LANXESS Group companies who hold process and project responsibility.

At LANXESS, the Business Units each conduct their own operations, for which they have global profit responsibility. Group functions and service companies support the Business Units by providing financial, legal, technical and other centralized services. Complementing this global alignment of the Business Units and Group Functions, the country organizations ensure the required proximity to markets and the necessary organizational infrastructure.

The Corporate Development Group Function systematically analyses and measures significant and strategic opportunities and risks with the goal of ensuring that the LANXESS Group is pursuing the correct long-term strategy.

Transactions particularly for the transfer of financial but also operating risk (hedging transactions or insurance) are managed centrally by the Treasury & Investor Relations Group Function.

Due to the highly integrated nature of LANXESS' general business processes, LANXESS has specialized committees composed of representatives of the Business Units and Group Functions who deal with issues concerning the LANXESS Group's opportunities and risks. This enables LANXESS to react quickly and flexibly to changing situations and their influence on the company.

In addition, a Risk Committee chaired by the Chief Financial Officer analyses the material risks and their development for their potential impact on the company as a whole. The Risk Committee brings together representatives from selected group functions to analyse existing measures to counter risks, initiate additional measures, define Group-wide risk management standards and guidelines and, if necessary, initiate further analyses of individual opportunities and risks that have been identified.

Opportunities and risks are reported to the Corporate Controlling Group Function based on the anticipated impact on Group net income or EBITDA pre exceptionals. All opportunities and risks must be reported if their anticipated impact is more than € 1 million following the implementation of measures. The Corporate Controlling Group Function centrally determines the top opportunities and risks.

There is also provision for immediate internal reporting on specific risk issues such as unexpected operational events with an impact of more than € 10 million after the implementation of measures. In 2014, there was no cause for immediate reporting of this kind.

The reported opportunities and risks are collected in a central database and regularly analyzed for the Board of Management and Supervisory Board. This ensures that when new opportunities and risks arise or when existing ones change substantially, the necessary information can be communicated in a timely manner all the way to the Board of Management and therefore also be specifically integrated into the general management of the company.

Risk management also includes preventing illegal conduct by LANXESS' employees. To this end, LANXESS obtains extensive legal advice concerning business transactions and obligates employees by means of a compliance code to observe the law and to act responsibly. The compliance code is part of a comprehensive compliance management system (CMS) that has been structured in accordance with the principles of an internationally recognized framework for enterprise risk management (COSO). This CMS is supported by the compliance organization, which is made up of the Group Compliance Officer and a network of local Compliance Officers in the countries in which the group has subsidiaries. The objective of the CMS is to ensure the observance of the group's compliance principles. The Compliance function, which includes the compliance organization, reports directly and regularly to the Board of Management.

LANXESS' Corporate Audit Department within the Legal & Compliance Group Function oversees whether the internal control and monitoring system is functioning properly and whether organizational safeguards are being observed. The planning of audits (selection of audit subjects) and the audit methods applied are correspondingly aligned with risks. To assess the effectiveness of the Internal Control System (ICS), an annual self-assessment is also carried out in major Group companies, operating units and group functions.

The Supervisory Board also exercises control functions, including regular monitoring of the efficiency of the management systems described above by the full Supervisory Board and by its Audit Committee. The Audit Committee reviews reports about the Compliance function's findings, the work of the Corporate Audit Department, and the status of the risk management and internal control system. In addition, the early warning system is evaluated by the external auditor as part of the audit of the consolidated and annual financial statements.

Research and Development

New products, new product applications and production procedures are to be developed and optimized by the Group Function Production, Technology, Safety and Environment together with the R&D Units of the Business Units. The research-intensive product and process development activities coordinated by the Production, Technology, Safety and Environment Group Function are also conducted via alliances with universities and research institutes. Generating knowledge in this way substantially complements LANXESS' in-house research activities. The total research and developments expenditures in the third quarter of the fiscal year 2016 amounted to € 34 million (compared with € 32 million in the prior-year period). In the fiscal year 2015, the total research and developments expenditures amounted to € 130 million, or 1.6 per cent. of sales (2014: € 160 million, or 2.0 per cent. of sales). Research and development plays a significant role in increasing LANXESS' competitiveness and expanding the company's business through the development of innovative processes and products as well as ongoing optimization of existing production processes.

Patents, Trademarks and Licenses

The internationally-oriented intellectual property rights strategy of LANXESS aims at the effective patent protection for its own inventions and effective trademark protection for its own product names. LANXESS places high priority on protecting its own inventions through intellectual property rights. All intellectual property rights are centrally managed from Germany, except with regard to industrial property rights which are registered in the name of United States or Canadian affiliates and which are principally attributable to the business managed from the United States or Canada. These intellectual property rights are managed by the U.S. and Canadian affiliates independently.

As of 31 December 2015, the patent portfolio of LANXESS included approximately 1,060 patent families covering around 6,850 patents and patent applications worldwide. The patent portfolio is wide-ranging and covers the various Business Units of the LANXESS Group. The LANXESS Group also acquires patent rights by licensing third-party patents. The LANXESS Group further asserts its rights to employee inventions and files patent applications for such inventions. In addition to patents, the LANXESS Group possesses confidential know-how.

The trademark rights cover approximately 615 active trademark families and a total of approximately 7,725 trademark registrations.

Material Contracts

The LANXESS Group did not enter into any contracts in the ordinary course of business, which could result in any member of the LANXESS Group being under an obligation or entitlement that is material to LANXESS' ability to meet its obligations to the Holders in respect of the Notes.

Trend Information

There has been no material adverse change in the prospects of LANXESS since 31 December 2015.

Outlook

LANXESS assumes the following development for its four segments. The assumptions made for each segment are based especially on the differing market and competitive situations faced by the Business Units and the customer industries they serve.

In the **Advanced Intermediates** segment, LANXESS anticipates expansion above the prior-year level for 2016. The segment should benefit from the high level of diversification in its customer industries, although the agriculture industry is expected to register ongoing weakness.

For the **Performance Chemicals** segment, LANXESS likewise expects business to develop positively in 2016 to above the prior-year level. In particular, the two largest business units – Inorganic Pigments and Rhein Chemie Additives – should benefit from additional capacities and newly created business platforms.

In the fiscal year 2016, LANXESS expects strong development of the **High Performance Materials** segment. Growth is expected to be driven by the varied end uses of the engineering plastics of LANXESS, particularly in lightweight construction applications in the automotive industry. Moreover, the regions particularly relevant to this segment – Europe and North America – should remain robust.

For the rubber business of **ARLANXEO**, LANXESS continues to see macroeconomic weakness in the growth markets. Due to competitors' additional capacities, which are scheduled to come on stream in the second half of the year, LANXESS anticipates a further increase in pricing pressure for its rubber products.

Objectives

In general LANXESS aims to strengthen its business portfolio to further develop a profitable and growing company. The described steps in the following section 'Recent Developments' are expected to contribute to build a more resilient, less cyclical and cash generating company with integrated supply chains.

Recent Developments

In the fiscal year 2015, LANXESS continued to implement its extensive realignment programme. In connection with the "Let's LANXESS again" programme established to this end, LANXESS discontinued production of ethylene propylene diene monomer (EPDM) rubber at the site in Marl, Germany, at the end of the first quarter of 2016.

Also in this context in September 2015 LANXESS entered into a 50-50 joint venture agreement with Aramco Overseas Company B.V. to form a strategic alliance named ARLANXEO. This strategic alliance comprises the global synthetic rubber business of the LANXESS Business Units Tire & Specialty Rubbers and High Performance Elastomers carved-out by LANXESS into the joint venture ARLANXEO. LANXESS believes this alliance offers the Business Units concerned options for access to strategic raw materials in the medium term. The transaction has been approved by all relevant antitrust authorities and was completed on 1 April 2016. With the completion of the transaction LANXESS has received cash proceeds of approximately € 1.2 billion and the 50 percent share in ARLANXEO was transferred to Aramco Overseas Holdings Coöperatief U.A.

In April 2016 LANXESS announced to acquire the Clean & Disinfect business of The Chemours Company which will be integrated into the LANXESS Business Unit Material Protection Products. The business is expected to contribute approximately € 100 million of sales based on 2015 figures. The purchase price of approximately € 210 million will be financed through existing liquidity. The acquisition was closed on 31 August 2016 after approval from all relevant anti-trust authorities.

On 25 September 2016, a US entity of the LANXESS Group signed a merger agreement with Chemtura Corporation ("**Chemtura**"). Chemtura is a US-based specialty chemical company which provides flame retardant- and lubricant additives. The company employs worldwide approximately 2,500 employees and has 20 sites in 11 countries. Chemtura headquarters are in Philadelphia, Pennsylvania. The stock listed company reported for the last twelve months ended on 30 September 2016 (Q3 2016 LTM) sales of around € 1.5 billion (US \$ 1.7 billion).

To acquire the company, LANXESS is offering US \$ 33.50 per share in cash to Chemtura's shareholders, which values the equity of the company at approximately € 1.9 billion (US \$ 2.1 billion). Total enterprise value including net financial debt and pension obligations accounts to approximately € 2.4 billion (US \$ 2.6 billion). Closing of the acquisition is expected mid-2017 and is subject to approval by shareholders of Chemtura and the relevant regulatory authorities.

LANXESS will finance the envisaged acquisition with a combination of cash on balance sheet and an initial € 2.0 billion committed bridge loan facility. The bridge loan facility is expected to be refinanced in the senior and hybrid bond markets potentially ahead of closing of the acquisition. Senior bonds with an aggregated nominal volume of €1.0 billion have already been issued on 7 October 2016. The offering of the Notes is a further part of this refinancing.

Administrative, Management and Supervisory Bodies

Board of Management

The Board of Management of LANXESS consists of the following members:

Member of Board of Management	Further offices held by member of Board of Management
Matthias Zachert (CEO)	Chairman of the Executive Board of LANXESS Deutschland GmbH Chairman of the Shareholders Committee of ARLANXEO Holding B.V.
Michael Pontzen (CFO)	Member of the Executive Board of LANXESS Deutschland GmbH Member of the Board of Directors of LANXESS Corp. Chairman of the Supervisory Board of Saltigo GmbH Member of the Shareholders Committee of ARLANXEO Holding B.V.
Dr. Rainier van Roessel	Member of the Executive Board of LANXESS Deutschland GmbH Member of the Supervisory Board of Currenta Geschäftsführungs-GmbH Chairman of the Board of Directors of LANXESS S.A. de C.V. Chairman of the Board of Directors of LANXESS Hong Kong Ltd. Chairman of the Board of Directors of LANXESS Chemicals S.L. Chairman of the Board of Directors of LANXESS Corp. Chairman of the Board of Directors of LANXESS India Private Ltd. Executive member of the Board of Administration of LANXESS N.V. Member of the Board of Directors of LANXESS Chemical (China) Co. Ltd Chairman of the Board of Directors of LANXESS K.K. Chairman of the Board of Directors of LANXESS Butyl Pte. Ltd. Chairman of the Board of Directors of LANXESS Pte. Ltd Chairman of the Board of Directors of LANXESS International S.A.

Dr. Hubert Fink	Member of the Executive Board of LANXESS Deutschland GmbH
	Member of the Board of Directors of LANXESS (Liyang) Polyols Co. Ltd

The Supervisory Board of LANXESS consists of the following members:

Member of Supervisory Board	Further offices held by member of the Supervisory Board
Dr. Rolf Stomberg (Chairman)	Chairman of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Vice Chairman of the Supervisory Board of Biesterfeld AG, Hamburg Member of the Advisory Board of HOYER GmbH, Hamburg Member of the Advisory Board of KEMNA Bau Andreae GmbH & Co. KG, Pinneberg
Werner Czaplík	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Dr. Hans-Dieter Gerriets	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Dr. Heike Hanagarth	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Dr. Friedrich Janssen	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of National-Bank AG, Essen Chairman of the Advisory Board of Hoberg & Driesch GmbH, Düsseldorf
Thomas Meiers	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of INEOS Deutschland Holding GmbH, Cologne Member of the Supervisory Board of INEOS Köln GmbH, Cologne
Lawrence A. Rosen	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of Qiagen N.V., Venlo, The Netherlands
Ralf Sikorski	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of RAG AG, Herne Member of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne Member of the Supervisory Board of RWE AG, Essen Vice Chairman of the Supervisory Board of RWE Power AG, Cologne and Essen Member of the Supervisory Board of RWE Generation AG, Essen Member of the Supervisory Board of KSBG – Kommunale Beteiligungsgesellschaft GmbH & Co. KG, Essen

	Vice Chairman of the Supervisory Board of KSBG – Kommunale Verwaltungsgesellschaft GmbH, Essen
Manuela Strauch	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Ifraim Tairi	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne
Theo H. Walthie	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne President of the Board of Administration of NBE Therapeutics AG, Basle, Switzerland
Dr. Matthias L. Wolfgruber	Member of the Supervisory Board of LANXESS Deutschland GmbH, Cologne Member of the Supervisory Board of Grillo Werke AG, Duisburg Chairman of the Advisory Board of ARDEX GmbH, Witten Member of the Board of Cabot Corporation, Boston, Massachusetts, USA

The members of the Board of Management and the Supervisory Board can be contacted at the Issuer's business address: Kennedyplatz 1, 50569 Cologne, Germany (phone:+49-221-8885-0).

None of the above members of the Board of Management and Supervisory Board have declared any potential conflict of interest between any duties to LANXESS and their private interest or other duties.

Board Practice

Committees of the Supervisory Board

The Supervisory Board has a Presidial Committee, an Audit Committee, a Committee pursuant to Section 27 (3) of the German Codetermination Act (*Mitbestimmungsgesetz*) and a Nominations Committee formed from among its members.

The Audit Committee supports the Supervisory Board in overseeing the conduct of the business and deals with matters relating to the supervision of accounting, the effectiveness of the internal control system, the risk management system and the internal auditing system as well as auditing, including the independence of the auditor and the work additionally performed by the auditor, and compliance. It prepares the Supervisory Board's resolutions concerning the annual financial statements of LANXESS and the consolidated financial statements of the LANXESS Group and recommends an auditor whom the Supervisory Board then proposes to the Annual Stockholders' Meeting for appointment. The Chairman of the Audit Committee is an independent financial expert and has specialist knowledge and experience in the field of accounting acquired through his professional activities. Members of the Audit Committee are: Dr. Janssen (Chairman), Mr. Walthie, Mr. Czaplík, Dr. Gerriets, Mr. Meiers and Mr. Rosen.

The Presidial Committee discusses key issues and prepares the meetings and resolutions of the Supervisory Board. It makes decisions on transactions requiring approval that are already included in the company's annual planning. The Presidial Committee may also resolve on the exercise of participation rights pursuant to Section 32 of the German Codetermination Act (*Mitbestimmungsgesetz*) and on transactions requiring approval that cannot be deferred. It consults regularly about long-term succession planning for the Board of Management. Furthermore, the Committee also prepares the personnel decisions to be made by the Supervisory Board and resolutions of the full Supervisory Board regarding the compensation of the members of the Board of Management. In place of the full Supervisory Board, the Presidial Committee resolves on the conclusion and amendment of employment contracts with the members of the Board of Management and all other contractual matters not pertaining to compensation. Members of the Presidial Committee are: Dr. Stomberg (Chairman), Ms. Strauch, Mr. Sikorski, Mr. Tairi, Mr. Walthie and Dr. Wolfgruber.

The Committee pursuant to Section 27 (3) of the German Codetermination Act (*Mitbestimmungsgesetz*) performs the tasks described in Section 31 (3) of the German Codetermination Act (*Mitbestimmungsgesetz*). Members of the committee are: Dr. Stomberg (Chairman), Mr. Czaplík, Mr. Sikorski and Dr. Wolfgruber.

The Nominations Committee solely comprises stockholder representatives and proposes candidates for the Supervisory Board to nominate for election as new members of the Supervisory Board by the Annual Stockholders' Meeting. Members of the Nominations Committee are: Dr. Stomberg (Chairman), Mr. Rosen and Dr. Wolfgruber.

The respective committee chairmen report regularly to the Supervisory Board on the work of the committees.

Corporate Governance

The Board of Management and the Supervisory Board issued the following declaration on 9 December 2015:

"Since the issuance of the last declaration of compliance on 10 December 2014, LANXESS has complied with the recommendations of the Government Commission on the German Corporate Governance Code ("**Government Commission**") as amended on 24 June 2014, which was published on 30 September 2014 by the Federal Ministry of Justice in the official portion of the Federal Gazette with the exceptions described in the declaration of 10 December 2014 in Sections 4.2.3, Paragraph 2, Sentence 6, 4.2.3, Paragraph 2, Sentence 8, 5.1.2. Paragraph 2 Sentence 3, 5.4.1 Paragraph 2 Sentence 1 as well as the meanwhile inapplicable exception in Section 4.2.3 Paragraph 4, Sentence 1. LANXESS has and will henceforth comply with the recommendations of the Government Commission as amended on 5 May 2015, which was published on 12 June 2015, with the following exceptions:

Section 4.2.3, Paragraph 2, Sentence 6

The amount of compensation shall be capped, both overall and for variable compensation components.

The current employment contracts for Board of Management members are besides the fixed compensation capped regarding the variable compensation components and the fringe benefits. They do not provide in addition a separate overall cap of the compensation also including a possible discretionary bonus. However, the Supervisory Board will rightfully exercise its discretion regarding a discretionary bonus as shown in the past.

Section 4.2.3, Paragraph 2, Sentence 8

Changing such performance targets or the comparison parameters retroactively shall be excluded.

When the Supervisory Board resolved in December 2014 the conditions of the variable salary component Annual Performance Payment (APP) for the members of the Board of Management for the fiscal year 2015 it reserved the right to retroactively adapt the comparison parameters of the APP. In order to synchronize the conditions with those applicable to the other management, the Supervisory Board exercised its right of modification and agreed to adapt the relation of target achievement and potential payout of the APP for the Board of Management in the fiscal year 2015.

Section 5.1.2, Paragraph 2 Sentence 3

An age limit for the members of the Board of Management shall be specified.

The Supervisory Board does not consider an age limit to the members of the Board of Management as appropriate. The ability to successfully manage a company does not necessarily cease when a specific age is reached. It rather may be in the interest of the company to appoint a member of the Board of Management beyond a defined age limit.

Section 5.4.1, Paragraph 2 Sentence 1

The Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the company, take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of section 5.4.2, an age limit to be specified for the members of the Supervisory Board and a regular limit of length of membership to be specified for the members of the Supervisory Board as well as diversity.

The Supervisory Board does not adhere to the rigid age limit for the Supervisory Board members. The age of Supervisory Board members is not a criteria for their qualification and competence. The company does not want to waive longtime experiences. Moreover, the company would restrict itself regarding the appointment of adequate members to the Supervisory Board.

II. Suggestions

In addition to its recommendations, the Corporate Governance Code also contains a number of suggestions for efficient, responsible corporate governance compliance which is not required to be disclosed under the statutory provisions. LANXESS currently complies with these suggestions as well, with only a few exceptions.

In accordance with Section 3.10 Sentence 2 of the German Corporate Governance Code, the Board of Management and the Supervisory Board therefore voluntarily issue the following declaration:

Since the issuance of the last declaration of compliance on 10 December 2014, LANXESS has complied with the suggestions of the Government Commission as amended on 24 June 2014, which was published on 30 September 2014 by the Federal Ministry of Justice in the official portion of the Federal Gazette, with the following exceptions and will continue to comply the suggestions of the Government Commission as amended on 5 May 2015, which was published on 12 June 2015, with the following exceptions:

Section 2.3.2, Sentence 2, 2nd Half-Sentence

The Board of Management shall arrange for the appointment of a representative to exercise shareholders' voting rights in accordance with instructions; this representative should also be reachable during the General Meeting.

The representatives appointed by LANXESS to exercise stockholders' voting rights in accordance with instructions can be reached at the Stockholders' Meeting until the voting is held. Stockholders not attending the meeting can reach the representatives up to the previous evening.

Section 2.3.3

The company should make it possible for stockholders to follow the General Meeting using modern communication media (e.g. Internet).

The speech by the Chairman of the Board of Management to the Stockholders' Meeting is broadcast on the Internet. Continued broadcasting of the proceedings thereafter, particularly of contributions made by stockholders, could be seen as a violation of the stockholders' rights to privacy. For this reason, LANXESS does not plan to broadcast the further proceedings."

Major Shareholders

Under the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) shareholders and individuals having access to voting rights are obliged to notify the issuer and the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) immediately when reaching, exceeding or falling below the thresholds of 3, 5, 10, 15, 20, 25, 30, 50 or 75% of the voting rights in a publicly listed company either through the acquisition or disposal of shares or other financial instruments or by any other means (Sections 21, 25 and 25 a WpHG).

For details of the history of notifications received by LANXESS where holders reached, exceeded or fell below any of the statutory notification thresholds mentioned above refer to <http://lanxess.com/en/corporate/investor-relations/shares/voting-rights-announcement-if/>.

Based on notifications received by LANXESS pursuant to Section 21 Paragraph 1 of the WpHG LANXESS is, as of the date of this Prospectus, not aware of any shareholder owning ten percent or more of LANXESS's outstanding shares.

To LANXESS' knowledge, it is not directly or indirectly controlled or owned by another cooperation, by any government, or by any other natural or legal person, acting severally or jointly, and there are no arrangements which may result in a change of control.

Historical Financial Information

The audited consolidated financial statements of LANXESS for the fiscal year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and the auditor's report (*Bestätigungsvermerk*) thereon, together contained in LANXESS' Annual Report (*Geschäftsbericht*) 2015 on pages 176 to 241, are incorporated by reference into this Prospectus.

The audited consolidated financial statements of LANXESS for the fiscal year ended 31 December 2014, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and the auditor's report (*Bestätigungsvermerk*) thereon, together contained in LANXESS' Annual Report (*Geschäftsbericht*) 2014 on pages 128 to 187, are incorporated by reference into this Prospectus.

The unaudited and unreviewed financial data in the condensed consolidated interim financial statements of LANXESS for the nine month period ended 30 September 2015, pages 18 to 21 and 23 to 27, are incorporated by reference into this Prospectus.

The unaudited and unreviewed financial data in the quarterly statement of LANXESS for the nine month period ended 30 September 2016, pages 12 to 15, are incorporated by reference into this Prospectus.

Rating

Standard and Poor's Credit Market Services France SAS ("**Standard & Poor's**")^{1, 2} has assigned the longterm credit rating BBB- (outlook negative) and Moody's Investors Service Ltd. ("**Moody's**")³, has assigned an Baa3 (outlook stable) rating to LANXESS.⁴

Standard & Poor's defines:

BBB- An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

Long-term issuer credit ratings by S&P are divided into several categories ranging from "AAA", reflecting the strongest creditworthiness, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "R" to category "SD" and "D", reflecting that an obligor is in (selective) default. The ratings from "AA" to "CCC" may be modified by the addition of a plus ("+") or minus ("-") sign to show relative standing within the major rating categories.

negative An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Rating outlooks fall into five categories: positive, negative, stable, developing and n.m. (not meaningful).

CreditWatch highlights S&P's opinion regarding the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P's analytical staff. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Moody's defines:

Baa3 Obligations rated "Baa" are judged to be medium grade and are subject to moderate credit risk and as such may possess certain speculative characteristics.

Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality, subject to the lowest level of credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated obligations which are typically in default, with little

¹ Standard & Poor's is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

² The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) 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 Article 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.

³ Moody's is established in the European Union and is registered under the CRA Regulation.

⁴ A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

prospect for recovery of principal or interest. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

stable

A rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV). A designation of RUR (Rating(s) Under Review) indicates that an issuer has one or more ratings under review, which overrides the outlook designation.

A review indicates that a rating is under consideration for a change in the near term. A rating can be placed on review for upgrade (UPG), downgrade (DNG), or more rarely with direction uncertain (UNC). A review may end with a rating being upgraded, downgraded, or confirmed without a change to the rating. Ratings on review are said to be on Moody's "Watchlist" or "On Watch".

Legal and Arbitration Proceedings

LANXESS is not currently aware of any governmental, legal or arbitration proceedings before administrative authorities to which either LANXESS or any of its subsidiaries is a party that could have a material impact on the financial condition of LANXESS or the LANXESS Group or did have such impact within the last 12 months. LANXESS is also not aware of any threat of any such proceedings.

Significant Change in the Financial or Trading Position of LANXESS Group

There has been no significant change in the financial or trading position of LANXESS Group since 30 September 2016.

TAXATION

Federal Republic of Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus. These laws are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

Income tax

Notes held by tax residents as private assets

- Taxation of interest

Payments of interest on the Notes to Holders who are tax residents of the Federal Republic of Germany (*i.e.*, persons whose residence or habitual abode is located in the Federal Republic of Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the Note is disposed of separately.

On payments of interest on the Notes to individual tax residents of the Federal Republic of Germany income tax is generally levied as a flat income tax at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, plus, if applicable, church tax). As from 1 January 2015, the church tax is generally levied by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt für Steuern*). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in the Federal Republic of Germany (the "**Disbursing Agent**") the flat income tax will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Note does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%. In this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

- Taxation of capital gains

From 1 January 2009, also capital gains realized by individual tax residents of the Federal Republic of Germany from the disposition or redemption of the Notes acquired after 31 December 2008 will be subject to the

flat income tax on investment income at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, plus, if applicable, church tax), irrespective of any holding period. As from 1 January 2015, the church tax is generally levied by way of withholding unless the Holder has filed a blocking notice with the German Federal Tax Office. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30% of the proceeds from the disposition or redemption of the Notes.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25% plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%. In this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge and, if applicable, church tax). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) tax at a rate of 25% (plus a solidarity surcharge of 5.5% of such tax and, if applicable, church tax) will also be withheld from interest payments on Notes and (since 1 January 2009) generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge (and, if applicable, against the church tax) of the Holder.

With regard to capital gains no withholding will generally be required in the case of Notes held by corporations resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office, and upon application in the case of Notes held by individuals or partnerships as business assets.

Notes held by non-residents

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.* persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in the Federal Republic of Germany, unless the Notes form part of the business property of a permanent establishment maintained in the Federal Republic of Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of the Federal Republic of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "*Notes held by tax residents as business assets*" or at "*Notes held by tax residents as private assets*", respectively.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will generally arise under the laws of the Federal Republic of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of

gift tax, neither the donor nor the donee, is a resident of the Federal Republic of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in the Federal Republic of Germany.

Grand Duchy of Luxembourg

Non-Residents

Under the existing laws of the Grand Duchy of Luxembourg, there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes or on payments made under the Guarantee to non-residents of the Grand Duchy of Luxembourg.

Directive 2014/107/EU as regards mandatory automatic exchange of information in the field of taxation in order to implement the CRS among the member States of the European Union was implemented into Luxembourg law by the law of 18 December 2015. The law of 18 December 2015 requires Luxembourg Financial Institutions to identify Financial Accounts holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg Financial Institutions will report reportable information to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Under the law of 18 December 2015, the first exchange of information will be applied between competent authorities by 30 September 2017 for information related to the calendar year 2016. As a result, and as the case may be, any Luxembourg Reporting Financial Institution might have to report the relevant information to the Luxembourg tax authorities prior to 30 June 2017 in line with the law of 18 December 2015.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Unlike FATCA, CRS does not foresee any punitive withholding tax as such. Investors should consult their own tax adviser to obtain a more detailed explanation of CRS and how CRS may affect them.

Residents

According to the law of 23 December 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU or in the EEA to an individual Holder of Notes who is a resident of Luxembourg will be subject to a withholding tax of 10% (to be increased to 20% as from 1 January 2017). In case of payment through a paying agent established in the EU or in the EEA, the Luxembourg resident individual Holder of Notes must under a specific procedure remit 10% (to be increased to 20% as from 1 January 2017) tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10% (to be increased to 20% as from 1 January 2017) withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident Holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "interest", "paying agent" and "residual entity" have the meaning given thereto in the Luxembourg law of 23 December 2005, as amended. "Interest" will include accrued or capitalized interest at the sale, repayment or redemption of the Notes. Payments of interest or similar income under the Notes to Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

Republic of Austria

Income tax

Residents

Individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or their place of management in Austria are considered residents for Austrian income and corporate income tax law purposes, respectively.

Individual residents

- Notes held by tax residents as private assets

Generally income arising with respect to the Notes in the form of either

- (i) fixed or floating interest payments (*Zinserträge*) or
- (ii) realized capital gains (*Einkünfte aus realisierten Wertsteigerungen*)

qualifies as "investment income" (*Einkünfte aus Kapitalvermögen*) and, as such, is taxed under a special regime at a flat rate of 27.5%. Realized capital gains are the difference between (a) the amount realized (e.g., the sale proceeds, the redemption or other pay-off amount, or the fair market value in case of a deemed realization) and (b) the acquisition costs; in both cases (amount realized and acquisition costs) including accrued interest, if any.

For Notes held as private assets, the acquisition costs do not include ancillary acquisition costs (*Anschaffungsnebenkosten*). An average price is determined regarding Notes not acquired at the same time, but held in the same securities account with the same securities identification number. Expenses and costs (*Aufwendungen und Ausgaben*) that are directly connected with investment income are not tax effective.

Capital gains are not only taxed upon an actual disposition or redemption of the Notes, but also upon a deemed realization.

- A deemed realization takes place due to a loss of the Austrian taxing right in the Notes (e.g. move abroad, donation to a non-resident, etc.). In case of relocation of the Noteholder to another EU member state the possibility of a tax deferral exists, to be elected for in the tax return of the Noteholder in the year of his or her relocation. If the Notes are held in an Austrian securities account, the Austrian withholding agent (custodian or paying agent) has to impose the withholding tax only upon an actual disposition of the Notes or withdrawal from the account. If the holder of the notes has timely notified the Austrian withholding agent of his or her relocation to another EU Member State, not more than the value increase in the Notes until relocation is subject to Austria withholding tax. An exemption of withholding tax applies in case of moving to another EU Member State if the Noteholder presents to the Austrian withholding agent a tax assessment notice of the year of migration in which the option for a deferral of tax has been exercised.
- A deemed realization also takes place upon withdrawals (*Entnahmen*) from an Austrian securities account and other transfers of Notes from one Austrian securities account to another one. Exemptions apply in this case for a transfer of the Notes to another deposit account, if certain information procedures are fulfilled and no loss of the Austrian taxing right occurs (e.g., no donation to a non-resident).

If an Austrian custodian (*inländische depotführende Stelle*, also referred to as "securities account keeping agent") or an Austrian paying agent (*auszahlende Stelle*) is involved in paying investment income (interest or capital gains), 27.5% withholding taxation is imposed. The Austrian custodian or paying agent has the responsibility to deduct and pay the withholding tax to the respective tax office.

The withholding tax generally results in a final income taxation; an option to assess the income at the progressive income tax rate exists (in particular for investors whose regular personal income tax rate is lower than 27.5%). If no withholding tax is imposed (e.g., because the Notes are held through a foreign paying agent), the investment income arising from the Notes generally has to be included into the income tax return in accordance with the law and will be subject to the special flat tax rate of 27.5%.

Losses from Notes held as private assets may only offset other investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not offset any other income. Mandatory loss-offsetting rules to be handled by Austrian custodians apply. A carry-forward of losses is not possible in this context.

- Notes held by tax residents as business assets

Generally, the same rules as described in the previous heading apply regarding Notes that are held as business assets by tax residents who are individuals. The most important differences are the following:

- Realized capital gains, contrary to interest income, have to be included in the annual tax return, since despite a 27.5% withholding taxation that is also imposed in the context of Notes held as business assets if an Austrian custodian is involved, no final income taxation applies.
- Write-downs and realized losses regarding the Notes held as business assets may be offset with positive income from realized capital gains that are investment income in the first place; 55% of the remaining losses may be offset against other income or carried forward.
- The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.
- Loss off-setting is not made by the custodian, but can only be made in the assessment of the individual.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income are also not tax effective in case the Notes are held as business assets.

Corporate residents

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent, who has to forward a copy thereof to the finance office. Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25%.

A special tax regime applies for private foundations (*Privatstiftungen*).

Notes held by non-residents

Individuals who have neither a domicile nor their habitual abode in Austria or corporate investors that have neither their corporate seat nor their place of management in Austria ("*non-residents*") are not taxable in Austria with their income from the Notes provided the income is not attributable to a permanent establishment in Austria.

Non-resident investors who are resident individuals of an EU Member State and who hold the Notes through an Austrian paying agent have to consider the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments regarding particular withholding tax rules until December 31, 2016 (see in this respect below under the heading "*EU Savings Tax Directive*").

Please note that according to a recent law amendment that will be effective as of 1 January 2017, the taxation of interest income from the Notes to investors who are individuals, as described in this paragraph, will be extended to any non-resident individuals (i.e. it will no longer be limited to individuals who are resident outside the EU). However, as described above, no such taxation of interest income applies if the Notes are not issued by an Austrian issuer or if the debtor of the interest payments has neither its seat nor its place of management in Austria and is no branch of a foreign bank. Further, no taxation of interest income applies vis-à-vis individuals who are residents in a country with which Austria agreed on an automatic exchange of information.

Therefore, such non-resident investors may if they receive income from the Notes through an Austrian withholding tax agent avoid Austrian withholding taxation by way of evidencing their non-resident-status vis-à-vis the withholding tax agent. If Austrian withholding tax is imposed, the investor may apply for a refund thereof.

If non-residents receive income from the Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors.

Final note on withholding tax imposed in Austria

Assuming that neither of the Issuers uses a branch or permanent establishment in Austria for the payment of interest under the Notes, neither of the Issuers do assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) or EU Withholding Tax (*EU-Quellensteuer*) charged in Austria at source and is not obliged to make additional payments in case of withholding tax deductions at source.

EU Savings Tax Directive

Under the EU Savings Tax Directive each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20 % from 1 July 2008, and of 35 % from 1 July 2011. As from 2010 Belgium and as from 2015 also Luxembourg applies the information procedure described above.

In Germany, provisions for implementing the EU Savings Tax Directive were enacted by legislative regulations of the Federal Government. These provisions apply since 1 July 2005.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above (the "**Amending Directive**"). In particular, the changes expand the range of payments covered by the EU Savings Tax Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the EU Savings Tax Directive, to also include (in addition to individuals) certain types of entities and legal arrangements. EU Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

It should, however, be noted that on 10 November 2015 the EU Savings Tax Directive was repealed. Instead Council Directive 2011/16/EU (as amended by EU Council Directive 2014/107/EU) on administrative cooperation in the field of taxation will apply, pursuant to which EU Member States will be required to apply other new measures on mandatory information exchange, concerning bank accounts with effect from 1 January 2017 in the case of Austria (with the exception of a limited set of accounts concerning new accounts opened after 30 September 2016) and with effect from 1 January 2016 in the case of all other EU Member States. This action was taken to prevent an overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under EU Council Directive 2011/16/EU (as amended by EU Council Directive 2014/107/EU) on administrative cooperation in the field of taxation. Consequently, the EU Member States are no longer required to apply the new requirements of the Amending Directive. As mentioned above, as of 1 January 2017 taxation will be imposed on interest income paid on publicly offered debt securities if paid to non-resident individuals through an Austrian paying agent. However, as also described above, no such taxation of interest income applies if the Notes are not issued by an Austrian issuer or if the debtor of the interest payments has neither its seat nor its place of management in Austria and is no branch of a foreign bank. Further, no taxation of interest income applies vis-à-vis individuals who are residents in a country with which Austria agreed on an automatic exchange of information.

United States of America (the "United States")

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA ("**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Germany) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 (intended date) and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has recently stated that it will no longer participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE OF THE NOTES

General

The Issuer has agreed in an agreement to be signed on 2 December 2016 to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on the Issue Date at the Issue Price. Proceeds to the Issuer will be net of commissions of up to 0.70 per cent. of the aggregate principal amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, in certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, which are material to the issue.

Offer of the Notes

The Issuer has offered the Notes in a bookbuilding process which occurred on 29 November 2016 to investors who are "qualified investors" within the meaning of Art. 2(1)(e) of the Prospectus Directive (in compliance with Art. 3(2)(e) of the Prospectus Directive).

Thereafter, the Notes may be offered to investors by the Managers during an offer period which will commence on the day following the publication of the approved Prospectus (2 December 2016) and which will end with the expiry of the Issue Date, (the "**Offer Period**"), subject to any shortening or extension of the Offer Period.

During the Offer Period, the Managers will offer the Notes upon request through banking institutions in Luxembourg, Germany and Austria. These institutions will supply investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. There are no conditions to which the offer is subject. Results of the offer will be published on the website of the Issuer (www.lanxess.com).

Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified or, if applicable, a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Act relating to prospectuses for securities.

Confirmation in Relation to an Order and Allotments as well as Delivery of the Notes

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount. Delivery of and payment for the Notes will be made on the Issue Date (6 December 2016). The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price. Dealing may not begin before notification is made.

Charges and Costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks in connection with the purchase or holding of securities.

SELLING RESTRICTIONS

General

Each Manager has represented, warranted and undertaken that it has complied and will comply with all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses, distributes or publishes the Prospectus or any related offering material and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Managers shall have any responsibility therefor.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the Grand Duchy of Luxembourg, the Federal Republic of Germany and Austria from the time the Prospectus has been approved by the competent authority in the Grand Duchy of Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State, at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United States of America and its Territories

Each Manager has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America (the "United States") to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Manager has represented, warranted and undertaken that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Manager has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**").

- Except to the extent permitted under TEFRA D, each Manager represents that (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;

- Each Manager represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such 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;
- If it is a United States person, each Manager represents that it is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the requirements of the TEFRA D Rules; and
- With respect to each affiliate that acquires such Notes from a Manager for the purpose of offering or selling such Notes during the restricted period, such Manager repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf.

Terms used in this subparagraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

United Kingdom of Great Britain and Northern Ireland

Each Manager has represented and agreed that,

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- 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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to a Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

GENERAL INFORMATION

Listing and Admission to Trading

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit to trading on the regulated market of the Luxembourg Stock Exchange.

Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Management of the Issuer dated 25 September 2016 and a resolution of the Supervisory Board of the Issuer dated 25 September 2016.

Use of Proceeds

In connection with the offering of the Notes, the Issuer expects to receive net proceeds of approximately € 489,775,000 which are intended to be used for general corporate purposes, which may include the financing of the acquisition of Chemtura by Lanxess. The total expenses of the issue are expected to amount to € 900,000 plus commissions payable to the Managers of up to 0.70 per cent. of the Aggregate Principal Amount of the Notes.

Clearance and Settlement

The Notes have been accepted for clearance through Euroclear Bank SA/NV (1 Boulevard du Roi Albert II, 1210 Brussels, Belgium) and Clearstream Banking, S.A. (42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg). The Notes have been assigned the following securities codes: ISIN XS1405763019, Common Code 140576301, WKN A2DACG.

Credit Rating

The Notes are expected to be rated Ba2¹ by Moody's Investors Service Ltd.² and BB³ by Standard and Poor's Credit Market Services France SAS⁴ upon issuance.⁵

¹ Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality, subject to the lowest level of credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated obligations which are typically in default, with little prospect for recovery of principal or interest. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Obligations rated "Ba" are judged to be speculative and are subject to substantial credit risk.

² Moody's is established in the European Community and is registered under the CRA Regulation. The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) 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 Article 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

³ Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

⁴ Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation"). The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) 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 Article 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.

⁵ A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Indication of Yield

The yield in respect of the Notes from the Interest Commencement Date to the First Call Date is 4.75 per cent. per annum, calculated on the basis of the issue price of the Notes. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method.

Interests of Natural and Legal Persons

The Managers and their affiliates may be customers of, borrowers from or creditors of LANXESS and its 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 LANXESS and its affiliates in the ordinary course of business. Furthermore, 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 or Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of 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.

Documents on Display

For so long as Notes are outstanding, copies and, where appropriate, English translations of the following documents may be obtained from the Paying Agent free of charge and can be found on the website of the Luxembourg Stock Exchange (www.bourse.lu), namely:

- (a) the Prospectus and any supplement thereto; and
- (b) any document incorporated by reference into the Prospectus.

The articles of association may be inspected (free of charge) during normal business hours at the specified office of the Paying Agent(s) and on the website of the Issuer (www.lanxess.com).

DOCUMENTS INCORPORATED BY REFERENCE

Documents Incorporated by Reference

The published audited consolidated financial statements of LANXESS Group for the fiscal year ended on 31 December 2015 and 31 December 2014, in each case including the auditors' report thereon;

The published unaudited and unreviewed condensed consolidated interim financial statements for the period from 1 January to 30 September 2015.

The published unaudited and unreviewed quarterly statement of LANXESS Group for the period from 1 January to 30 September 2016.

Comparative Table of Documents Incorporated by Reference

Page	Section of Prospectus	Document incorporated by reference
104 et seqq.	<i>"Description of the Issuer— Historical Financial Information"</i>	<ul style="list-style-type: none"> - the audited consolidated financial statements of LANXESS Group for the fiscal year ended on 31 December 2015 consisting of <ul style="list-style-type: none"> ▪ Statement of Financial Position (page 176 of the Annual Report of 2015), ▪ Income Statement (page 177 of the Annual Report of 2015), ▪ Statement of Comprehensive Income (page 178 of the Annual Report of 2015), ▪ Statement of Changes in Equity (page 179 of the Annual Report of 2015), ▪ Statement of Cash Flows (page 180 of the Annual Report of 2015), ▪ Notes to the consolidated Financial Statements (pages 181 to 239 of the Annual Report of 2015), ▪ the Auditor's Report (page 241 of the Annual Report of 2015) - the audited consolidated financial statements of LANXESS Group for the fiscal year ended on 31 December 2014 consisting of <ul style="list-style-type: none"> ▪ Statement of Financial Position (page 128 of the Annual Report of 2014), ▪ Income Statement (page 129 of the Annual Report of 2014), ▪ Statement of Comprehensive Income (page 130 of the Annual Report of 2014), ▪ Statement of Changes in Equity (page 131 of the Annual Report of 2014), ▪ Statement of Cash Flows (page 132 of the Annual Report of 2014), ▪ Notes to the consolidated Financial Statements (pages 133 to 185 of the Annual Report of 2014), ▪ the Auditor's Report (page 187 of the Annual Report of 2014)

- the unaudited and unreviewed condensed consolidated interim financial statements of LANXESS Group for the period from 1 January to 30 September 2015 consisting of
 - Statement of Financial Position (page 18 of the interim financial statements),
 - Income Statement (page 19 of the interim financial statements),
 - Statement of Comprehensive Income (page 20 of the interim financial statements),
 - Statement of Changes in Equity (page 20 of the interim financial statements),
 - Statement of Cash Flows (page 21 of the interim financial statements),
- Notes to the consolidated Financial Statements (pages 23 – 27 of the interim financial statements),
- the unaudited and unreviewed quarterly statement of LANXESS Group for the period from 1 January to 30 September 2016 consisting of
 - Statement of Financial Position (page 12 of the quarterly statement),
 - Income Statement (page 13 of the quarterly statement),
 - Statement of Comprehensive Income (page 14 of the quarterly statement),
 - Statement of Changes in Equity (page 14 of the quarterly statement),
 - Statement of Cash Flows (page 15 of the quarterly statement),

55 *"Terms and Conditions of the Notes"* **Schedule 1** "Provisions regarding resolutions of Holders" of the Agency Agreement dated 2 December 2016 between LANXESS and Deutsche Bank Aktiengesellschaft as Paying Agent. The German language version of the provisions regarding resolutions of Holders is set out on pages 1 – 6 and the English language version of such provisions is set out on pages 7 – 12 of the aforementioned Schedule 1.

Any information incorporated by reference that is not included in the above list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004.

Availability of incorporated documents

Any document incorporated herein by reference can be obtained without charge at the offices of the Issuer as set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified office of the Principal Paying Agent as set out at the end of this Prospectus and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

NAMES AND ADDRESSES

ISSUER

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Banco Santander, S.A.

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DZ BANK AG

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Frankfurt am Main

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Federal Republic of Germany

Landesbank Hessen-Thüringen Girozentrale

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Mizuho International plc

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